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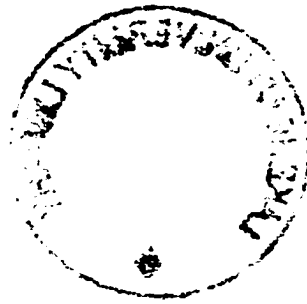
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Lakehead University

"Some Day They Must Unite":
The Amalgamation of Fort William and Port Arthur

**A Thesis Submitted To The Faculty of Arts, Department of History
In Fulfilment Of Requirements For The Degree Of Master of History**

By

David Edward Achtenberg ©
Thunder Bay, Ontario
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Chapter 1

Introduction: Local Government in Ontario and at the Lakehead

The amalgamation of Fort William and Port Arthur in 1970 was the result of many factors. It had been a goal of some citizens of both cities for almost as long as the two cities existed. However, these amalgamation supporters did not realize their goal until the late 1960s when it became apparent that local government at the Lakehead needed to be reorganized in order to meet the challenges of urbanization. These challenges included provision of services, increased suburbanization, and future growth. Under leadership provided by local politicians, and business and labour leaders, the Lakehead underwent a local government review. The resulting recommendation of total amalgamation of Fort William and Port Arthur and the annexation of the townships of Neebing and McIntyre to the new city was quickly acted upon by the Ontario government. A new city, Thunder Bay, was created on January 1, 1970.

While this thesis will focus on the situation at the Lakehead, it is important to realize that the structure of local government at the Lakehead was determined by Ontario's Municipal Act. This chapter will provide a brief history of local government in Ontario and its

reorganization in the 1960s and 1970s. Local government at the Lakehead was directly affected by the actions of the Ontario government, and the problems that the Lakehead faced were quite similar to those in other parts of the province. In the end, the solutions to these problems were similar as well.

A Brief History of Local Government in Ontario

The Municipal Act of 1849, commonly referred to as the Baldwin Act, set up a system of local government in Ontario that remained in place until the provincial authorities began a series of local government reviews in the mid 1960s. Communities throughout Ontario were established in accordance with the Baldwin Act, and throughout the next century any changes to municipal boundaries were accomplished through either amalgamation or annexation.¹ These changes were sought for a variety of reasons, depending upon the circumstances of the municipalities. Some reasons for boundary changes included the need for improved services, room for expansion,

¹K. Grant Crawford explains the difference between these two processes in his book Canadian Municipal Government (Toronto: University of Toronto Press, 1954), p. 70. "Annexation consists of adding a part of one municipality, amalgamation consists of joining or merging the whole of two or more municipalities."

an increased tax base, or control of planning functions.² If annexation or amalgamation was not desired by the municipalities in question, they often made ad hoc agreements to resolve the problems that one or both of them were experiencing. This was common in securing water supply, sewage disposal, or roads.³

However, by the 1960s large-scale urbanization and suburbanization had shown that the Baldwin Act system of government was not working well for some parts of Ontario. The provincial government's initial response was to begin a series of local government reviews which would deal with specific areas or regions at the request of all the municipal governments in those areas.⁴ The local government reviews were comprehensive studies of local government structures in the area under review, involving public consultation and input, and resulting in the review commissioners making recommendations for both the provincial government and affected

² K.G. Crawford, "Urban Growth and Boundary Readjustments", Canadian Public Administration, Vol. 3 (March 1960), p. 3.

³Niagara Region Review Commission, Report and Recommendations (Toronto: Queen's Printer for Ontario, 1989), p. 18.

⁴Lionel D. Feldman, "Provincial-Municipal Relations in Ontario: An Examination of Selected Aspects" in L.D. Feldman and M.D. Goldrick, eds., Politics and Government of Urban Canada: Selected Readings 3rd edition (Toronto: Methuen Publications, 1976), p. 260.

municipal governments to consider.⁵ If the Ontario government felt there was enough support for the proposals, they introduced special legislation to create the new local government structure. As a result, many new and different local government structures appeared on the Ontario landscape by the early 1970s.

The Baldwin Act set up systems of local government that were different in northern and southern Ontario. In southern Ontario the county system was used, while northern Ontario was divided into districts. The county municipalities included all the territory within the county except that area contained within any city or separated town. The county was divided into townships, which were the basic units of rural government.⁶ The township councils consisted of a reeve and four councillors or a reeve, deputy reeve and three councillors if there were more than 1,000 electors. The Reeves and deputy Reeves also sat as members of the county council. County councils had jurisdiction in specific matters pertaining to the whole county (except

⁵Henry J. Jacek, "Regional Government and Development: Administrative Efficiency versus Local Democracy", Donald C. MacDonald, ed. Government and Politics of Ontario 2nd edition (Toronto: Van Nostrand Reinhold Ltd., 1980), pp. 152-153.

⁶Crawford, Canadian Municipal Government, p. 64. Crawford notes that in northern Ontario there are unincorporated townships which are territorial subdivisions, not municipal units.

for areas within a city), such as upkeep of main roads or maintenance of jails. However, townships looked after local matters and were not subject to control by the county.⁷ This was a two-tier system of government, but with limited powers and responsibilities for the county. Also, cities were not part of the county system, and had their own councils.

Instead of being divided into counties, northern Ontario was divided into judicial districts.⁸ Although, most of its area was not organized for municipal purposes, most of the population lived in areas which had some form of local government.⁹ This included rural municipalities, townships, villages, towns, and cities. Despite not having a county system, northern Ontario's local government structures were quite similar to those found in the southern part of the province, in that they had the same purpose and had the same powers given to them by the provincial government.

⁷Ibid.

⁸Gordon Brock, The Province of Northern Ontario (Cobalt: Highway Book Shop, 1978), p. 5. Brock states that "It has been generally claimed that Northern Ontario's southern boundary follows the French and Mattawa Rivers to Georgian Bay; however, it is occasionally described as including the District Municipality of Muskoka."

⁹Ibid., p. 23.

In both the county and district systems, municipal boundaries could be changed through annexation or amalgamation. This was done in areas of increasing urbanization and suburbanization for a variety of reasons, depending upon the situation. Some suburbs demanded annexation to a neighbouring city because their town or township could not afford the full services being sought by residents.¹⁰ The city would often be willing to annex surrounding territory because the residents in the suburbs were benefitting from using many of the city's services while paying lower taxes.¹¹ Also, the city was often interested in how the surrounding area was being planned. The subdivisions on the edge of many cities were often not well-planned, making it difficult for the city to service the area.¹² As a result, cities annexed parts of the townships or towns surrounding them or amalgamated with the entire township or town, so that the area's growth could be better controlled and the area could be fully serviced.

If annexation or amalgamation was not desirable, a municipality

¹⁰Niagara Region Review Commission, Report and Recommendations, p. 18.

¹¹Ibid. Also see Crawford, "Urban Growth and Boundary Readjustments", pp. 54-55.

¹²Niagara Region Review Commission, Report and Recommendations, p. 19.

could negotiate to arrive at an ad hoc agreement with a neighbouring city or town to get specific services. Agreements concerning water supply, sewage disposal, and fire protection were most common.¹³ However, ad hoc agreements tended not to work very well and, like annexation and amalgamation, did not solve the basic problems of planning and finance that rapid urbanization was creating.¹⁴

After World War II, the demand for services increased dramatically, creating a need for more provincial government assistance. Municipalities had to extend and improve the "hard" services, such as sewers, water, and roads, as well as the social services, which included schools, hospitals, child care and protection. This demand for increased and improved services, as well as new consideration for the urban environment and pollution, put large demands on local governments. As a result, the Ontario government experienced a five-fold increase in Municipal Unconditional grants from 1953 to 1961 to help municipalities meet these demands.¹⁵

Municipal government's traditional service delivery role was

¹³Ibid., p. 18.

¹⁴Ibid., p. 19. Annexation and amalgamation may have increased the city's tax base, but the tax base of the county shrank.

¹⁵Lionel D. Feldman, "Provincial-Municipal Relations in Ontario", p. 259.

changing as society increasingly became urban in character. The political dimension was becoming more complex because local governments were increasingly dealing with potentially controversial issues beyond taxation and the application of regulations.

Developments in the area of transportation provide an example:

Time was when a municipality could decide to build an expressway or a major arterial road on the basis of technical and financial criteria. But these grounds alone are no longer sufficient. It is now essential that not only the decision to construct such a facility but its location must be considered in terms of probable effects on elements of a city's economy, the probable increased vehicle use in residential neighbourhoods and the possible aesthetic consequences.¹⁶

As Ontario became more urbanized, local governments had to change to meet the complex challenges that they faced.

The first step towards altering local government to meet the challenges posed by increased urbanization took place in 1954 with the establishment of the Municipality of Metropolitan Toronto.¹⁷ The Ontario government passed legislation which created a two-tier

¹⁶The Institute of Local Government, Urban Population Growth and Municipal Organization (Kingston: The Institute of Local Government, Queen's University, 1973), p. xiv.

¹⁷Niagara Region Review Commission, Report and Recommendations, p. 19. The legislation was passed in 1953, coming into effect January 1, 1954.

metropolitan government consisting of the City of Toronto and the surrounding twelve suburban municipalities. This meant that the thirteen municipalities in the metropolitan area would continue to exist. They would provide local services such as distribution of water, sewage collection, garbage collection, local streets and sidewalks, police and fire protection, local education, public health, social work services, housing, local parks; they would also have local planning boards that were expected to plan in accordance with the overall metropolitan plan.¹⁸ The metropolitan government was responsible for area-wide concerns such as collecting, treating, and distributing water to the thirteen area municipalities, providing a metropolitan sewage disposal system to collect from all the municipalities, establishing and maintaining an arterial system of highways, providing public transportation, coordinating educational facilities in the metropolitan area, provision of homes for the aged, and providing a courthouse and jail.

This form of local government was a compromise between those who favoured total amalgamation of all thirteen municipalities and those who wanted to remain as separate, independent municipalities.

¹⁸**Albert Rose, Governing Metropolitan Toronto: A Social and Political Analysis 1953-1971 (Berkeley: University of California Press, 1972), pp. 25-27.**

It was necessary because the existing structure of local government in the metropolitan area was not capable of providing for the urban community's physical needs.¹⁹ The compromise meant that elections for council would continue in each of the municipalities. The Metropolitan Council consisted of an twenty-four representatives, with twelve from the City of Toronto and one from each of the twelve suburbs. It was similar to the county system in that there was no direct elections to the Metropolitan Council; instead, the elected heads of the municipalities also sat on the upper-tier council. Therefore, this approach to the problem of Metropolitan Toronto was innovative, but not entirely radical.²⁰ This would help contribute to its success.

It would be over a decade before the Ontario government would introduce a similar system of local government elsewhere. By the 1960s there was increasing pressure to reform local government throughout the province. The provincial government responded by producing studies on the Municipal Act and Related Acts(the Beckett Committee) and on taxation (the Smith Committee).²¹ These studies saw a need for larger units of local government. The Smith Committee

¹⁹**Ibid., p. 12.**

²⁰**Ibid., p. 24.**

²¹**Jacek, "Regional Government and Development", pp. 152-153.**

Report, released in 1967, went as far as to recommend the division of southern Ontario into twenty-nine two-tier regions which would not necessarily be based on county boundaries.²² While this recommendation would have some influence on the outcome of many local government reviews, the provincial government had already begun a process of altering local governments in Ontario.

In April, 1965 the Minister of Municipal Affairs, J.W. Spooner, announced that regional studies would be commencing. The initial idea was that all municipalities which were to undergo review would have to agree that a study was needed.²³ At this time, a study was already under way in Ottawa-Carleton (begun in 1964), and soon other areas were initiating studies. The Lakehead made its request in 1965, even before Spooner's announcement. Other areas, such as Niagara, Peel-Halton, Brant, Waterloo, Hamilton-Wentworth, Muskoka, and Sudbury would be reviewed in the years to come.

The Ontario government's approach to local government reform resulted in municipal structures designed to be responsive to each region which was studied. In other words, there was no comprehensive

²²Niagara Region Review Commission, Report and Recommendations, p. 21.

²³Feldman, "Provincial-Municipal Relations in Ontario", p. 260.

legislation that would deal with all of Ontario's local governments at once.²⁴ This eventually resulted in single-tier local governments at the Lakehead and Timmins; two-tier systems, which had varying degrees of regional responsibility, in the other areas that were reviewed; and little or no changes to the other local governments in Ontario.²⁵ This meant that the solutions recommended for one local government were not necessarily applicable for another. Each was devised so that the delivery of services would be the least expensive and most efficient possible, so that economies of scale would be achieved, and so that each area would have a specialized and professional civil service.²⁶

Local Government at the Lakehead

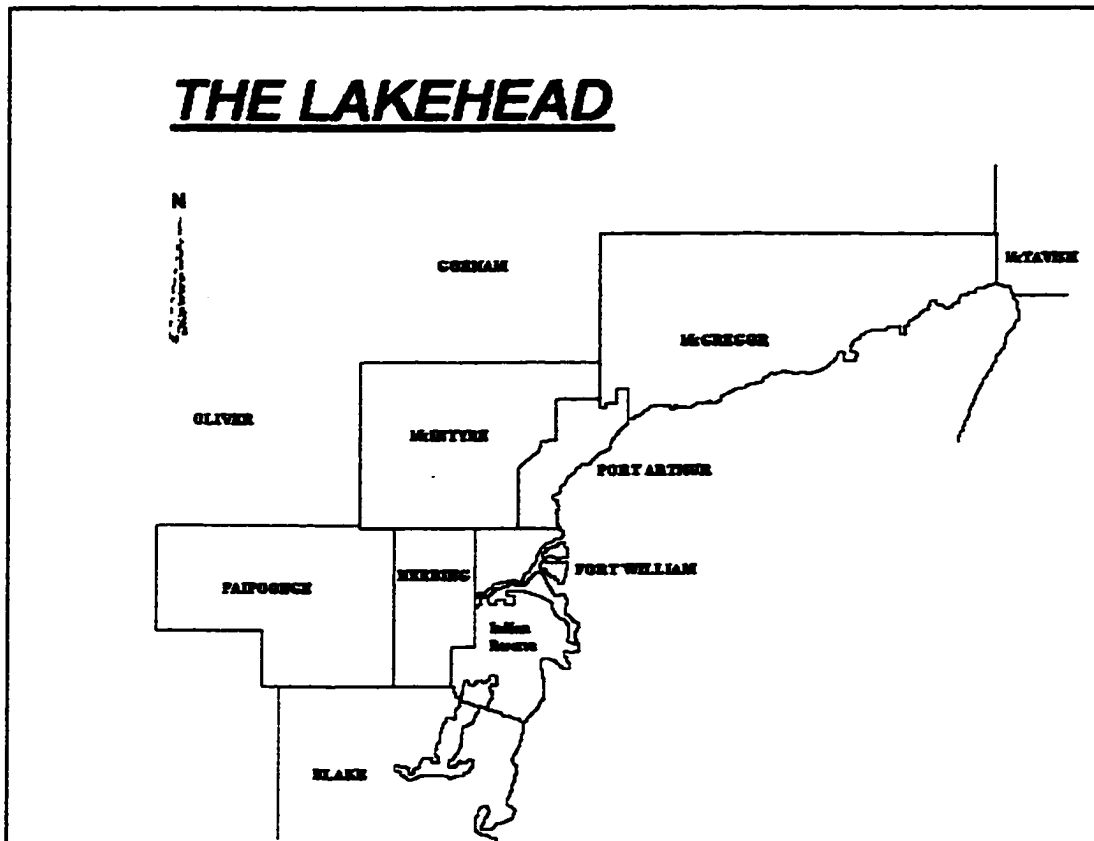
Local government at the Lakehead evolved in a similar pattern to that of many other communities in Ontario. The distinctive feature of local government at the Lakehead was the emergence of two adjacent

²⁴Norman Pearson, "Regional Government and Development", MacDonald, ed., Government and Politics of Ontario (Toronto: Macmillan Company of Canada Limited, 1975), p. 185.

²⁵Ibid.

²⁶Henry J. Jacek, "Regional Government and Development", p. 146.

cities, Fort William and Port Arthur.²⁷ They were similar in size and population. Although rivals, the two cities frequently discussed amalgamating to form a single city at the Lakehead. Nonetheless,



these two cities developed next to each other for most of a century before being amalgamated in the formation of Thunder Bay in 1970.

Fort William and Port Arthur were rivals almost from their creation. The earliest issue that pitted the two communities against

²⁷Crawford, "Urban Growth and Boundary Readjustments", p. 54. Crawford uses Fort William and Port Arthur as an example of a continuous urbanized area.

each other was the location of the Canadian Pacific Railway terminus at the Lakehead.²⁸ Fort William was chosen as the terminus, leaving Port Arthur leaders angry and upset. It was a blow to their belief that their community was going to be the major centre in Northwestern Ontario. While Fort William enjoyed this initial victory, both areas benefitted from the railway. Both communities developed their own ports, allowing them to access Lake Superior, and enabling them to act as transshipment points, conveying goods between the east and the west. Despite the rivalry and continued political separation of Fort William and Port Arthur, many visitors came to see the two cities as one unit, referred to as the Lakehead.²⁹ Some Lakehead citizens believed that the rivalry between the two cities was more problematic than helpful. They argued that amalgamation of the two cities would make it easier to attract industry to the Lakehead. Despite their arguments, the rivalry between Fort William and Port Arthur was ever-present, and made it difficult for local politicians to work towards

²⁸Elizabeth Arthur, "Introduction", Thunder Bay District 1821-1892: A Collection of Documents (Toronto: University of Toronto Press, 1973), p. xci.

²⁹Ibid., p. xciii. Also see Rudyard Kipling, Letters of Travel, 1892-1913, Volume XXIV (New York: Charles Scribner's Sons, 1920), pp. 173-174. Kipling writes that "Some day they must unite, and the question of the composite name they shall carry already vexes them."

amalgamating the two cities.

The long history of local attempts to amalgamate Fort William and Port Arthur demonstrates just how intense the rivalry was between the two cities. The results of the 1920 and 1958 plebiscites showed that a majority of Port Arthur citizens supported amalgamation and a majority of Fort William citizens opposed amalgamation in those years.³⁰ The results of these plebiscites were affected by disagreement on the meaning of the plebiscite question, an inability to agree to a comprehensive study on the possible benefits and problems of amalgamation, and the rivalry and distrust that existed between the two cities. For example, the Fort William and Port Arthur councils did not agree on what the plebiscite question meant in either 1920 or 1958.³¹ Fort William councils chose to see it as a question of whether there should be a study of the benefits and problems of amalgamation. Port Arthur councils interpreted the plebiscite as being strictly on whether to amalgamate or not. The question posed in each plebiscite

³⁰Joseph Mauro, Thunder Bay: A History (Thunder Bay: Lehto Printers Limited, 1981), pp. 290, 357.

³¹City of Thunder Bay Archives (hereafter CTBA), Port Arthur City Clerk's Files, TBA 2403, Box 8, "Amalgamation - Fort William & Port Arthur & Adjacent Areas", T.F. Milne to (unknown), Nov. 22, 1919. Also see Fort William Daily Times-Journal, April 18, 1958, p. 23.

supported Port Arthur's interpretation. However, the lack of a comprehensive study on the benefits and problems of amalgamation meant the voting public was not able to make an informed decision. In 1958, this situation, combined with strained relations between Fort William and Port Arthur councils, made it easier for Fort William citizens to vote for the status quo rather than for amalgamation with Port Arthur and uncertainty. In other words, many felt there were no compelling reasons for amalgamation of the two cities to take place at that time.

By the late 1950s, like many other urban areas in Ontario, the Lakehead's municipalities were beginning to have problems associated with urbanization. Port Arthur was concerned with uncontrolled urban growth in the portion of Shuniah which bordered the northern part of Port Arthur.³² Shuniah's attempts to have Port Arthur annex this area, known as McIntyre, failed because Port Arthur could not afford it. As well, Port Arthur was beginning to face the prospect of running out of residentially-zoned land. Fort William faced the same problem, and was interested in acquiring the area on its western boundary in the

³²This spillover phenomenon was common to urban centres. The availability of cheap land that was close to the city was attractive. See David Siegel, "Local Government in Ontario", in Graham White, ed., The Government and Politics of Ontario, 4th Edition (Scarborough: Nelson Canada, 1990), p. 144.

Township of Neebing. Both cities were concerned because residents in the surrounding municipalities were enjoying many city services but were not paying for them.

Port Arthur's Mayor, Saul Laskin, provided leadership in asking the provincial government for assistance in reviewing local government at the Lakehead. In 1964, Laskin requested the assistance, but was told it was not possible unless the other Lakehead municipalities also made the request. By February 1965 Mayor Laskin had convinced the mayor of Fort William and the Reeves of Shuniah, Neebing, and Paipoonge to support his request for a local government review.³³ The Ontario government was now favourable to Port Arthur's second request because all the municipalities had agreed to it, and it was being supported by the Lakehead Chamber of Commerce and the Fort William-Port Arthur and District Trade Council. More importantly, by the mid-1960s the provincial government had also recognized that local government structures needed to be reorganized throughout the province to deal with the increased responsibilities municipalities

³³A.W. Rasporich and Thorold J. Tronrud, "Class, Ethnicity and Urban Competition", in Thorold J. Tronrud and A. Ernest Epp, eds., Thunder Bay: From Rivalry to Unity (Thunder Bay: The Thunder Bay Historical Museum Society, 1995), p. 224. Also see the Fort William Daily Times-Journal, February 3, 1965, p. 1.

faced and to use tax revenue more efficiently.³⁴ Consequently, the provincial government appointed an independent review commissioner, Eric Hardy, and set out the Lakehead Local Government Review's terms of reference.

The Lakehead municipalities had decided on a course of action that would result in changes to the Lakehead's local government structures. These changes would be based on both a comprehensive review of local government at the Lakehead and on public consultation. This study was on a much larger scale than proponents of amalgamation had urged, but not received, prior to the 1958 plebiscite in Port Arthur and Fort William. The review process followed at the Lakehead was the same as that followed in other areas where local government reviews were to take place.³⁵ Data was collected and published for the public. Formal written submissions from municipal officials and public hearings followed. Finally, the review commissioner published the recommendations which he would

³⁴Allan O'Brien, "Father Knows Best: A Look at the Provincial-Municipal Relationship in Ontario", in MacDonald, ed., Government and Politics of Ontario (1975), pp. 154-155. Henry J. Jacek, "Central Government Planning versus Conflicting Elites: Regional Government in Hamilton-Wentworth", in MacDonald, ed., Government and Politics of Ontario (1975), p. 48.

³⁵Jacek, "Regional Government and Development", pp. 152-153.

submit to the provincial government for consideration.

Eric Hardy, commissioner of the Lakehead Local Government Review, heard several different recommendations from the local municipal governments. Port Arthur favoured total amalgamation of the municipalities to create one city. Fort William, Neebing, Shuniah, and Paipoung each proposed different forms of two-tier local government during public hearings held in 1966. The regional government being advocated by the provincial government was two-tier in nature. Nonetheless, in his 1968 report, Eric Hardy firmly recommended total amalgamation of Port Arthur and Fort William and the inclusion of the suburban fringes in Neebing and Shuniah to create a new Lakehead city.

Amalgamation of Port Arthur and Fort William was achieved with the creation of Thunder Bay in 1970. The Ontario government decided there was enough local support for Hardy's recommendations and worked quickly to create a new local government at the Lakehead, passing the necessary legislation in 1969. In creating Thunder Bay, the provincial government was continuing the reorganization of local government in Ontario. It also resolved an issue that had been debated for almost as long as the two communities existed.

Amalgamation was reality.

Amalgamation at the Lakehead: The Historical Literature

The story of the amalgamation of Fort William and Port Arthur has received the attention of local writers in several contexts. Joseph Mauro, in his book Thunder Bay: A History, describes the event in two pages and gives few details.³⁶ The latest history of Thunder Bay, Thunder Bay: From Rivalry to Unity, does give a fuller treatment of amalgamation, particularly in the last section.³⁷ However, there is no comprehensive examination of how and why amalgamation came about. This is understandable because the focus of the book is not on local government structures or amalgamation, but on the broader topic of the Lakehead as an urban community. Nonetheless, Thunder Bay: From Rivalry to Unity provides valuable analysis of the history of the Lakehead's economy and population growth.³⁸ Similarly, Mitchell Kosny's doctoral dissertation "A Tale of Two Cities: An Evaluation of

³⁶Mauro, Thunder Bay: A History, pp. 363-365.

³⁷Tronrud and Epp, eds., Thunder Bay: From Rivalry to Unity. The last section, entitled Section Five: Politicians and Planners has two articles: A.W. Rasporich and Thorold J. Tronrud, "Class Ethnicity and Urban Competition", pp. 204-225 and Mitchell E. Kosny, "Thunder Bay After A Quarter Century", pp. 227-242.

³⁸Ibid. See James Stafford, "A Century of Growth at the Lakehead", pp. 38-53; Bruce Muirhead, "The Evolution of the Lakehead's Commercial and Transportation Infrastructure", pp. 76-97; and Thorold J. Tronrud, "Building the Industrial City", pp. 99-119.

Local Government Organization Theory and its Implications for Municipal Reorganization in Thunder Bay, Ontario” is valuable for its examination of how the new City of Thunder Bay was organized and the implications of municipal reorganization in Thunder Bay.³⁹

Although he does write briefly about the history of the Lakehead, the focus of his study is not on the history of amalgamation.

Newspapers, contemporary publications, and archival materials were instrumental in reconstructing the events and decisions surrounding the amalgamation of Fort William and Port Arthur. The newspapers, Fort William’s The Times-Journal and Port Arthur’s The News-Chronicle, provided details on the cities’ council meetings that were not recorded in their council meeting minutes. Comments and statements made by aldermen and the mayors both during and after their meetings were often reported, often revealing the atmosphere of these meetings . The newspapers also editorialized against the amalgamation of the Lakehead cities and were viewed by some local citizens as “a continuing divisive force within the Lakehead

³⁹Mitchell Kosny, “A Tale of Two Cities: An Evaluation of Local Government Organization Theory and its Implications for Municipal Reorganization in Thunder Bay, Ontario”, Unpublished Ph. D. Thesis, University of Waterloo, 1978.

community."⁴⁰ Nonetheless, the newspapers gave accurate accounts of the events, and were extremely helpful when official records were incomplete.⁴¹

The official records left by the cities of Fort William and Port Arthur were invaluable resources although not always complete. They were important in determining what occurred when Shuniah asked Port Arthur to annex McIntyre, as well as providing insight into the 1920 and 1958 amalgamation plebiscites. The correspondence that took place during the Lakehead Local Government Review proved indispensable because the same materials located in the Ontario Archives were not organized and easily accessible.⁴² This was largely due to the fact that the period in question is fairly recent. Another problem encountered during archival research was the incomplete nature of the cities' records. For example, Fort William's financial

⁴⁰Lakehead Local Government Review, Report and Recommendations (Toronto: Department of Municipal Affairs, 1968), pp. 57-58. Eric Hardy researched the claim that the papers were a divisive force and found that each paper had very low circulation numbers in the other city. They could only be purchased at the major hotels in the other city. Also, news coverage emphasized the events within the paper's own city.

⁴¹When possible, newspaper accounts of events were compared with official accounts and other published reports.

⁴²The information located in the Ontario Archives was duplicated in the City of Thunder Bay Archives' materials.

records date from 1903, missing information for the years 1906, 1914, and 1916.⁴³ On the other hand, Port Arthur's financial records date from only 1934.⁴⁴ While the existing records were important in determining the financial health of cities during the 1950s and 1960s, it is difficult to do the same for earlier periods.

The materials published by the Lakehead Local Government Review provide an excellent profile of the Lakehead during the middle of the 1960s. The thoroughness of the Local Government Review's Report and Recommendations surprised many local officials when it was released.⁴⁵ Eric Hardy provided comprehensive analysis of the local government situation at the Lakehead and explained his reasoning for the recommendations he made in his report. These recommendations, with some minor changes, were acted upon by the Ontario government and resulted in the creation of Thunder Bay.

There have been two articles that have focused on specific aspects of amalgamation at the Lakehead. Geoffrey Weller's article on

⁴³CTBA, Series 104, Town and City of Fort William Financial Records.

⁴⁴Ibid., Series 105, City of Port Arthur Financial Records. Port Arthur's records are missing for the years before 1934, 1938 to 1941, 1946, and 1947.

⁴⁵DTJ, April 18, 1968, p. 4.

"The Politics and Administration of Amalgamation: The Case of Thunder Bay" is primarily concerned with the period after Thunder Bay was created, but does provide an argument that the rivalry between Port Arthur and Fort William did not benefit their citizens.

Weller argues that

the history of municipal development at the Lakehead is one of rivalry that led to a relatively low level of both hard and soft services, wasteful duplication of those services that did exist and a parochial and petty competition which led to a lower rate of economic development that might otherwise have been the case.⁴⁶

He then writes that amalgamation was the solution, in the eyes of many citizens and the provincial government, and "that it probably required strong outside intervention to produce a long run advantageous result."⁴⁷

Ken Morrison, in his article "The Intercity Development Association and the Making of The City of Thunder Bay", provides a different perspective on why amalgamation of Port William and Port Arthur came about. He asserts that World War II and the technological changes that followed reduced the opposition to amalgamation and

⁴⁶Geoffrey R. Weller, "The Politics and Administration of Amalgamation: The Case of Thunder Bay", Laurentian University Review, Vol. XVII (2), February 1985, p. 69.

⁴⁷Ibid., p. 72.

made it possible to bring about a change in the municipal political structure at the Lakehead.⁴⁸ He argues, however, that these favourable conditions were not enough. To make amalgamation a reality a catalyst was needed. Morrison then proceeds to demonstrate how the Intercity Development Association, or IDA, was this catalyst. Several members of the IDA did take prominent roles in the Lakehead Chamber of Commerce, which led the business community in championing the amalgamation of Fort William and Port Arthur.

Published in 1995, the Thunder Bay Amalgamation Oral History Project is a valuable resource for anyone interested in the events leading to the amalgamation of Port Arthur and Fort William and the early history of Thunder Bay. The collection includes taped interviews of many of the participants in the process that led to amalgamation, including aldermen, mayors, Reeves, councillors, businessmen, and municipal employees.⁴⁹ Although they may not remember all the details or the sequence of the events, the respondents allow the

⁴⁸Kenneth L Morrison, "The Intercity Development Association and the Making of The City of Thunder Bay", TBHMS Papers and Records, Volume IX (1981), pp. 23-24.

⁴⁹Peter Raffo, David Black, and Cara Yarzab, The Thunder Bay Amalgamation Oral History Project (Thunder Bay: n.p., 1995). There is a catalogue and guide to the collection of interview tapes: Peter Raffo, Amalgamation 1970: An Oral History (Thunder Bay: n.p., 1995).

listener to understand better the underlying feelings about amalgamation.⁵⁰ The interviews also reveal some of the differences between Port Arthur and Fort William, particularly the way each council conducted its business.⁵¹ Such insights help explain why the cities remained separate for as long as they did. As a collection, these interviews allow us to gain knowledge of the personalities involved in the creation of Thunder Bay.

While all these articles and books provide important insight into the relationship between Fort William and Port Arthur, there has been no comprehensive examination of why amalgamation did not occur until 1970. This thesis will show that the rivalry between the two cities was a major impediment to those who advocated amalgamation of Fort William and Port Arthur and that the lack of any comprehensive review of local government at the Lakehead made it difficult for pro-amalgamationists to demonstrate the need for unity. As suggested above, however, by the 1960s the Lakehead was facing problems associated with urbanization. Like many communities in Ontario, Fort William and Port Arthur were running out of room within

⁵⁰Ibid., PR-6, "Interview with T.B. ('Bones') McCormack. This is one example.

⁵¹Ibid., PR-9, "Interview with Wallace E. Bryan".

their cities to expand and the suburban fringes in the neighbouring townships were growing. Port Arthur's Mayor, Saul Laskin, provided the leadership in seeking a solution to these problems. He convinced Fort William, Shuniah, Paipoonge and Neebing to support a resolution asking provincial assistance for a review of local government at the Lakehead. The Ontario government was willing to assist because reform of local government in Ontario was becoming necessary. Rapid urbanization had demonstrated the problems associated with poor urban planning, as well as the need for effective and efficient local government. As a result, the Ontario government provided leadership in reorganizing local government into larger units. The amalgamation of Fort William and Port Arthur was finally achieved in 1970 because it was necessary for good local government at the Lakehead at the time and for the future.

CHAPTER 2

The Evolution of Local Government at the Lakehead: Creating a Tradition of Local Decision-making

This chapter will examine the evolution of local government at the Lakehead, beginning with the formation of the Municipality of Shuniah in 1873, proceeding to the eventual division of Shuniah into separate municipalities and the growth of Port Arthur and Fort William as separate cities. The movement for amalgamation in the late 1910s will be studied, as well as Charlie Cox's unique attempt at amalgamation in 1948. It will be demonstrated that a tradition of the local electorate deciding the issue of amalgamation through a plebiscite was established early in this century by Port Arthur and Fort William Councils, with the result that the Lakehead's citizens continued to expect that amalgamation of the two cities would eventually be achieved in this fashion. As well as examining the movement for amalgamation, this chapter analyses the reasons for the rivalry between Port Arthur and Fort William and the impact of that rivalry on local government issues.

The Establishment of Local Government At The Lakehead

The Lakehead had one municipal government in the beginning.

Although Fort William was a name synonymous with the Lakehead because of its importance during the fur trade era, particularly as a transshipment post for the North West Company until 1821, Prince Arthur's Landing became the first village in 1872. A year later, in 1873, the Municipality of Shuniah was created by the Ontario government. The new municipality was made up of the townships of Blake, Crooks, Neebing, Paipoonge, McIntyre, McGregor, McTavish, Thunder Cape, Island Ward, and Prince Arthur's Landing.¹ Within the municipality were several areas of concentrated settlement, most notably Prince Arthur's Landing, whose prominence was due to its port and its relative proximity to the silver mines.

A decision by Alexander Mackenzie's Liberal government in 1875 began the rivalry that characterized the relationship between Fort William and Port Arthur, as Prince Arthur's Landing was later renamed. Fort William Town Plot, located several miles up the Kaministiquia River, was chosen to be the terminus of the railway to be built westward. Prince Arthur's Landing's citizens were very

¹Elizabeth Arthur, "Introduction", Thunder Bay District 1821-1892; Thorold J. Tronrud, Guardians of Progress: Boosters & Boosterism in Thunder Bay, 1870-1914 (Thunder Bay: Thunder Bay Historical Museum Society, 1993), p. 3; Mitchell Kosny, "A Tale of Two Cities", p. 160. This is also the first time the area is referred to as the sub-district of Thunder Bay, part of Algoma District.

disappointed, believing that their harbour was much better and, therefore, that their village should be the terminus.² Many at the Landing attempted to change the government's decision in their favour. Suspicion was cast by the Sentinel, a Landing newspaper, on individuals who had interests in the Fort William Town Plot, and who seemingly must have had influence on the governments in Toronto and Ottawa.³

Residents of The Landing believed that not being the terminus was a major setback and attempted unsuccessfully to rectify the situation. The Landing managed to get the Municipality of Shuniah to support financially a seven-mile railway link to connect with the Canadian Pacific line at the Town Plot. However, the connection was refused.⁴ The location of the terminus was a major concern for the

²Arthur, "Introduction", p. xc. It was the delegation from Shuniah that had convinced the federal government that Thunder Bay had a longer shipping season than Nipigon Bay, the other site being considered. Arthur maintains it was the knowledge possessed by those living in the Fort William area that helped the cause and exerted influence in Ottawa.

³Ibid., p. xci. Also, at this time, Prince Arthur's Landing had the only port on Thunder Bay. See J.J. Wells, "History of Fort William", The Thunder Bay Historical Society, Fourth Annual Report (Papers of 1912-13), p. 16.

⁴Arthur, "Introduction", p. xci. This railway was called the Prince Arthur's Landing and Kaministiquia Railway.

area, because many inhabitants believed that the location chosen would thrive and that the other could not remain a separate, urban entity.⁵ Nonetheless, the C.P.R. was looking after its own interests. It had acquired Hudson's Bay Company lands in Fort William,⁶ and William Van Horne viewed the Thunder Bay harbour as a single unit. Historian Elizabeth Arthur argues that, as a result, Van Horne "seems to have been an early proponent of amalgamation of the two communities."⁷

Although many Lakehead citizens believed there could only be one urban centre, the reality was an increase in political fragmentation. In 1881 the Townships of Blake, Crooks, Pardee, Paipoonge, Neebing, and McKellar Ward were allowed to withdraw from the Municipality of Shuniah. These townships then formed the Municipality of Neebing. J.J. Wells, in his 1925 history of Fort William, attributes this move to the growing importance of West Fort

⁵Elizabeth Arthur, "Inter-Urban Rivalry in Port Arthur and Fort William, 1870-1907", in Anthony W. Rasporich, ed., Western Canada: Past and Present (Calgary: McClelland and Stewart West, 1975), p. 59. Such concerns occupied the minds of citizens in other urban areas such as Winnipeg and Selkirk. Each believed that having the C.P.R. locate in their community as a necessity for future growth and dominance.

⁶Ibid., pp. 60-61.

⁷Arthur, "Introduction", p. xciii.

William as a terminal point and the growth that came as a result.⁸

Arthur also makes the point that, later, amalgamation was unlikely later on because "the memory of the minority position held [by Port William] in the old united municipality was still fresh."⁹ While Prince Arthur's Landing was unhappy about Fort William's being chosen as the C.P.R. terminus, Fort William did not want to be a part of the larger Shuniah because Prince Arthur's Landing had more representation.

Shuniah continued to shrink in the 1880's when Port Arthur (as Prince Arthur's Landing had been renamed at the request of the C.P.R.) was incorporated as a town in 1884. Port Arthur prospered in the 1880's, enjoying the new railway which passed through their town. Also, because it had a breakwater, Port Arthur became a terminus for the C.P.R. lake steamers. Its status as a town, as well as its prosperity, helped to contribute to Port Arthur's belief that it was to be the dominant urban centre at the Lakehead.

The C.P.R. once again contributed to the fortunes of Fort William by making plans to build the first one-million-bushel grain elevator

⁸Wells, p. 16.

⁹Arthur, "Introduction", p. xcvi.

near the site of the original Fort William trading post.¹⁰ By the late 1880's Fort William was selected as the divisional point, with the main yards and shops to be built in McKellar Ward, also known as East Fort William. Many Port Arthur citizens felt that this happened because Port Arthur had angered the C.P.R. by seizing several rail cars and an engine until a tax bill was paid by the C.P.R. However, Arthur concludes that there was no direct cause-and-effect relationship between these actions and Fort William being named a divisional point.¹¹

With the C.P.R. investing in Fort William and the fortunes of Port Arthur waning, Port Arthur citizens began thinking about annexation. At this time Fort William was part of the Municipality of Neebing and not a separate political entity. Indeed, Port Arthur was most keenly interested in annexing McKellar Ward, this section being closest to Port Arthur.¹² Fort William resented such plans, and this became the root of Fort William's later suspicions when the issue of amalgamation arose. The question of amalgamation at this time faded

¹⁰Arthur, "Inter-Urban Rivalry", p. 61.

¹¹Ibid., pp. 61-62.

¹²"An Early Attempt at Amalgamation", Arthur, ed., Thunder Bay District, p. 225.

when Fort William was incorporated as a town in 1892, continuing the political fragmentation begun a decade earlier.

Now that Fort William was established as a town and was enjoying its own rapid development, the competition and conflict between the two communities intensified. Port Arthur presented itself to the outside world as a beautiful location, possessing a much healthier environment than its rival.¹³ Its citizens believed Fort William to be a breeding ground for disease because it was situated on swamps. They argued they were immune because of their location on the hill. Another example of Port Arthur's perception of its superiority and brilliant future was, as Elizabeth Arthur states,

the belief that Port Arthur possessed not only the more salubrious location but also the more enterprising inhabitants. Fort William was portrayed as the creature of a railway company, tamely submitting to monopoly - unimaginative, acquiescent, as lethargic as the water standing in its swamps.¹⁴

Although these myths may sound ridiculous to the modern ear, Port Arthur boosters wanted to attract people and industries to their town. However, such beliefs also contributed to the continual separateness of

¹³**Ibid., p. 65.**

¹⁴**Ibid., p. 66.**

the two communities as political units. As a result, these myths, as well as Port Arthur's future political actions, contributed to Fort William's suspicions of its neighbour's intentions, particularly regarding any overtures for amalgamation.

Port Arthur's fortunes improved at the turn of the century, particularly when the Canadian Northern Railway located its terminus at Port Arthur in 1902. At the time, the populations of Port Arthur and Fort William were 3214 and 3997 respectively, giving Fort William an edge it had not had during the latter part of the nineteenth century.¹⁵ The towns used the population figures as indicators of their success. With Port Arthur slightly behind, the decision of the Canadian Northern Railway would be quite significant in the competition between Fort William and Port Arthur for supremacy in the area.

Fort William and Port Arthur's 1906 applications to be incorporated as cities were surrounded by controversy that had an impact on future attempts to amalgamate the two cities. Rumours began circulating that Port Arthur had a clause in its application that

¹⁵**See Appendix A: Fort William and Port Arthur: Population Growth 1881 to 1966.**

would give it the right to annex Fort William.¹⁶ Adding to Fort William's concern was the loss of its application. This situation dragged on into 1907, when Fort William's application had been located and Port Arthur's was shown to not mention annexation at all. Nonetheless, Port Arthur representatives continued to try to convince Fort William that amalgamation of the two towns into one large city was the right course of action. Fort William representatives did not agree, and both sides pressed the issue in Toronto.¹⁷ Amalgamation did not occur, and both Port Arthur and Fort William became cities on April 20, 1907.

While the forces of amalgamation were once again held at bay, the idea never died. Visitors often praised the two cities and remarked on their separate development. A very famous visitor, Rudyard Kipling, had some telling observations of the relationship between Fort William and Port Arthur when he wrote of his visit:

¹⁶Joseph Mauro, A History of Thunder Bay (Thunder Bay: Lehto Printers, 1981), p. 216.

¹⁷Ibid. This situation seems very bewildering, but it is clear Port Arthur was in favour of amalgamation and Fort William was not. Also, although it was shown that Port Arthur had not tried to annex Fort William through its application, the damage was done and the issue would be used as evidence of Port Arthur's schemes in the future. J.J. Wells did not mention the issue in his "History of Fort William", p. 23 when he dealt with Fort William's incorporation as a city.

they hate each other with the pure, poisonous, passionate hatred which makes towns grow. If Providence wiped out one of them, the survivor would pine away and die - a mateless hate-bird. Some day they must unite, and the question of the composite name they shall carry already vexes them.¹⁸

The two communities may have despised each other but the idea of amalgamation would not go away. Kipling believed they would unite, but he did not predict when this would occur.

The amalgamation of Fort William and Port Arthur ceased to be a central issue during the decade after their incorporation as cities, for both concentrated on attracting industry and expanding their populations. Fort William's population grew rapidly from 3,997 in 1901 to 16,499 in 1911, while Port Arthur's increased from 3,214 to 11,220 over the same period.¹⁹ This rapid growth was due to local and national factors, particularly the federal government's effort to attract immigrants to the west. Local increases were encouraged by boosters in both cities, who equated growth with progress and stagnation with

¹⁸Rudyard Kipling, Letters of Travel, 1892-1913, Vol. XXIV, p. 174.

¹⁹Chris Southcott, "Ethnicity and Community in Thunder Bay", Pucci and Potestio, eds., Polyphony, pp. 18-19. Also, see Appendix A.

failure.²⁰ With two separate cities vying for every potential factory, business, or government office, the competition between Fort William and Port Arthur was bitter and intense. Attracting businesses was seen as vital to the supremacy of one over the other.²¹ This situation was ripe for industries and businesses seeking bonuses. Often the city that "won" did so at the taxpayers' expense. Bonusing left them with a heavy tax burden. After 1914 this situation became much more difficult because property values declined by fifty per cent or more, thus causing a loss of tax revenues for the cities.

The First Plebiscite

Although it was not in the headlines, the issue of joining the two cities did not entirely disappear during the 1910s. Interested in encouraging businesses and industries to locate at the Lakehead, the local boards of trade were arguing that it made more sense to provide a united front, using the resources of the two cities combined. It would also be more impressive to claim a combined population of 27, 719 in

²⁰See Thorold J. Tronrud, Guardians of Progress. This book depicts the promoters, explaining the impact they had on the cities. Also, boosters tended to use material growth as the only indication of progress. Population was an easy and accessible measure of growth and success.

²¹Ibid., pp. 54-56.

1911 than the two populations separately. In December, 1910, a Joint Committee representing the councils of Fort William and Port Arthur presented a resolution to the council of each city. This resolution urged the submission of

a plebiscite to the electors on the question of a federation of the two Cities with local autonomy and inter-city Council and Mayor to deal with matters of mutual concern, the members of said Council to be appointed by the Council of each City and the Mayor of the inter-city Council to be elected by the electors of both Cities.²³

Mayor Peltier of Fort William and Mayor Matthews of Port Arthur moved and seconded this resolution, suggesting they believed that some of their municipal concerns could be better dealt with by a federative municipal government than by their own councils.

However, the two city councils were not ready to put complete amalgamation to a public vote, preferring to maintain their local autonomy. The rapid growth of the Lakehead during the first decade of the twentieth century kept the municipal governments busy. This growth resulted from the prairie wheat boom, transcontinental railway

²³CTBA, Port Arthur City Clerk's Files, TBA 2403, Box 8, "Amalgamation - Fort William & Port Arthur & Adjacent Areas", December 17, 1910 Letter from J.M. McGovern, Chairman of Joint Committee to the Mayors & Aldermen of the Cities of Fort William & Port Arthur.

construction, and the expansion of the Canadian economy.²³ The two cities competed against each other for manufacturers by offering bonuses in the form of cash, loans, and bond guarantees. This competition was bitter and divisive, making it unlikely that the municipal councils would seriously consider amalgamation of the two cities.²⁴ Also, with the Lakehead economy booming, proponents of amalgamating Fort William and Port Arthur did not pursue their cause with any urgency.

The economic depression that affected Canada beginning in 1913 halted the boom which the Lakehead had been experiencing for the past decade. Fort William and Port Arthur experienced a loss of population from 1914 to 1917 due to the closure of factories and the enlistment of citizens for military service during the war years.²⁵ Also,

²³Stafford, "A Century of Growth at the Lakehead", in Tronrud and Epp, eds., Thunder Bay, pp. 42-44.

²⁴Tronrud, "Building the Industrial City", in Tronrud and Epp, eds., Thunder Bay, pp. 108-109. Port Arthur's representative, J.J. Carrick, M.P., proposed amalgamation of the two cities when it became apparent in 1912 that Fort William was going to get the Canadian Car and Foundry Company. He thought they could share the plant in the Intercity area. Fort William's Mayor, S.C. Young, "shot down the idea and did his best to blacken Port Arthur's name among Montreal investors."

²⁵Stafford, "A Century of Growth at the Lakehead", p. 44. For example, Fort William's population went from 27,000 in 1914 to 21,000 in 1915, 19,000 in 1916, and 18,000 in 1917, before it began

real estate values declined in the cities by fifty per cent during this decade.²⁶ This economic decline likely prompted the pro-amalgamation forces to begin to pursue the union of Fort William and Port Arthur to form a single Lakehead city.

The issue of amalgamating Fort William and Port Arthur finally came to the forefront at the end of the decade when the Port Arthur Board of Trade wrote to the Port Arthur Council that they had passed a resolution at their General Meeting on January 22, 1918. This resolution stated that they felt it was in the best interest of both cities that they form a "Joint Board or Metropolitan Association."²⁷ The Port Arthur Board of Trade's resolution does not suggest amalgamation of the two cities so much as the creation of a body that would promote the Lakehead area as a single economic unit. It suggests that the Joint Board or Association consist of two members from each City Council, two members from each Board of Trade, and two members from the Rotary Club.

to grow again.

²⁶Rasporich and Tronrud, "Class Ethnicity and Urban Competition", in Tronrud and Epp, eds., Thunder Bay, p. 215.

²⁷CTBA, Port Arthur City Clerk's Files, TBA 2403, Box 8, "Amalgamation - Fort William & Port Arthur & Adjacent Areas", Jan. 24, 1918, Jos. Z. Finzel, Secretary of the P.A. Bd. of Trade to P.A. City Council & the Mayor.

They believed that this new board would increase the spirit of cooperation and show how important unity was in attracting business and industry. The Board of Trade argued that

in the matter of statistics alone this co-operation is vital that the combined figures of our population, our Clearing House Returns, our tonnage and grain shipments could be given out to the World as from one place and we would create a much wider interest in our situation. One City here of forty to fifty thousand people would have an enormously increased drawing power.²⁸

The businessmen at the Lakehead wanted some way to promote the Lakehead as one economic unit, but not necessarily one political unit.

The Port Arthur City Council responded quickly by passing a resolution that Fort William Council, or a committee representing the council, meet with its counterpart from Port Arthur and discuss the possible union of the two cities.²⁹ Port Arthur City Council went beyond the resolution of the Port Arthur Board of Trade in wanting to discuss the union of the two cities, indicating in their resolution that the "merits and demerits" of such an action had been discussed both

²⁸**Ibid.**

²⁹**CTBA, Port Arthur City Clerk's Files, TBA 2403, Box 8, "Amalgamation - Fort William & Port Arthur & Adjacent Areas", Jan. 30, 1918, T.F. Milne to A. McNaughton. Re: Res. 5015 of P.A. Council. Milne was Port Arthur's City Clerk and McNaughton held the same position in Fort William.**

publicly and privately for a number of years. Fort William did not immediately respond to this resolution. Instead, the resolution was referred to their Inter-Cities Committee, and Port Arthur was informed that they would be advised of the committee's actions.³⁰

Little resulted from this correspondence, so the Port Arthur Board of Trade continued to press the issue in December, 1918. Their letter to the Port Arthur Council the Board of Trade, without being specific, indicated that there had been difficulties because of the rivalry between the two cities. Instead of fighting each other, they suggested the two cities "get together and realize our common enemy was Winnipeg."³¹ However, rather than a Joint Board or Metropolitan Association, the Board of Trade now urged a plebiscite be held on the union of the two cities at the municipal elections that were to take place soon in both Fort William and Port Arthur.

Port Arthur City Council quickly replied to the Board of Trade's request. They told the Board of Trade that it was too late to organize a

³⁰CTBA, Port Arthur City Clerk's Files, TBA 2403, Box 8, "Amalgamation - Fort William & Port Arthur & Adjacent Areas", Feb. 16, 1918, A. McNaughton to T.F. Milne.

³¹Ibid., December 21, 1918, Jos. Z. Finzel, Secretary-Treasurer of the P.A. Board of Trade to T.F. Milne, City Clerk.

plebiscite in both cities because the elections were so soon.³²

However, rather than ignore the issue, Port Arthur City Council requested Fort William City Council to inform them if they were favourable to a plebiscite on the issue at some time in the future. If Fort William did agree, they were asked to form a committee to work with Port Arthur's committee on the wording of the question. On January 15, 1919 Fort William sent a letter to Port Arthur saying that the issue had been referred to their Inter-Cities Committee.³³

Correspondence at the end of the year shows that discussions had been carried out between Fort William and Port Arthur councils. On November 11, 1919 Port Arthur's City Clerk wrote to his Fort William counterpart that his council was in favour of union of the two cities and that it had passed a resolution informing Fort William that it wanted a plebiscite on the question "Are you in favor of the union of the two cities" to take place on January 6, 1920.³⁴ Fort William and Port Arthur did come to an agreement at a meeting of the Joint

³²Ibid., Dec. 28, 1918, Letter from City Clerk to Board of Trade and Fort William.

³³CTBA, Port Arthur City Clerk's Files, TBA 2403, Box 8, "Amalgamation - Fort William & Port Arthur & Adjacent Areas", Jan. 15, 1919, A. McNaughton to T.F. Milne.

³⁴Ibid., Nov. 11, 1919, T.F. Milne to A. McNaughton.

Committee of the Intercities Committee of the Cities on November 21, 1919. At this meeting they recommended "that a vote be taken at the election on Jan. 6, 1920. on the question, "Are you in favor of the Union of the Cities of Port Arthur and Fort William under terms to be mutually agreed upon."³⁵

This proposal was misleading, because it suggests union would occur if the electorate voted in the affirmative on the question. Instead, this would only be the first of two votes, with a second vote being required "on any agreement that may be drawn up to put the union into effect."³⁶ In a sense, the vote on January 6, 1920 would be a vote on whether or not to negotiate terms of union that would, if the plebiscite was passed, then be subject to another plebiscite. It is not clear that the public was informed of this.

Not surprisingly, as the vote approached, the electorate were presented with conflicting views. Those in favour of union argued that one city would be more capable of competing for industries against other cities. Also, they could more effectively battle Winnipeg interests who were allegedly trying to "transfer the bulk of the grain

³⁵CTBA, Port Arthur City Clerk's Files, TBA 2403, Box 8, "Amalgamation - Fort William & Port Arthur & Adjacent Areas", T.F. Milne to (unknown), Nov. 22, 1919.

³⁶Ibid.

trade from Thunder Bay to the Manitoba capital.³⁷ This was a view held by the Port Arthur Board of Trade. Nonetheless, those opposing union believed there were no such benefits to be derived.

The result of the plebiscite indicated that the issue was foiled for the moment, but was not going away. In Fort William the unionist hopes were dashed by a vote of 1,375 against and 1,032 for.³⁸ In Port Arthur those in favour of union numbered 1,184, while 740 were opposed. A majority of Port Arthur citizens continued to believe there should only be one Lakehead city.

A letter from A.W. Robarts, President of the Port Arthur Board of Trade, to Port Arthur City Council suggests some reasons why Fort William citizens opposed union of the two cities. This letter, written a month before the plebiscite, shows concern about the criticism and publicity Port Arthur received in the Financial Post concerning the condition of the City's sinking fund.³⁹ The Board of Trade wanted a statement from the City Auditor to counter any impression "that the

³⁷Mauro, A History of Thunder Bay, p. 290.

³⁸Ibid. Mauro points out that if the vote of the two cities were combined, the pro-union forces would have won by 101 votes.

³⁹CTBA, Port Arthur City Clerk's Files, TBA 2403, Box 8, Dec. 1, 1919, A.W. Robarts, President, The Port Arthur Board of Trade to Mayor and Council.

finances of the City are not in a healthy condition."⁴⁰ Although this was not mentioned as a factor in the defeat of the plebiscite, it may have added to Fort William's existing suspicions that Port Arthur was trying to improve itself at Fort William's expense.

When it came to the question of amalgamation, a pattern was beginning to emerge by 1920. A majority of Port Arthur citizens were in favour of amalgamation, believing it inevitable and the best way to attract industry and business to the area. Fort William citizens, on the other hand, had suspicions about Port Arthur's motives and were not in favour of union of the two cities. This did not mean that Fort William Council would not consider the question, but that any question of amalgamation of the two cities had to be put to a vote in a plebiscite at the municipal elections. This was the beginning of a tradition of having the citizens decide the fate of their cities.

Amalgamation Charlie Cox's Way

During the 1920s the Lakehead's economy and population experienced new growth. Canada became the largest exporter of wheat in the world, and the Lakehead could boast of having the largest grain

⁴⁰Ibid.

elevator capacity in North America.⁴¹ Perhaps more importantly, the Lakehead also benefited from the demand for newsprint in the United States. The first production of pulp and paper at the Lakehead occurred in 1918 at the Port Arthur Pulp and Paper Company.⁴² During the 1920s the expansion of the pulp and paper industry came to dominate the Lakehead's manufacturing sector so that by 1929 it "produced 57% of the cities' total value of production."⁴³ Although the Lakehead's economy grew, its expansion was mostly in the extraction of resources. By contrast, the manufacturing sector was slipping in importance in the local economy.

Fort William and Port Arthur experienced high unemployment and factory closures during the Depression of the 1930s. By June 1, 1931 the unemployment rate at the Lakehead was 28%, a rate much higher than comparable Canadian urban centres.⁴⁴ Newsprint prices had declined to new lows, resulting in the closure of Thunder Bay Paper Mill at Port Arthur in 1930, and the Abitibi Pulp and Paper Mill

⁴¹Stafford, "A Century of Growth at the Lakehead", p. 49.

⁴²Tronrud, "Building the Industrial City", p. 111.

⁴³Ibid.

⁴⁴Ibid., p. 113. It was the highest rate in Northern Ontario, and was 10% higher than the average for urban Canada.

in Fort William in January 1931.⁴⁵ By 1933 the unemployment rate in manufacturing was above fifty per cent.⁴⁶ It would not be until the Second World War that manufacturing production and employment levels would return to pre-Depression levels.

Despite the economic depression that the Lakehead was experiencing, amalgamation of Fort William and Port Arthur was not being strongly advocated as it had been during the late 1910s when economic conditions had worsened. In an editorial on March 7, 1936 in the Port Arthur News-Chronicle, the editor explained why the paper had not been advocating amalgamation.⁴⁷ The editor took the position that the question was moot until the land that was between the settled areas was filled, and that amalgamation should have taken place when the communities were established. The editor then argued that amalgamation would be impractical at this time because of the existing rivalry and the near equality of the two cities. Rather than join the cities, which would still result in squabbles over which side was

⁴⁵Stafford, "A Century of Growth at the Lakehead", p. 49.

⁴⁶Tronrud, "Building the Industrial City", p. 114.

⁴⁷Mauro, A History of Thunder Bay, p. 331. The editorial is printed in its entirety here. Apparently people had been occasionally asking when the paper "is going to take up advocacy of the proposal or why it doesn't."

benefiting or being ignored, the editor argued quite sincerely

that the best chance to continue in harmonious and friendly relationship is to carry on as at present, as friendly neighbors, each one acting as neighbor to the other but engaged, meanwhile, in working out individual problems when they arise as such and co-operating on every occasion when the interests of the two are jointly affected.⁴⁸

For many, there was no need to press for amalgamation. Also, the difficulties the Lakehead cities were experiencing during this time would not be solved by the political union of the two cities.

The Depression had an impact on the Lakehead's political scene. There was a definite political shift to the left, as labour representation grew in both the Fort William and Port Arthur councils.⁴⁹ The Liberal party dominated the Lakehead's federal seats by 1935, when Dan McIvor won the Fort William riding and C.D. Howe won the Port Arthur riding. In 1935 Charles W. Cox, Port Arthur's Mayor won the Port Arthur riding for the provincial Liberals using questionable tactics.⁵⁰ Cox, a timber contractor, proved to be a colourful and somewhat

⁴⁸Quoted in Mauro, A History of Thunder Bay, p. 331.

⁴⁹Rasporich and Tronrud, "Class Ethnicity and Urban Competition", p. 217.

⁵⁰Ibid., pp. 218-220. Apparently he bribed and bullied "rivals in his party and others" to win this seat.

controversial politician at the Lakehead during the 1930s and 1940s. He was a popular politician at the Lakehead even though his political foes, including those within the Liberal party, desperately tried to defeat him.

The Lakehead voters continued to support labour candidates into the 1940s. During the 1943 Ontario provincial election, the CCF managed to win all the Northern Ontario seats from Kenora to North Bay.⁵¹ Even Charlie Cox lost his provincial seat by a substantial number of votes. Fort William's CCF provincial representative, Garfield Anderson, was also the mayor of Fort William. This situation remained despite attempts by political foes to discredit the CCF as anti-socialist feelings grew after the end of the war.

Amalgamation became an issue during Fort William's 1948 municipal election, although not in a manner seen before. Charlie Cox, long-time mayor of Port Arthur, had recently been elected as the Member of the Provincial Legislature for Fort William, defeating Garfield Anderson. He then decided to file papers to run for Mayor of Fort William as well.⁵² Cox openly stated that he was in favour of

⁵¹Ibid., p. 221.

⁵²Ibid., pp. 351-352. Also see Morrison, "The Intercity Development Association and the Making of The City of Thunder Bay", p. 25; Anthony W. Rasporich, "Twin City Ethnopolitics: Urban Rivalry,

amalgamation of the two cities, and that voting for him to be mayor would be a step towards union of Port Arthur and Fort William.

Despite his popularity, Charlie Cox was unable to achieve amalgamation by being mayor of both cities at the same time. Hubert Badanai, an automobile dealer and long-time Fort William alderman, ran against Cox. This election was very important to Fort William's electorate, indicated by the record turnout of 74.4%. Charlie Cox's unprecedented attempt to be mayor of the Lakehead was lost when Badanai won the election, 6,232 votes to Cox's 4,890. Amalgamation, Charlie Cox style, had failed at the hands of the voters, but, as a testament to the popularity of Charlie Cox, the vote was reasonably close.

Conclusion

On the northwestern shore of Lake Superior two separate cities developed side by side. Fort William and Port Arthur competed against each for almost everything, including railways and factories.

Ethnic Radicalism and Assimilation in the Lakehead, 1900-70", Urban History Review, Vol. XVIII, No. # (February, 1990), p. 220; and A.W. Rasporich, "Call Me Charlie'. Charlie W. Cox: Port Arthur's Populist Politician", The Thunder Bay Historical Museum Society Papers and Records, Vol. XIX (1991), pp. 16-17. Cox was mayor of Port Arthur from 1934 to 1948.

The space between the two cities began to shrink as they grew, but their competitive spirit remained. Port Arthur's and Fort William's development depended upon their natural resources. Despite efforts to diversify their economies, the two cities increasingly became reliant on the extraction of raw materials. Mining, pulp and paper, and transportation of grain employed many workers. This meant that they were deeply influenced by economic and political forces beyond their control.⁵³

Amalgamation of the two cities was considered primarily when the fortunes of one community (or both) were threatened by outsiders. Port Arthur leaders believed this to be happening when the first railway terminus at the Lakehead was located in West Fort William. Amalgamation of the two cities was put to a plebiscite in 1920 due to the economic and population decline experienced from 1913 to 1917, and the competition from Winnipeg for the grain trade. Although the plebiscite was defeated, it was clear that the fortunes of the two cities were closely connected.

The Depression brought about a change in the politics at the Lakehead. Federal and provincial Conservative representatives lost

⁵³Tronrud, "Building the Industrial City", p. 119.

their seats at the Lakehead to Liberals.⁵⁴ Charlie Cox, already Mayor of Port Arthur, took advantage of the situation to become the Liberal MLA for Port Arthur in 1935. Attempting to make the most of his popularity after becoming Fort William's provincial MLA in 1948, Cox attempted to become mayor of both Lakehead cities by running in Fort William's 1948 mayoralty race. Although he lost the election, his attempt showed that amalgamation was an issue that would not go away, despite the intense rivalry between the two cities.

⁵⁴Rasporich and Tronrud, "Class Ethnicity and Urban Competition", p. 218.

CHAPTER 3

Failure of the 1958 Plebiscite: Rivalry In The Way of Unity

Early in 1958, Mayor Eunice Wishart of Port Arthur and Mayor Hubert Badanai of Fort William publicly declared that they favoured amalgamation and felt the time had come for it to happen. With this announcement many of the aldermen in Fort William also publicly supported the idea, and it appeared Fort William citizens were finally going to support the union of the two Lakehead cities. However, events between the inaugural addresses by the mayors at the beginning of 1958 and the plebiscite at the end of the year illustrated the inability of the two councils to cooperate for very long.

Instead, the rivalry between Fort William and Port Arthur strained the relationship between the city councils. Fort William Council was unhappy with Port Arthur Council's refusal to reimburse Fort William for the amount requested for services it supplied to Port Arthur citizens who lived on a street that was divided by the border between the cities. Also, Fort William Council felt slighted when the federal government decided to locate new harbour facilities on Port Arthur's water front. The tension between the two councils made it difficult for amalgamation supporters to advance their cause.

The Intercity Development Association (IDA) was at the forefront in the campaign for amalgamation of Fort William and Port Arthur. The IDA was made up of businessmen who had established themselves in the Intercity area.¹ Their primary concerns were the need for sewage and road improvements in the area. They fought for amalgamation of the two cities because Port Arthur, in which most of the area was located, had made it clear it did not feel it had the tax base to make the necessary improvements. These businessmen came to believe that amalgamation was necessary for the intercity area to develop and thrive. To achieve this end, the IDA urged the councils of both cities to have a study done on amalgamation.

Fort William Council refused to support any study of the benefits and problems of amalgamation before the plebiscite took place while, on the other hand, Port Arthur Council wanted a study so that the voters would have an informed opinion. In the end, Fort William and Port Arthur Councils held plebiscites in December because they had promised to do so at the beginning of the year. The defeat of the plebiscite in Fort William reflected the distrust that existed between the two cities. Once again, the issue of amalgamating Fort William and

¹Morrison, "The Intercity Development Association and the Making of The City of Thunder Bay", p. 24.

Port Arthur was pushed into the future.

Mayors Announce Plebiscites on Amalgamation

The issue of amalgamation caught the imagination of Lakehead citizens once again when Mayor Wishart of Port Arthur and Mayor Badanai of Fort William brought up the possibility during their inaugural speeches. Hubert Badanai, in his inaugural address on January 6, 1958, suggested having a plebiscite on the amalgamation of Fort William and Port Arthur at the municipal elections to be held at the end of the year. Badanai referred to the many years during which amalgamation of the two cities had been discussed. The mayor, who had defeated Charlie Cox a decade before when Cox had promoted his own brand of amalgamation, revealed the reasons for his support of the idea of having a plebiscite on the issue:

Federal and Provincial Representatives advanced suggestions that it might be an advantage to the two cities. Greater recognition and assistance from these two sources might be available in the way of harbour facilities, larger grants and other advantages if such an amalgamation took place. I would therefore suggest that Fort William and Port Arthur hold a plebiscite in 1958, and let the people living in the two cities

decide the matter.²

Badanai's address reveals that the idea of amalgamation was being encouraged by the upper levels of government, but that they seemed willing to let the citizens of the two cities decide whether they should unite.

In her 1958 inaugural speech, Port Arthur's recently re-elected mayor, Eunice Wishart, made it clear that she was in favour of amalgamation. She stated that it was "too bad we are not one city. Many obstacles would be overcome."³ Wishart then gave her reasons for bringing up the idea of amalgamation. She argued that "I am sure it could prove more economical and certainly business interests would not vie with each city regarding land values. So, until that day comes we will have our share of headaches."⁴

The debate on the issue came immediately, with support in Fort

²CTBA, Series 1, TBA 53, Fort William City Council Minutes, p. 429, Inaugural Address by His Worship Mayor Hubert Badanai, January 6th, 1958. Badanai served as a Fort William councillor from 1940 to 1948 and mayor from 1949 to 1952 and 1955 to 1958, then served as a M.P. from 1958 to 1972 for the Fort William riding. I have been unable to locate any documentation that would indicate when or where federal and provincial representatives suggested that amalgamation would be an advantage.

³Daily Times-Journal (hereafter DTJ), January 6, 1958, pp. 1, 3.

⁴Ibid., p. 13.

William seemingly on the rise. The Daily Times-Journal did an informal poll which showed eight of ten people in Port Arthur and Fort William in favour of amalgamation.⁵ Fort William City Council had a vote on the issue to determine their positions publicly. The result was eleven aldermen in favour and only one opposed to amalgamation.⁶ The open display of support was important because leadership would be needed for amalgamation to occur. The aldermen in favour of union with Port Arthur seemed pleased that the issue had been brought before the public, even to the extent that some wanted the plebiscite sooner than the end of the year. Alderman Hubert Limbrick, a spirited politician, even went as far as to say "We'll place ourselves in a position to be capital of a new province which is bound to follow", referring to a wish of some people in northern Ontario who wanted a new province carved from Ontario.⁷ The only opponent to amalgamation, Alderman Alex Anderson, felt that the rivalry was good and he could not see how it would be any more economical to have one city rather than the two cities. Nonetheless, with eleven aldermen supporting amalgamation, it appeared Fort William voters might be

⁵DTJ, January 7, 1958, p. 1.

⁶DTJ, January 8, 1958, pp. 1, 10.

⁷Ibid., p. 10.

persuaded to vote for it.⁸

Unlike his council, Mayor Badanai was reported to be reluctant to discuss the issue. He wanted to see how Port Arthur responded to his proposal before they proceeded with the idea. However, he did repeat his proposal for a plebiscite in December, stating "the interval will give us time to study, inventory our physical assets and prepare ourselves should the public vote in favor."⁹ Rather than publicly state his position on the issue, Badanai wanted the voters to decide the fate of their cities.

The optimism that fuelled the talk of amalgamation was fanned with speculation that the future for the area was bright. On Friday, January 24, J.W. Spooner, the Minister of Mines in the Ontario government, spoke to the Port Arthur Chamber of Commerce. He praised the two cities, citing mining, the harbour, forestry, and manufacturing as examples of why they had "two of the finest cities in Canada".¹⁰ Spooner continued his speech by stating how he thought of the two cities as one in many ways:

After all, you share at least one line of your trans-

⁸**Ibid.**

⁹**Ibid.**

¹⁰**DTJ, January 25, 1958, p. 1.**

portation system, your exhibition ground and a good many other things. Just a week ago I was reading you might even be preparing to share your municipal government.¹¹

Within a few weeks of this wonderful praise, a report by Noel Dant, director of the Lakehead Planning Board, predicted that the two cities and surrounding area would become a metropolitan area within a couple of decades.¹² Both mayors were in attendance at this meeting, praising the idea of a joint planning board and noting that it would be helpful if there was an amalgamation of the cities.

Another example of the benefits of cooperation was the recent formation of the Lakehead Planning Board. It consisted of representatives from Fort William, Port Arthur, Neebing, Shuniah and Paipoonge, and covered an area from the United States-Canada border, along the shore of Lake Superior, to McTavish Township, situated

¹¹Ibid. Spooner also praised the area for its pulp and paper and hydro-electric industries. He also stated how the Lakehead had a "commanding position in the world of transportation," declaring "it would be difficult to overemphasize what this advantage would mean when the St. Lawrence seaway was completed."

¹²DTJ, February 14, 1958, pp. 1, 13. Noel Dant began his duties at the beginning of the year for the newly formed Lakehead Planning Board, which had representatives from Fort William, Port Arthur, Neebing, Shuniah and Paipoonge. Its purpose was to "guide the expansion of each community so that it does not jeopardize future expansion of the adjoining municipalities." See DTJ, January 3, 1958, p. 1.

north of Sibley Provincial Park. The purpose of this board was to "foster co-operation and the study of common problems, at an official level."¹³ However, it was a co-ordinating and advisory body only, and the municipalities maintained their own planning boards.

Nonetheless, growth at the Lakehead made it necessary for the municipalities to co-ordinate their planning efforts.

Rivalry Between the Cities Dims the Possibility of Amalgamation

Despite the early optimism, the good feelings did not last very long, and the rivalry between the two cities came to the forefront again. This time Port Arthur was upset with the attention Fort William received in a Toronto newspaper weekly that featured a four-page section devoted to Fort William. Port Arthur Council was irritated because their city was ignored in the article although the two cities were nearly equal in size and located next to each other.¹⁴ They blamed Fort William Council for this oversight. Also, Port Arthur City Council attacked Mayor Badanai and Fort William, questioning some facts in the article, particularly how it was determined that the

¹³Lakehead Renewal Authority, Lakehead Renewal Study (n.p.: 1964), p. 7.

¹⁴DTJ, January 20, 1958, p. 1.

geographical centre of Canada was located a short distance west of Fort William. Mayor Wishart conducted her own research in the matter, but no definitive answer could be found.¹⁵

Port Arthur Council's reaction to the article showed how little they trusted Fort William and how easily old resentments could resurface. Port Arthur aldermen made comments which showed a great deal of resentment toward Badanai which extended beyond the issue at hand. For example, Alderman Edward Anten, the finance committee chairman, argued that Fort William raised the issue of amalgamation, then publicized itself without including Port Arthur, something Port Arthur should consider when discussing amalgamation. Anten then complained that he was "tired of the mayor of Fort William bringing up business pertaining to Port Arthur and what this city should do with regard to changes."¹⁶ As a result, the alderman declared that a complete study be done of both cities and the amalgamation issue before a plebiscite be held.

Fort William's response to Port Arthur's attacks was calm. Mayor

¹⁵DTJ, January 21, 1958, pp. 1,3. The publication in question said its sources were the University of Toronto, the department of transport and a map survey. Also, Port Arthur was upset because it was only mentioned as Fort William's sister city.

¹⁶Ibid., p. 3. Some aldermen also suggested that the Toronto publication do a story on Port Arthur.

Badanai declined to comment on Anten's attack against him.¹⁷ The Fort William newspaper reporter covering the story did some research and found that the article on Fort William had been drafted before Badanai advocated a plebiscite on amalgamation, suggesting Anten's comments were inappropriate. Nonetheless, this episode was one example of how sensitive the relationship between the two cities was and how, despite the desire to amalgamate, they distrusted the motives of the other. They may have been considering union of the two cities, but they still saw themselves as quite separate.¹⁸

The ability of the two cities to cooperate was tested again within a few months. The St. Lawrence Seaway project had made it necessary to improve harbour facilities to "increase the general cargo capacity of the harbour, but also to offer a more modern and efficient handling facility."¹⁹ It was hoped that the Seaway would revitalize the local economy, which had become stagnant, by improving the Lakehead's

¹⁷DTJ, January 22, 1958, p. 3.

¹⁸DTJ, January 21, 1958, p. 3. Apparently this was not the first time Port Arthur had complained about publicity for Fort William received. A few years before this episode they complained about a picture in a national magazine that must have been "taken during a rainstorm" while the photograph of Fort William was clear.

¹⁹Gary Warwick, "The Impact of the Opening of the St. Lawrence Seaway on the Cities of Port Arthur and Fort William, 1959-1969" (M.A. Thesis, Lakehead University, 1993), p. 54.

transportation situation, further enhancing its role as a transshipment point, and effectively making it a sea-port.²⁰

The Lakehead's economy had experienced some adjustments in the preceding decade. Many manufacturing jobs were lost in the post-World War II years, particularly those in the iron and steel sector.²¹ However, there was an increase in the number of jobs in the pulp and paper industry, as well as in the service and trade sectors that more than offset the loss of jobs in manufacturing.²² Nonetheless, the Lakehead economy was becoming less diversified, and more reliant on the export of raw and semi-processed materials.²³ This trend continued during the 1950s, with further loss of jobs in the manufacturing sector and growth in the trade and service sectors.²⁴ By 1957 the Lakehead was experiencing the recession that was affecting

²⁰Ibid., pp. 41-55.

²¹Tronrud, "Building the Industrial City", p. 116.

²²Stafford, "A Century of Growth at the Lakehead", p. 52. The manufacturing sector lost 2,500 jobs from 1941 to 1951. However, the pulp and paper industry experienced an increase of 1,000 jobs during this period, as did the service sector. The trade sector grew by 1,500 jobs.

²³Tronrud, "Building the Industrial City", p. 116.

²⁴Stafford, "A Century of Growth at the Lakehead", p. 52. There was a loss of 1,000 jobs in the manufacturing sector. This was offset by the creation of 1,400 jobs in the trade sector and 1,300 jobs in the service sector.

all of Canada.

Transport Minister George Hees came to Fort William on February 20, 1958 and quickly announced the Progressive Conservative federal government was willing to spend in excess of one million dollars to install harbour facilities, most likely at an inter-city location.²⁵ All that needed to be done was for the two cities to meet and name a joint harbour board, something Hees claimed had taken the cities two months to do so far.

While the federal government's intentions were significant for the Lakehead, Hees timed his announcement to gain political favour. The Conservatives, having won a minority government in 1957, were attempting to win a majority when they called for a March 31 election. Mayor Badanai was playing two roles the next day when he responded to Hees' remarks. Badanai, the Liberal candidate for the Fort William riding, stated that Hees "had done nothing but offer 'pie in the sky' during public appearances in Fort William Thursday."²⁶ Badanai, in the role of Fort William's Mayor, also offered evidence that the cities were waiting for some advice from the federal government on how to

²⁵DTJ, February 20, 1958, pp. 1, 13.

²⁶DTJ, February 21, 1958, p. 3. See DTJ, February 18, 1958, pp. 1, 10 for the article on Badanai's successful bid for the Liberal candidacy.

proceed after they had sent to Hees a copy of a resolution agreeing in principle to the plan.²⁷ Hees' announcement became more suspect on February 26 when W.F. Elliot of the marine services branch of the Department of Transport made it clear that the one million dollar harbour facilities would take more time than anticipated. In fact it was revealed that

There can be no dock until a harbour commission is selected. But no commission can be selected until a government is elected and approval given by the transport department. Then the commission must be incorporated by an act of parliament.²⁸

As he answered questions and criticisms from the local aldermen, Elliot had to make it clear he was only a messenger and not responsible for government policy.

Nonetheless, representatives of the two city councils met to agree to set up a harbour commission. The resolution they passed was as follows:

²⁷**DTJ, February 21, 1958, p. 3. The Mayor had letters indicating both cities had communicated with Hees and were awaiting an official of the Department of Transport to advise them on procedure. Hees wrote on February 12 that W.F. Elliot was going to be sent on February 26.**

²⁸**DTJ, February 26, 1958, pp. 1, 2.**

That this meeting of the councils of Fort William and Port Arthur and the harbor committees of both cities go on record that a lakehead commission be formed and that it be recommended to the respective councils that a formal resolution be passed accordingly by each council and be forwarded to the federal government.²⁹

The meeting demonstrated that rivalries could be forgotten, at least for a short time, when something would benefit both cities.

The agreement was not even a day old when it was announced that Imperial Oil Limited had exercised its option and bought nineteen acres of waterfront near intercity.³⁰ Mayor Badanai believed that this would not be a problem. However, Port Arthur Council criticized Fort William over this issue. They debated whether they should approve the formation of a harbour commission, particularly since Fort William had a limited amount of land available to contribute to the project.³¹ Despite the uproar, the report of the joint-meeting of the councils was adopted by both cities with a realization that details would have to be worked out and that the federal government had not even decided on a site.

On August 11, the same day that Fort William Council decided to

²⁹**DTJ, February 27, 1958, pp. 1, 3.**

³⁰**DTJ, February 28, 1958, p. 1.**

³¹**DTJ, March 4, 1958.**

go ahead with a plebiscite on amalgamation, the Fort William aldermen showed how difficult they found it to see the Lakehead as one economic unit. The recently elected majority Progressive Conservative federal government had acted on its promise and was creating a Lakehead Harbour Commission to administer and develop the united harbours of Fort William and Port Arthur. The federal government was going to build a modern terminal at a cost of between three and four million dollars on land given by the two cities.³² Fort William was upset about reports that the only site being considered was in Port Arthur on land that Fort William councillors insisted "was not practical for building purposes" and would require extensive dredging as well as an expensive overpass to Fort William Road.³³ Instead, Fort William suggested that the government should investigate land along the Mission River, as well as Island No. 2. Once again inter-city rivalry was overcoming any feeling of what was good for the Lakehead as a whole.

Within a few weeks it became clear that the Port Arthur site was

³²DTJ, July 10, 1958. Also see DTJ, May 13, 1958, p. 1, June 7, 1958, p. 1, June 17, 1958, pp. 1, 9, June 26, 1958, pp. 1, 29, and July 2, 1958, p. 1 for more information on the steps taken to create the commission.

³³DTJ, August 12, 1958, pp. 1, 2.

going to be chosen. The firm of consulting engineers that the federal government had hired said that the project could be done at that site at a "very, very reasonable cost."³⁴ Fort William's objections were dealt with, particularly their claims that the Port Arthur site had no bedrock near the surface, that dredging would be required, and that it would be difficult to provide access to the site for trucks. The consulting engineers stated that the foundation was solid enough and that dredging would help reclaim land so that Port Arthur would not be required to give up too much of its land. They also pointed out that the suggested Fort William location was not suitable because of the narrow entrance and that there was "little or no turnaround area, shoals lie nearby, and it is not feasible for future expansion."³⁵ The outcry from Fort William had amazed the engineers who were sent to investigate the Port Arthur site, and it demonstrated how the inter-city rivalry was alive despite talk of amalgamation.

The William Street Dispute

In early May it became apparent that another public dispute was

³⁴DTJ, August 23, 1958, pp. 1, 2.

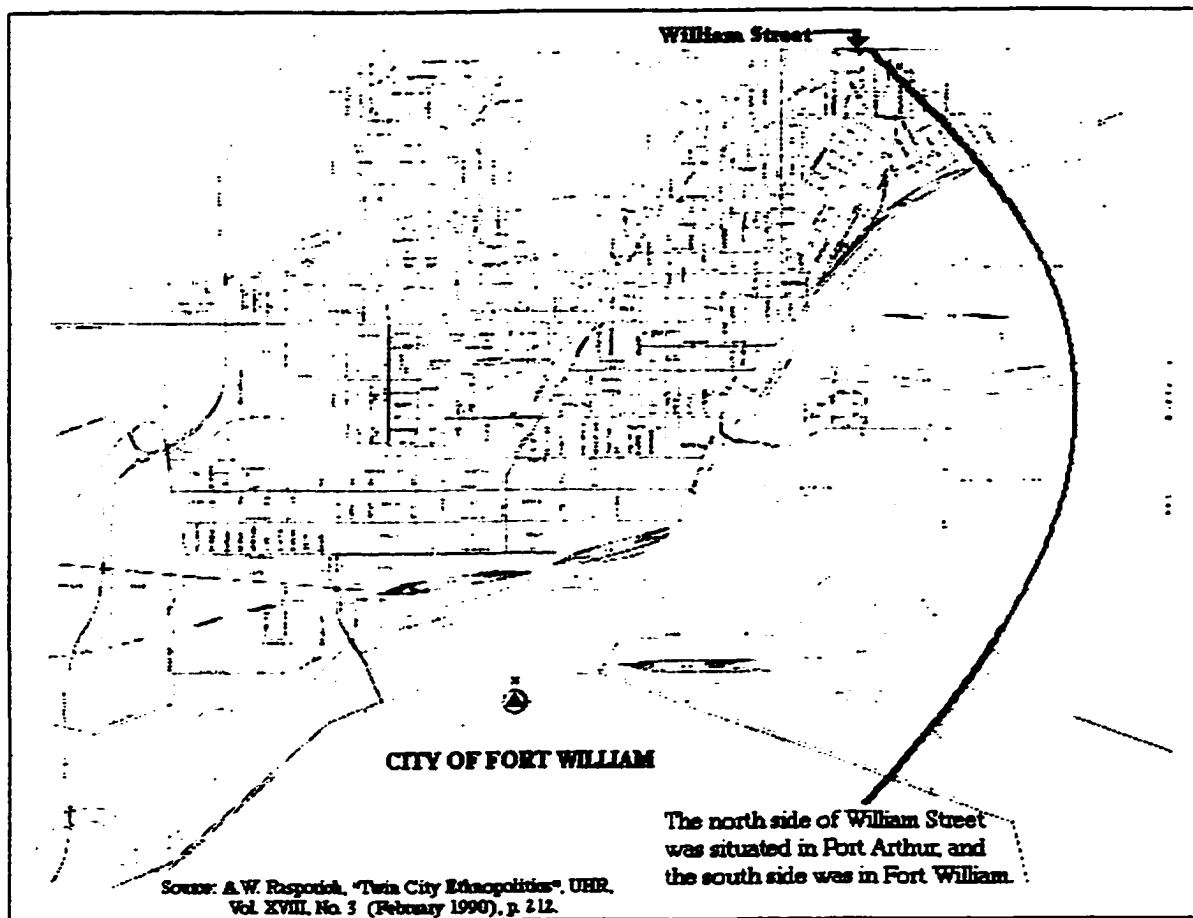
³⁵Ibid., p. 2. Fort William had originally hoped the engineers would select a site south of the intercity boundary, but Imperial Oil had bought it earlier that year, using its option on the property.

going to place the two City Councils on opposing sides, and further undermine the enthusiasm for amalgamating Fort William and Port Arthur experienced at the beginning of the year. This time the disagreement was over a bill for water, sewerage, education, and other services provided to Port Arthur residents on William Street by Fort William.³⁶ The section of William Street that bordered both cities was in the East End, south and east of the Neebing River, and west of the Canadian Pacific Railway line. Fort William's yearly billing was regularly protested by Port Arthur. However, in 1958 the escalation of the quarrel would show how difficult the two cities found it to resolve issues.

Port Arthur's rejection of the bill as too high became front page news in early June. Port Arthur wanted the Ontario Municipal Board to arbitrate the matter, which Fort William said it would agree to as long as Port Arthur paid this year's bill.³⁷ While it was possible to resolve this issue amicably, it was a potential source of animosity, particularly when Fort William City Council chose to pressure Port Arthur by resolving that "if it is not paid on the date in October

³⁶DTJ, May 6, 1958, p. 1. The cost was \$1542.54. Arbitration was asked for in 1957, though nothing was done.

³⁷DTJ, June 10, 1958, p. 1. If paid sooner than the October deadline Port Arthur would receive a discount.



stipulated we will simply cut off the services.³⁸ The Fort William Council became evasive on the issue of amalgamation at this point, and the Daily-Times Journal linked the William Street problem with the negative stance council was taking on proposals for a preliminary study on amalgamation.³⁹

³⁸DTJ, June 10, 1958, p. 1.

³⁹DTJ, May 13, 1958. William Street had long been a controversial issue between the two cities. Although one side of the street was within Port Arthur's borders, Fort William supplied water,

On June 16, Port Arthur clearly indicated that it was not going to pay the bill. Instead it was going to wait for the issue to be settled by arbitration. Acting finance chairman Albert Hinton stated that "We paid last year under protest, but this year we will pay nothing until it is arbitrated."⁴⁰

Despite this setback, Fort William Council continued to talk about its proposal of a plebiscite in December on amalgamation, though some aldermen were now expressing doubts. At an August 11 meeting Hubert Badanai stated that "If we can't agree on little things like William street [sic] how in Heaven's name can we ever think of something as complex as amalgamation?"⁴¹ An alderman, perhaps referring to Badanai's automobile businesses, suggested that "it was the same as throwing away a new car because of one bad tire," and he advocated "continued negotiations with the William street problem while the public is tested to see if amalgamation is desirable."⁴² In any other year, the William Street problem would not have been as significant. However, if it continued to grow, the public would also

sewerage, and other services.

⁴⁰DTJ, June 17, 1958, p. 9.

⁴¹DTJ, August 12, 1958, p. 1.

⁴²Ibid.

begin to question the ability of the two cities to amalgamate.

The hopes of those in favour of amalgamation were set back yet again in November when Fort William City Council, impatient over Port Arthur's refusal to pay the William Street bill, decided to apply to annex the north side of William street. Fort William claimed that arbitration had been ruled out by the Ontario Municipal Board on November 6 when it said it had no jurisdiction in the matter and wanted no part of it.⁴³ Fort William's move was backed by a petition by residents of the street who desired to be annexed and billed directly. Residents of William street had reason to be concerned, particularly when it was revealed that Port Arthur collected over two thousand dollars in taxes from residents of the north side of the street and was only charged \$1542.54 by Fort William.⁴⁴

Port Arthur City Council's immediate reaction to this was calm, saying they were waiting for an explanation from the Ontario Municipal Board, even though Fort William was starting legal proceedings to

⁴³DTJ, November 6, 1958, p. 1.

⁴⁴DTJ, November 6, 1958, p. 1. This report claimed Port Arthur collected \$2285.01 in taxes. The PANC, November 11, 1958 claimed Port Arthur collected \$1800.

collect the money.⁴⁵ At a meeting on November 17 Port Arthur's council discussed the William Street issue, deciding that everything was being blown out of proportion and that they would defer paying the bill. Mayor Wishart suggested that because this was a small amount it could be that it was being played up for political reasons, although it was not clear what these were.⁴⁶ The issue was not going to be resolved before the plebiscites took place, and was likely to have a significant impact on how voters viewed the amalgamation issue.

Fort William Refuses to Take Part In A Study of Amalgamation

Some groups, such as the Intercity Development Agency (IDA), were advocates of amalgamation of the two cities. The IDA was established in 1953 by businessmen located in the Intercity area to pursue common interests and solve the problems the businessmen were facing.⁴⁷ One difficulty was that Port Arthur was unable to make major road and sewage improvements in the intercity area because it

⁴⁵DTJ, November 11, 1958, pp. 1, 10. PANC, November 11, 1958.

⁴⁶DTJ, November 18, 1958, p. 1.. PANC, November 18, 1958.

⁴⁷Raffo, The Thunder Bay Amalgamation Oral History Project, PR-15, Interview with Donald McEwen. There were 500 businesses located in the area, according to McEwen.

felt it lacked the tax base necessary for such an undertaking.⁴⁸

Another irritant was the inability of the two cities to coordinate their transit systems to eliminate the long waits at the transfer locations in the intercity area.⁴⁹ The IDA quickly came to the conclusion that amalgamation was the only solution to these problems. When the mayors announced their support for a plebiscite on amalgamation in 1958 the IDA would advocate that a study be done on the problems and advantages of amalgamation.

The Intercity Development Association held a meeting to discuss amalgamation of Fort William and Port Arthur, inviting representatives from both cities.⁵⁰ The meeting of business people and municipal officials revealed that the two mayors had different ideas about the purpose of the plebiscite at the end of the year. Mayor Wishart believed that the public had to be informed about the benefits of amalgamation if it was to be approved, and that a study of the potential impact of amalgamation on the two cities was needed before

⁴⁸Morrison, "The Intercity Development Association And The Making of The City of Thunder Bay", p. 24.

⁴⁹Kosny, "Thunder Bay After A Quarter Century", p. 227.

⁵⁰CTBA, Port Arthur City Clerk's Files, TBA 2403, Box 8, Amalgamation - Fort William & Port Arthur & Adjacent Areas, 1910-1969, March 31, 1958 W.J. Troost, President of the Intercity Development Association to A.H. Evans, Port Arthur City Clerk.

the people voted on the issue at the end of the year. However, Mayor Badanai was now taking the stance that the plebiscite was going to be on the issue of whether or not they should have the study, and not on whether the public wanted amalgamation. He stated that "We must have vision and determination", suggesting that there be a plebiscite by each city "to ask people if they desired the cities to investigate the matter. Later a second plebiscite could be held when people knew all the facts."⁵¹ The end result of the meeting was that the Intercity Development Association decided to ask both city councils "to invite a firm of experts to come in and analyse problems and benefits of amalgamation" and to set aside funds for the study.⁵²

Port Arthur supported the Intercity Development Association's proposal. Port Arthur City Council made it clear at an April 21 finance committee meeting that they wanted an investigation of the costs and benefits of amalgamation before the vote in December. They wanted Fort William to cooperate in funding the necessary study.⁵³ The Fort William Daily Times-Journal reported that Mayor Wishart

⁵¹DTJ, April 18, 1958, p. 23.

⁵²Ibid. Also see Morrison, "The Intercity Development Association and the Making of The City of Thunder Bay", p. 25.

⁵³DTJ, April 22, 1958, p. 12.

said that "the people should be told of all points and the cost of the idea",⁵⁴ indicating the voters would be better able to make a decision once informed about the issue.

Fort William Council remained firm in their position that the plebiscite result would determine if a study on amalgamation would be necessary. They did not act on the letter from the Intercity Development Association that asked for a study to be done. Also, within a week, a copy of the April 28 Port Arthur City Council resolution was received. The resolution read as follows:

That the City Clerk in co-operation with the Lakehead Planning Board be requested to obtain information as to the sources, types and costs of survey, which would outline procedure and benefits and costs of eventual amalgamation, or other recommendations, and that the City of Fort William be so advised, and be requested to co-operate.⁵⁵

Fort William acknowledged receipt of the letter and resolution, but its Council referred the issue to its finance committee which then "recommended no action at that time other than it be presented to

⁵⁴**Ibid.**

⁵⁵**CTBA, Fort William City Clerk's Files, TBA 993, No. 109, April 29, 1958, A.H. Evans, Port Arthur City Clerk to D.M. Martin, Fort William City Clerk.**

them during the month of August.⁵⁶

Fort William and Port Arthur councils were on a collision course, casting doubt that an amalgamation plebiscite would be held. Showing that they were not going to cooperate with the wishes of Port Arthur, Fort William City Council passed the following resolution in August:

THAT on the understanding that the Council of the Corporation of the City of Port Arthur is prepared to submit the question of the amalgamation of the two cities to its electors as a plebiscite at the forthcoming Municipal Election, the Council of the Corporation of the City of Fort William is prepared to take similar action.

This in our opinion should be the desired procedure rather than the expense of a survey for the establishment of the benefits and costs of eventual amalgamation.⁵⁷

Port Arthur responded to this resolution by confirming its own plan of action and asking that there be a joint meeting of the two councils "with the thought that a policy acceptable to both Councils may be decided upon after joint deliberations."⁵⁸ However, Fort William

⁵⁶**Ibid.**, Letter from D.M. Martin to A.H. Evans, June 5, 1958. Also see CTBA, Series 1, TBA 53, Fort William Council Minutes, p. 472 (April 22, 1958) and p. 478 (May 13, 1958).

⁵⁷**Ibid.**, Letter from D.M. Martin to A.H. Evans, August 13, 1958.

⁵⁸**Ibid.**, Letter from A.H. Evans to D.M. Martin, September 8, 1958.

remained firm in its position and asked the City Solicitor to prepare the necessary by-law so that a plebiscite on the issue of amalgamation of Port Arthur and Fort William could take place.⁵⁹ This issue may or may not have had a direct impact on the plebiscite in December, but it was another example of how the relationship between the two councils was delicate. They could be cooperative when needed, but they were often full of distrust and suspicion.

The debate began to heat up during the fall of 1958. Fort William had ignored Port Arthur's desire for a study of the costs and benefits of amalgamation and pushed for a plebiscite on the question to see if there was support for such a measure before committing any money to a study.⁶⁰ On October 14, Fort William City Council passed a resolution instructing the City Solicitor to prepare a by-law so that a vote on amalgamation could be held during the municipal election in December. With no indication that Port Arthur was going to have a plebiscite, some Fort William citizens believed that Fort William was providing the leadership for amalgamation. The editor of Fort William's Daily Times-Journal was worried that, if the plebiscite was

⁵⁹CTBA, Series 1, TBA 53, Fort William City Council Minutes, October 14, 1958, p. 525.

⁶⁰CTBA, Series 1, TBA 53, Fort William City Council Minutes, October 14, 1958, p. 525.

successful, then Fort William would have to sue Port Arthur for unification.⁶¹ Rather than discussing amalgamation, the editor boldly suggested that the plebiscite should be on the annexation of Port Arthur! The superiority Fort William felt in relation to its sister city was expressed succinctly in the editorial when the editor commented on Fort William's larger population, its lower taxes and how Port Arthur would have to complete a "great amount of public works."⁶²

The editor of Port Arthur's daily newspaper, the News-Chronicle, also found the situation worthy of comment. The editorial, reprinted in Fort William's newspaper, commented on how Fort William traditionally had seen Port Arthur as a poor relative and opposed amalgamation "because of Port Arthur's higher tax rate and heavy debenture debt."⁶³ The article went on to argue that Fort William was

⁶¹DTJ, October 18, 1958, p. 4.

⁶²Ibid. Also see DTJ, October 28, 1958. The newspapers made a big deal of population figures for the two cities. Fort William, which had the lead since the turn of the century led by 525 people in 1958. Fort William's population was 42, 210 to Port Arthur's 41, 685. Incidentally, Port Arthur's increase was larger that year, 2,064 to Fort William's 1,446. See Appendix A.

⁶³DTJ, October 25, 1958, p. 4. The amount of property tax collected per capita was higher in Port Arthur than Fort William, but not significantly. The debenture debt per capita varied from year to year during the 1950s. In this case, Port Arthur's per capita debenture debt was lower than Fort William's in some years. See Appendices C, D and E.

pushing the issue of amalgamation because of Port Arthur's rising fortunes and economic boom that would soon see Port Arthur's population surpassing Fort William's. The editor then went on to suggest that maybe Port Arthur should be cautious about proceeding with amalgamation.

With suspicions growing daily, the October 29 issue of Fort William's Daily Times-Journal did further damage to the issue of amalgamation. This time it was a front page story on the possibility of Port Arthur annexing Fort William, something the paper reported was attempted in 1907.⁶⁴ The story was a result of the cancellation of a Port Arthur Council meeting because of a lack of quorum. This meeting was necessary to start the process of passing the required by-law for a plebiscite on amalgamation, something Fort William City Council had done the same night. There were suspicions that if Fort William citizens favoured amalgamation at their plebiscite Port Arthur would tell the Ontario Municipal Board that "Fort William wants to join us so we are going to annex and make them happy."⁶⁵ As a result of Port Arthur's lack of action on the plebiscite, the majority of Fort

⁶⁴DTJ, October 29, 1958, p. 1.

⁶⁵Ibid. Also see CTBA, Series 1, TBA 53, Fort William City Council Minutes, October 28, 1958, Passage of By-law No. 85 - 1958.

William aldermen decided to publicly oppose amalgamation and, instead, were now favouring a metropolitan system of government, possibly including Neebing and Shuniah.⁶⁶ While Fort William saw this situation as serious, their counterparts in Port Arthur found the controversy humorous and silly.⁶⁷

Port Arthur City Council put to rest any worries about this particular annexation scheme in early November. At a November 3 meeting it voted in favour of the plebiscite question "Are you in favor of amalgamation of the city of Port Arthur and the city of Fort William as one city?"⁶⁸ The vote was close, with six in favour and four opposed. Those opposed felt that a study should have been done so that the public could make an informed decision. However, since Fort William was going ahead with a plebiscite, the majority of Port Arthur's council felt they should hold one as well.

The Plebiscite and Its Results

The proponents of amalgamation of Fort William and Port Arthur

⁶⁶**DTJ**, October 29, 1958, p. 1. They hoped this would save some money and end duplication.

⁶⁷**DTJ**, October 30, 1958, pp. 1, 3.

⁶⁸**DTJ**, November 4, 1958, p. 3. **Port Arthur News-Chronicle** (hereafter **PANC**), November 4, 1958, p. 1.

faced the difficulty of showing that amalgamation would benefit citizens of both cities without having had a comprehensive study done. One citizen of Fort William wrote to the editor of Fort William's Daily Times-Journal just prior to the plebiscite, stating that many people did not see how amalgamation would benefit them:

The writer has spent the greater part of his life here and has many friends in Port Arthur and they agree with him that first more information is needed to arrive at an intelligent vote and also that we can get farther going along with friendly rivalry than internal strife.⁶⁹

The letter writer then goes on to state how Port Arthur is different than Fort William in that "Port Arthur still wants government to do everything and Fort William works for and provides what it wants", and how Port Arthur's taxes are higher and how it has neglected its streets and sidewalks. Without an independent, comprehensive study, many people in Fort William and Port Arthur would continue to believe these and other unverified impressions of each other's city.⁷⁰

Fort William voters went to the polls on December 1, voting on three issues. These included the extension of the municipal franchise

⁶⁹DTJ, November 26, 1958, p. 4.

⁷⁰Black, Thunder Bay Amalgamation Oral History Project, DB-15, Interview with Edgar Laprade, July 28, 1994. Edgar Laprade, a Port Arthur alderman, recalled how his wife did not like the idea of amalgamating with Fort William just before it occurred in 1970.

to all residents twenty-one and over, the building of a chronic care hospital, and amalgamation. Two out of the three plebiscites received affirmation from the electorate, with amalgamation being soundly rejected by a vote of 4209 for and 6827 against.⁷¹ This result made the Port Arthur plebiscite redundant, as it was to be held one week later. There would not even be a study done on amalgamation now. Despite the negative vote in Fort William, Port Arthur citizens voted narrowly in favour of amalgamation, 5468 to 5331.⁷² Although Fort William's Mayor Badanai - who did not run in the municipal election because he was now a Member of Parliament - insisted the issue was "not dead," it was apparent that nothing was going to happen very soon.⁷³

Conclusion

Cooperation between Fort William and Port Arthur was short-lived throughout 1958. While they did work together to form the

⁷¹DTJ, December 2, 1958, p. 1. PANC, December 2, 1958, p. 1.

⁷²DTJ, December 9, 1958, p. 1. PANC, December 9, 1958, p. 2. CTBA, Port Arthur City Clerk's Files, City of Port Arthur Committee of the Whole, January 12, 1959, Resolution 21-336. The matter was filed at this meeting.

⁷³DTJ, December 9, 1958, p. 1.

Lakehead Planning Board, their competitive spirit and jealousy came to the forefront over issues such as the publicity Fort William received in a Toronto weekly and the proposed location of new harbour facilities. Brewing for a number of years, the biggest dispute was over the payment of taxes collected from William Street residents by Port Arthur that was owed to Fort William for the services it supplied. The inability of the two cities to settle this problem, and the publicity Port Arthur received over this issue, would not have left a favourable impression on Fort William citizens.

Many Fort William citizens and politicians were critical of Port Arthur's motives for wanting amalgamation. Before Port Arthur committed to a plebiscite on amalgamation, Fort William citizens feared that their city would be annexed if they voted in favour of amalgamation with Port Arthur. This idea was reinforced by Port Arthur's alleged previous attempts at annexation such as the supposed attempt in 1907. Others suggested reasons why Port Arthur would want amalgamation, such as its financial situation; Fort William was always quick to point out it had lower taxes and that its population was larger. While Port Arthur acknowledged its financial

shortcomings, it resented Fort William's feeling of superiority.⁷⁴

While all these points may be reasons why amalgamation was rejected by Fort William voters, the biggest problem was the difference of opinion on exactly what the plebiscite on amalgamation was about. Fort William's position was that it was a vote on whether to have a study done on the benefits and costs of amalgamation with Port Arthur. However, Port Arthur wanted a study done before any plebiscite was held so that voters would be able to "vote intelligently."⁷⁵ This difference of opinion almost led to only Fort William having a plebiscite, but pressure from the Department of Municipal Affairs allegedly changed Port Arthur's position so that they too held a plebiscite.⁷⁶

These controversies led to confusion and suspicion, ensuring that the euphoria after the mayors' inaugural speeches was short-lived. It was not clear what the electorate was voting on and all the Fort William aldermen, despite declaring support for amalgamation in January, voiced their opposition to it before the plebiscite. Further

⁷⁴DTJ, January 21, 1958, p. 1. The paper gave coverage of Alderman Anten's criticism of Port Arthur finances. Alderman Anten was the chairman of the finance committee of Port Arthur City Council.

⁷⁵PANC, November 19, 1958, p. 4.

⁷⁶PANC, November 6, 1958, p. 4.

damaging any hopes of amalgamation was the lack of support from the local newspapers. The Fort William Daily Times-Journal declared its opposition to amalgamation on November 26 while the Port Arthur newspaper was critical of the Port Arthur City Council's reversal of position and decision to have a plebiscite before any study was done.⁷⁷ Port Arthur's daily paper even questioned how amalgamation could be considered when the William Street issue and other minor problems could not be resolved.⁷⁸ The failure of the plebiscite was not surprising, because there was a lack of leadership from the proponents of amalgamation, the plebiscite question was not clear, and no comprehensive study had been done indicating the benefits and costs.

⁷⁷DTJ, November 26, 1958, p. 4; PANC, November 6, 1958, p. 4, November 19, 1958, p. 4, November 27, 1958, p. 4.

⁷⁸PANC, November 12, 1958, p. 4.

Chapter 4

The Problem of Urban Growth at the Lakehead

In the early 1960s Fort William and Port Arthur were facing problems that were similar to those confronting other municipalities in Ontario. They were experiencing a spillover of their population into the surrounding area because of the limited residential space in the cities and the lower property taxes in the suburban fringe. Port Arthur was particularly concerned with the uncontrolled growth in neighbouring McIntyre Township, which was part of the Municipality of Shuniah. However, Port Arthur did not feel it could annex this territory on Shuniah's terms without adversely affecting its property taxes.

Property taxes had been rapidly increasing in Ontario to meet the demands on local government. Whereas local governments had been primarily concerned with the delivery of essential services prior to World War II, they faced new considerations in the post-war period. These new responsibilities were primarily in the area of social services, but the modernization of essential services had also strained local

budgets.¹ The property owners faced increases in their property taxes, and the provincial government's municipal grants increased dramatically.² Consequently, the suburban fringe around the major cities grew rapidly as people moved into areas with less expensive accommodations which were close enough to the city that they could enjoy its amenities.

When it became apparent that his city alone could afford to annex McIntyre, Port Arthur's Mayor, Saul Laskin, decided to pursue the idea of a comprehensive review of local government at the Lakehead. In 1958, during the debate about amalgamating Fort William and Port Arthur, some individuals had broached the idea of creating a metropolitan government that would include surrounding

¹The Institute of Local Government, Urban Population Growth and Municipal Organization, pp. xi-xiv; Also see A.K. McDougall, John P. Roberts: His Life and Government (Toronto: University of Toronto Press, 1986), pp. 209-210. The modernization of policing and education are just two examples of increased costs due to rising standards and expectations. Teachers and police were required to be more highly trained than ever before. With an increase in the education required for these jobs came a demand for higher wages.

²Feldman, "Provincial-Municipal Relations in Ontario: An Examination of Selected Aspects", p. 259. Feldman states that Municipal Unconditional Grants increased five fold from 1953 to 1961, and from 1967 to 1972 it doubled its payments.

municipalities as well as Fort William and Port Arthur.³ Proponents argued that such a proposal was possible because it had been done in a minor way by the formation of the Lakehead Planning Board, which was responsible for the future development of Port Arthur, Fort William, and the Municipalities of Shuniah, Neebing and Paipoonge. Growth in the surrounding municipalities and the limited amount of space available for growth in the cities had made it necessary for the local governments to cooperate in a search for solutions to area-wide problems.

In October 1964, Mayor Laskin attempted to convince the provincial government to assist in funding the review and appointing a commissioner. He was not successful until he was able to get the support of the Mayor of Fort William and the Reeves of Shuniah, Neebing and Paipoonge. The newly-formed Lakehead Chamber of Commerce and the Fort William-Port Arthur and District Labour Council also endorsed the proposal for a review of local government at the Lakehead. This request came at a time when the Ontario government was considering a series of local government reviews in areas such as Niagara, Waterloo, Peel-Halton, and Hamilton-

³PANC, November 15, 1958, p. 3. Also see editorial in PANC, November 19, 1958, p. 4.

Wentworth.⁴ It had become apparent that the existing local government structures were insufficient to meet the demands being placed upon them due to the rapid urbanization and suburbanization of the post-World War II era. At the end of September, 1965 the provincial government was convinced that there was enough local support at the Lakehead for a review, and they appointed a commissioner.⁵

Local Leadership

Saul Laskin was the local politician who provided the strong leadership required to get all of the Lakehead's mayors and reeves to agree to support a proposal for a local government review. A Port Arthur alderman from 1959 to 1960, he became Port Arthur's mayor in 1962. His leadership abilities were reflected in the manner in which Port Arthur Council operated and the praise he received from those who worked with him.⁶ George Lovelady, a Port Arthur councillor,

⁴Niagara Region Review Commission, Report and Recommendations (1989), p. 20.

⁵Ontario Archives, RG 4, Series 4-02, Box 277, File 7, Municipal Affairs, Lakehead Municipalities Proposed Union of 1965.

⁶Raffo, The Thunder Bay Amalgamation Oral History Project, PR-7, Interview with George Lovelady, 4 August 1994; PR-5 Interview with Darcy McKeough, 26 July 1994. Lovelady was a Port Arthur alderman

commented in an interview in 1994 on how the Port Arthur Council acted as a team under Laskin's leadership. The issues were often settled in committee meetings and there was little "grand standing" during council meetings.⁷ This contrasted with Fort William's turbulent council meetings, which were often very politically oriented and raucous.

Mayor Laskin was also a successful businessman who owned a furniture store in Port Arthur. He thought of the Lakehead community as a single unit and was concerned about local planning and duplication of municipal services.⁸ As a businessman he was also a member of the Port Arthur Board of Trade (also referred to as the Port Arthur Chamber of Commerce). He enthusiastically supported the amalgamation of the Port Arthur and Fort William Chambers of Commerce and advocated the amalgamation of the two Lakehead cities.⁹

and Darcy McKeough was the Minister of Municipal Affairs during amalgamation. Both men said that Mayor Laskin was strong leader.

⁷Ibid.

⁸Yarzab, The Thunder Bay Amalgamation Oral History Project, CY-11, Interview of Saul Laskin.

⁹Yarzab, The Thunder Bay Amalgamation Oral History Project, CY-28, Interview of Victor (V.B.) Cook, 19 August 1994. Cook was the President of the Port Arthur Board of Trade in 1964 and subsequently

The Port Arthur and Fort William Chambers of Commerce were officially amalgamated in January 1965. The two Chambers had worked closely together, particularly on promoting tourism for the two cities.¹⁰ The actual vote to amalgamate the two Chambers of Commerce occurred on September 16, 1964. The vote was nearly unanimous as the business leaders expressed their desire to end the "cut-throat" competition between the two cities.¹¹ This amalgamated organization was named the Lakehead Chamber of Commerce.

In his inaugural address to the Lakehead Chamber of Commerce, newly-elected Chamber President, R.K. Andras, made it clear that their organization fully supported any movement towards a single city at the Lakehead.¹² Andras argued that

A single authority will do much to eliminate the frustrations and delay of decisions - resulting from the

a member of the Lakehead Chamber of Commerce.

¹⁰Ibid.

¹¹Ontario Archives, RG 4, Series 4-02, Box 277, File 7, Municipal Affairs, Lakehead Municipalities Proposed Union of 1965, "Remarks of the President (R.K. Andras) To The Inaugural General Meeting Of The Lakehead Chamber of Commerce January 21, 1965", p. 2. V.B. Cook states that there were only three votes against unification of the Chambers of Commerce in Yarzab, The Thunder Bay Amalgamation Oral History Project, CY-28, Interview of Victor (V.B.) Cook, 19 August 1994.

¹²Ibid., p. 8.

differences, views and interpretations on Municipal matters - such as zoning, licensing, administration, public transportation, industrial development - etc. etc. - that accompany the present confusion of five equal, separate but duplicated civic administrations.¹³

Andras also argued that the quality of municipal services would improve under a single local government because there would be no duplication of services. This would result in better efficiencies and more value for the taxes that were spent. Perhaps most important to the Chamber of Commerce members, Andras told his audience of businessmen, a single Lakehead city would give them an advantage "in increasing existing trade and commerce, and attracting new industry and investment."¹⁴

Labour representatives also supported any movement towards the creation of a single Lakehead city. The Fort William-Port Arthur and District Labour Council had been created in 1957.¹⁵ Previously,

¹³**Ibid., p. 9.**

¹⁴**Ibid., p. 10. Andras maintained that a city with a population of 100,000 would attract more investment than "one, -two -or even ten separated cities of 45,000. [emphasis is Andras's]**

¹⁵**Ontario Archives, RG 4, Series 4-02, Box 277, File 7, Municipal Affairs, Lakehead Municipalities Proposed Union of 1965, "Resolution Adopted At The November Meeting of the Fort William-Port Arthur and District Labour Council".**

there had been three Labour Councils at the Lakehead. They united because they viewed the Lakehead as "a single economic and social community".¹⁶ Also, labour was concerned about some problems in the local economy, particularly seasonal unemployment resulting from the increasing reliance on resource extraction. This type of work tended to be seasonal in nature, and the problem became more visible because of the increasing lack of diversity in the local economy.¹⁷ Like the Lakehead Chamber of Commerce, the Labour Council wanted the Lakehead's economy to continue to expand and diversify.

Municipal Problems at the Lakehead

On January 27, 1965, Fort William residents faced a headline in The Daily Times-Journal which stated "City Faces Acute Shortage of Land."¹⁸ The only area left for Fort William to expand was along Highway 61, north of the Neebing River, and into Neebing along Arthur Street. However, Neebing council was on record that it would reject any Fort William attempts to annex part or all of its property. This ran

¹⁶Ibid.

¹⁷F.W.P. Jones and J.R. Nininger, A Survey of Changing Employment Patterns at the Lakehead Cities of Port Arthur and Fort William (London, Ontario: University of Western Ontario, 1964), p. iii.

¹⁸DTJ, January 27, 1965, p.1.

counter to Fort William's stated desire to study the possibility of Fort William amalgamating with Neebing before any consideration of amalgamation with Port Arthur.¹⁹ Mayor E.H. Reed felt that Port Arthur and Fort William had nothing to offer each other, particularly in terms of utilities. Neebing, on the other hand, wanted water service from Fort William.²⁰ However, getting an agreement on rates was difficult, with Neebing seeking arbitration because of the proposed cost.²¹ Annexation of Neebing would resolve this problem, increase Fort William's tax base, and provide room for future residential growth.

The future scarcity of land in Port Arthur and Fort William, particularly residential land, was a reason for including Shuniah, Paipoonge, and Neebing in a local government review. Although there was sufficient land in the two cities for future industrial use, it was projected in the Urban Renewal Study that they would require an additional 1300 acres for residential purposes by 1981.²² Even if Port

¹⁹Ibid., p. 11.

²⁰See DTJ, January 15, 1965, p. 1, and January 26, 1965, p.1.

²¹DTJ, February 3, 1965, p. 1.

²²DTJ, April 7, 1965, p. 4. See The Lakehead Renewal Study, p. 11. All five Lakehead municipalities participated in this study. This study examined the housing situation at the Lakehead.

Arthur and Fort William were to amalgamate, the population would spill over into the surrounding municipalities. It was already being argued that the slower population growth in Port Arthur and Fort William in 1965 was the result of increases in Neebing, Oliver and Shuniah townships.²³ This partly explained why employment totals were the highest ever, despite a modest growth in population.

While Fort William's mayor rejected amalgamation of Port Arthur and Fort William, there was talk of amalgamating some services to improve efficiencies and reduce costs. One area considered by the two cities was their transit systems. It was believed that if the systems were joined there would be a reduction in the mounting deficits of both systems.²⁴ Later in the year, a consultant reported that there were no glaring inefficiencies in the two systems' operation and management, and that the two could operate as cheaply and efficiently as one.²⁵ What was not addressed was the incompatibility of the two systems, particularly the transfer of passengers at the intercity area.

Another area where savings were proposed was in the

²³**DTJ**, November 2, 1965, p. 4. See Appendix B for the population levels of Shuniah's townships, McIntyre, McTavish, and McGregor, and for Neebing and Paipoonge.

²⁴**DTJ**, February 27, 1965, p. 1.

²⁵**DTJ**, August 7, 1965, p. 1.

construction of a central board of education building. Alderman Hennessy suggested this in March, 1965 because the Fort William Board of Education was proposing to build a new board of education administrative building.²⁶ The suggestion was immediately questioned on the grounds of legality and whether it would result in any savings.²⁷ The Fort William School Board rejected Alderman Hennessy's proposal, arguing that it would not be feasible until there was political union of the two cities.²⁸ Also, later that spring, Port Arthur's public and separate boards and Fort William's separate board stated they did not need additional administration office space, but a jointly operated educational complex was not ruled out for the future.²⁹

The McIntyre Problem

Port Arthur Council's decision to request provincial assistance in conducting a review of local government at the Lakehead was directly influenced by its inability to agree with neighbouring Shuniah on how much of that municipality should be annexed to Port Arthur. Both

²⁶**DTJ**, March 9, 1965, p. 8.

²⁷**DTJ**, March 11, 1965, p. 4.

²⁸**Ibid**, March 16, 1965, p. 1 and **PANC**, March 16, 1965, p. 1.

²⁹**DTJ**, May 13, 1965, p. 3.

Councils were concerned about uncontrolled urban growth in McIntyre Township, but Port Arthur argued it could not afford to annex all of McIntyre and Shuniah refused to allow any portion of the Township of McGregor to be annexed to Port Arthur. By 1964, it became apparent that this problem would have to be resolved using a different process.

Port Arthur's active concern over Shuniah dated back to 1960, when Port Arthur's Property Committee decided to broach the subject of annexation of portions of the municipality in a letter to L.R. Cummings, Deputy Minister of Municipal Affairs. Port Arthur wanted his opinion on whether there would be justification for such a move, suggesting that they thought they would "have sufficient evidence on this point in a very short time."³⁰ Although the specifics are not mentioned, the response of the deputy minister was that they should base their case on providing "services for the immediate good of the inhabitants of the area" and work towards providing "some longer range proposal".³¹ This was the most common reason for annexation of

³⁰**CTBA, Port Arthur City Clerk's Files, TBA 2255, Box #2, Annexation - Part of Municipality of Shuniah by City, Vol. 1/CF/1960, July 18, 1960, City Clerk to Mr. L.R. Cummings, Deputy Minister of Municipal Affairs, written on instructions of Property Committee at meeting held 11th July 1960.**

³¹**Ibid., Sept. 19, 1960, Mr. Douglas V. Gaebel to Mr. Arthur H. Evans, City Clerk. This letter was stamped "confidential".**

a bordering municipality taking place, particularly when there was a demand for services that the town or township could not afford to provide. Evans saw the merit in Cumming's concern that Port Arthur might need to persuade the citizens of the area that this was the best solution. This meant that planners would have to study the problem and submit a report.

During January of the next year the Municipality of Shuniah passed a by-law which would annex part of Shuniah to Port Arthur and Fort William. The by-law read as follows

That the Clerk is hereby authorized and directed to make application to the Minister of Municipal Affairs for the annexation by the Cities of Port Arthur and Fort William of that part of the Township of McIntyre which lies to the east of the west boundary of the Mapleward Road, and bounded on the east by the City of Port Arthur and the Township of McGregor, and bounded on the north by the Township of Gorham and Ware, and bounded on the south by the Township of Neebing and the City of Fort William, ...³²

Upon being informed of this development, acting Mayor Edgar Laprade instructed the Port Arthur Planning Board to consider the proposal

³²**Ibid., Jan. 25, 1961, A.C. Goddard, Clerk, Shuniah to Mayor, Port Arthur.**

and write up a confidential report for the City Council.³³

The report followed quickly, outlining the problems that Shuniah faced and some questions Port Arthur should consider before proceeding with annexation. The area that Shuniah wanted Port Arthur to annex was, as the report maintains, in desperate financial shape. The assessment was mostly residential. There was very little industrial and commercial assessment, and the area had limited municipal services. However, Port Arthur Council would have to weigh these problems against the need for land for future residential growth and the need to control development on the city outskirts.³⁴ Port Arthur would have to decide if it would be in their best interests to annex McIntyre.

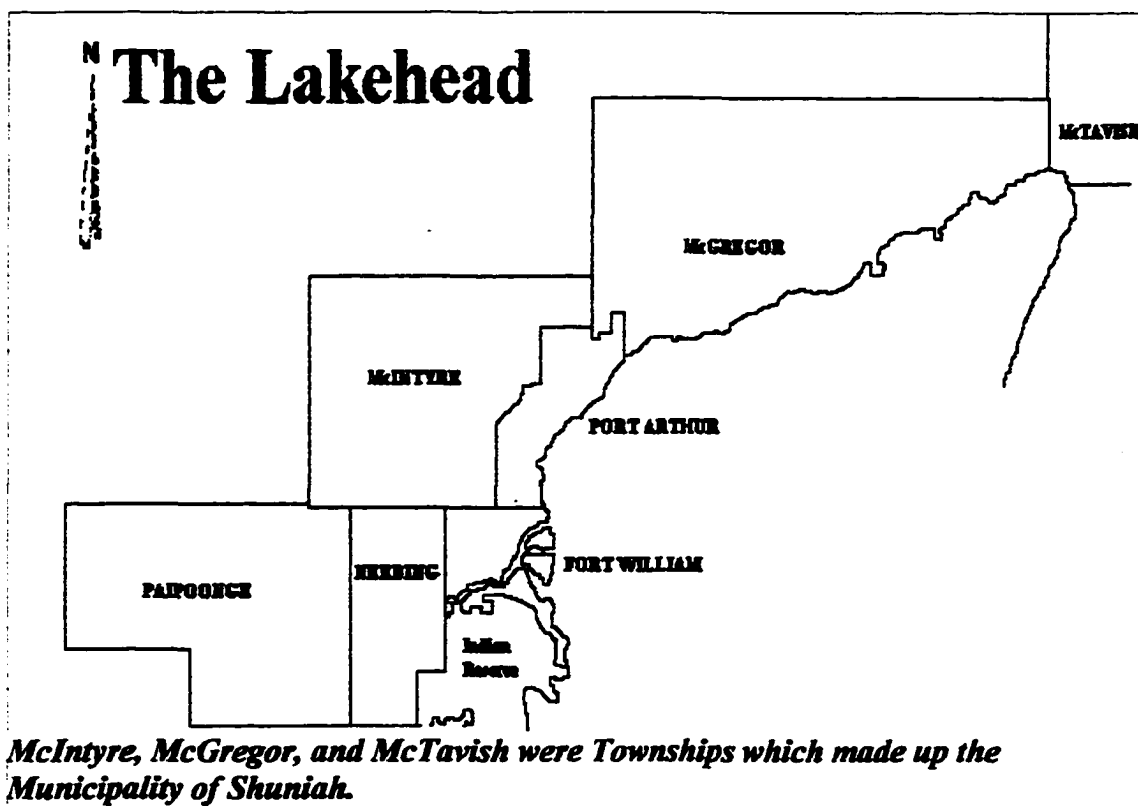
Port Arthur's Mayor Wilson tried to stop development in Shuniah while annexation was being considered. His March 15, 1961 letter to the Minister of Municipal Affairs reveals Port Arthur's concern about how Shuniah had evolved:

It would seem that the application by Shuniah for annexation was based upon the desperate financial situation as shown by the Commercial-Industrial to

³³**Ibid.**, January 30, 1961, Arthur H. Evans, City Clerk, to T.B. McCormack, City Planner.

³⁴**Ibid.**, n.d., Report On By-Law 941 - Municipality of Shuniah.

Residential assessment ratios in McIntyre Township, and by the predicted requirements in school facilities. This condition has, perhaps, occurred due to the lack of adequate planning and development controls in the past, and unless some firm policy is instituted very soon, it could worsen to a very large degree. As a result of the annexation petition, the city, and not Shuniah, may well inherit the results of any subsequent ill-advised action.³⁵



Wilson also suggested that speculators had bought land immediately adjacent to the city, but did not elaborate on this concern. The

³⁵***Ibid.*, March 15, 1961, Mayor N.R. Wilson to Hon. W.K. Warrender, Minister of Municipal Affairs.**

remainder of the letter shows that Port Arthur's primary interest was the residential development of areas adjacent to the city. Although Port Arthur's concerns were taken into consideration by the Department of Municipal Affairs, Mayor Wilson's suggestions could not be acted upon.³⁶

Meanwhile, Port Arthur City Council adopted a resolution on March 13 that set up a framework by which they would approach the proposed annexation. Council made it clear that they had "no objections to the principle of the said annexation, but final decision must be left in abeyance until a report has been received from competent consultants."³⁷ They also advised the Ontario Municipal Board of their actions and requested that hearing of the application of Shuniah be delayed for at least six months.

The Ontario Municipal Board did not delay and a preliminary hearing on Shuniah's annexation proposal was held on May 3, with J.A. Kennedy, from the Ontario Municipal Board, chairing the hearing. Kennedy clarified some issues for the participants and made some suggestions. He wanted to clarify that it was Shuniah's decision to

³⁶Ibid., March 23, 1961, L.R. Cumming, Deputy Minister of Municipal Affairs, to Mayor Norman R. Wilson.

³⁷Ibid., March 14, 1961, A.H. Evans, City Clerk to Mr. A.C. Goddard, Clerk, Municipality of Shuniah.

remove Fort William from the petition. He also hoped that Fort William, Port Arthur, and Shuniah, would agree to a joint study, stating that "the Board is aware that there has been a suggestion that a further look might be warranted at the municipal set-up in this area than what is disclosed in this application."³⁸ Fort William was willing to work with the other two local governments concerning the land contiguous to its borders, because they wanted natural boundaries. However, Port Arthur disagreed with Fort William.

In Port Arthur's submission to the preliminary hearing they put forth three possible areas of study. The first was that they annex "that portion of the Municipality which is reasonably economical from the City point of view to so annex."³⁹ Their second alternative was to annex all of Shuniah so that Port Arthur could control the area. They felt that the area needed proper planning, implying that this was not being done at the time, which was harming Port Arthur's interests.

³⁸CTBA, Port Arthur City Clerk's Files, TBA 2255, Box #2, Vol. 1/CF/1960, Annexation - Part of Municipality of Shuniah By City, "Ontario Municipal Board Hearing On Annexation of Part of the Township of McIntyre, Municipality of Shuniah", May 3, 1961.

³⁹CTBA, Port Arthur City Clerk's Files, TBA 2255, Box #2, Vol. 1/CF/1956, Annexation Committee - Reports, "Brief Submitted To Ontario Municipal Board At Preliminary Hearing of Application of Municipality of Shuniah That City of Port Arthur Annex Part of The Township of McIntyre", May 3, 1961.

Their third alternative was "a compromise" between their first two proposals.⁴⁰ Wherein Port Arthur suggested the possibility of a metropolitan council which would control planning, water, sewer, telephone, electric power, education and roads. Port Arthur presented all of these alternatives because they did not see Shuniah's annexation proposal as feasible or desirable, because it would be too costly for Port Arthur.

Now that their respective positions were established, Shuniah and Port Arthur quickly set up annexation committees which met on May 17. At this meeting they decided to contact E. Jarrett of the Toronto consulting firm Glendinning, Campbell, Jarrett and Dever.⁴¹ Fort William decided to withdraw its application for lands in McIntyre "on the understanding that an adequate buffer zone is created to protect the northerly boundary of the City of Fort William."⁴² Now the annexation issue was to be worked out solely by Port Arthur and Shuniah, who agreed to work jointly to resolve the issue.

⁴⁰**Ibid.**

⁴¹**CTBA, Port Arthur City Clerk's Files, TBA 2255, Box #2, Vol. 1/CF/1960, May 17, 1961, Meeting of Annexation Committees of Municipality of Shuniah and City of Port Arthur.**

⁴²**Ibid., May 12, 1961. Bernard Black, Fort William Solicitor to D.V. Gaebel, Port Arthur City Solicitor.**

The next hurdle in the annexation proceedings was to settle on what parts of Shuniah would be part of the annexation. Shuniah objected to Port Arthur's desire to have part of McGregor included in the annexation area.⁴³ Shuniah's Reeve Nelson argued that Port Arthur wanted to include McIntyre's industrial-commercial development areas and to straighten its border with McGregor, and did not want the Jumbo Gardens residential area.⁴⁴ Shuniah was going to oppose any inclusion of McGregor in the annexation area.

At the next annexation committee meeting Shuniah registered its opposition to the annexation of any part of McGregor Township. They also indicated that the area of McIntyre to be included in the study was inadequate.⁴⁵ Instead, Shuniah argued that if Port Arthur was going ahead with the boundaries, they would have to finance the study themselves. However, the Shuniah representatives present at the next meeting, on July 27, signed a statement indicating they would financially support the study

⁴³PANC, July 18, 1961, p. 1. McGregor bordered Port Arthur partially on the north and mostly on the east.

⁴⁴Ibid. Urban blight could be found within the Jumbo Gardens area.

⁴⁵CTBA, Port Arthur City Clerk's Files, TBA 2255, Box #2, Vol. 1/CF/1960, Report No. 3 of 1961 Annexation Committee, July 20, 1961.

on the understanding that the Municipality reserves the right to oppose, at the official hearing before the Board, the annexation of any part of McGregor Township and also to submit any other objections with respect to the boundaries referred to in Report No. 2 of the Annexation Committee referred to herein.⁴⁶

The consultants could finally begin their study, which was not available until the beginning of the next year, 1962.

The consultants' report was submitted to Port Arthur City Council on February 26, 1962, favouring annexation as proposed by Port Arthur. It reported that it would cost Port Arthur \$199,936 to annex the proposed parts of McIntyre and McGregor.⁴⁷ This would result in a slight increase in the mill rate for Port Arthur citizens, 1.7 mills, and a 2.1 mill increase for the annexed part of McIntyre. However, McGregor residents who were annexed would face a 34.0 mills increase while the areas not annexed would face mill rate increases ranging from 2.4 mills to 2.9 mills.⁴⁸ McIntyre residents in the proposed area of annexation would also save over one hundred

⁴⁶**Ibid., Report No. 4 of 1961 Annexation Committee, July 27, 1961.**

⁴⁷**PANC, February 27, 1962, pp. 1,2.**

⁴⁸**Ibid. The rest of McIntyre would have an increase of 2.7 mills, McGregor 2.9 mills, and McTavish 2.9 mills.**

dollars a year in hydro and telephone rates when they became part of Port Arthur. While the consultants favoured Port Arthur's annexation proposal, they cautioned against the annexation of the whole McIntyre area.

However, Shuniah's submission to the Joint Annexation Committee meeting on April 5 shows that they wanted the whole of the Township of McIntyre to be annexed.⁴⁹ Their argument was that various agencies had determined that Port Arthur and Fort William would run out of residential land by 1966 and that there would be an increase of about 4000 people per year in the suburban area. Shuniah maintained that McIntyre's population would increase from 4400 to 35 000 in the next fifteen years and that Shuniah would not be able to afford to service this population with its limited industrial tax base.

Shuniah stayed firm in its original proposal that the portion lying to the east of the west limit of Mapleward Road be annexed by Port Arthur, but Port Arthur Council could not support Shuniah's application for annexation of McIntyre.⁵⁰ Having clarified the

⁴⁹CTBA, Port Arthur City Clerk's Files, TBA 2255, Box #2, Vol. 1/CF/1960, Annexation - Part of Municipality of Shuniah by City, Annexation Submission By The Municipality of Shuniah to Joint Annexation Committee, April 5, 1962.

⁵⁰CTBA, Port Arthur City Clerk's Files, TBA 2256, Box 3, Vol. 2/CF/1962, Annexation - Part of Municipality of Shuniah, October 16,

boundary of the proposed annexation, Port Arthur Council approved a report of its annexation committee which recommended "That the City of Port Arthur oppose the application of the municipality of Shuniah on the basis that it would create a unit that would require an exorbitant levy of taxes to maintain the urban services."⁵¹ The Ontario Municipal Board had not dealt with Shuniah's request that Port Arthur annex part of McIntyre by 1964, and the issue would not be resolved until the creation of Thunder Bay.⁵²

The difficulty in resolving this situation to each municipality's satisfaction made Port Arthur council consider other options. Harry Parsons, the Director of Planning for the Lakehead Planning Board, wrote to Mayor Laskin on August 24, 1962 stating that "attendance upon an Ontario Municipal Board hearing would be extremely dangerous for the City as the Board may make a decision far wider

1962, Victor Goods to A.H. Evans.

⁵¹Ibid., Report No. 2 of 1962 Annexation Committee, November 2 and 7, 1962. The report was approved by Port Arthur City Council on November 13, 1962.

⁵²Ibid., Port Arthur Planning Board Minutes No. 1, January 21, 1964. Mayor Laskin, in his 1964 Inaugural Address, states that "The time for discussing some form of annexation is now, a union [of Port Arthur and Shuniah] will be beneficial to both municipalities. See CTBA, Series 17, TBA 90, Port Arthur Council Minutes, January 6, 1964, p. 27340.

than the cause for the hearing."⁵³ Instead, Parsons argued that

In resisting the present proposal the City is preserving its economic interests but might take advantage of the situation in order to obtain long term benefits for the Region. These benefits can only arise from a special act of Parliament which can set up a different form of government for the Lakehead...

I recommend that the Department of Municipal Affairs and not the Ontario Municipal Board be requested to make, and pay for, a municipal boundary study of this area in order to solve our assessment and grants problems and yet recognize that we are a 105, 000 persons community in two main residential areas, with two central business districts in two different topographical areas.⁵⁴

Parsons believed that the Ministry of Municipal Affairs would agree to such a proposal. Like many communities in Ontario, the Lakehead cities were beginning to face problems which would not be resolved by just amalgamating Fort William and Port Arthur.

The Lakehead Municipalities Request a Local Government Review

By October, 1964, Port Arthur Council, led by Mayor Saul Laskin, was actively pursuing a review of local government at the Lakehead. The Council's request for financial and personnel

⁵³CTBA, Port Arthur City Clerk's Files, TBA 2255, Box 2, Vol. 1/CF/1956, Letter from Harry Parsons, Director of Planning, Lakehead Planning Board, to Mayor S. Laskin, Port Arthur, August 24, 1962.

⁵⁴Ibid.

assistance from the provincial government for studying annexation of part of Shuniah and for a comprehensive survey of the advantages and disadvantages of amalgamation of Port Arthur and Fort William was refused in August.⁵⁵ Although denied assistance for these proposals, Mayor Laskin decided to ask the Ontario government to

appoint a Commission, having the power to engage all necessary assistance, to conduct an inquiry into the governmental structure of the Lakehead communities; and to report on the advantages and disadvantages, economic and otherwise, for changes in the existing municipal boundaries; and/or for recommendations on some type of area control over joint services and common problems.⁵⁶

Laskin argued that the situation at the Lakehead was not unlike others where studies were already taking place, and he cited problems that affected the relationships between Port Arthur and Shuniah, Port Arthur and Fort William, and Fort William and Neebing which could only be solved by a comprehensive study of the relationships between the communities.

The provincial government was unwilling to provide assistance because the request was not fully supported by the other

⁵⁵CTBA, Series 17, TBA 90, Port Arthur Council Minutes, June 8, 1964, p. 27839, July 13, 1964, p. 27929, and August 18, 1964, p. 28007. The Department of Municipal Affairs denied assistance because the benefits would almost entirely be local.

⁵⁶Ibid., November 9, 1964, pp. 28199-28201.

municipalities at the Lakehead. Shuniah refused to endorse it because Port Arthur's objected to Shuniah's proposed Official Plan, a contentious issue for several years.⁵⁷ Neebing was also opposed, arguing that the Lakehead Planning Board should carry out such a study.⁵⁸ Port Arthur's City Planner, T.B. McCormack, argued that this would not be possible without enlarging the staff of the Lakehead Planning Board, something that the Lakehead Renewal Authority found difficult to do on a short-term basis. The Authority was only able to fill one of two positions that required special training.

Port Arthur's Mayor, Saul Laskin, was not deterred and continued to work hard to convince the other municipal leaders that this was the best course to take. He pursued the issue because "Cabinet members had indicated that if all municipalities concerned would jointly endorse the principle, the government would immediately hire a consultant team to handle the study", indicating it would be "very wise."⁵⁹ The cost of the study was estimated to be \$30,000, of which the provincial government would be willing to pay

⁵⁷PANC, November 4, 1964, p. 1.

⁵⁸CTBA, Port Arthur City Clerk's Files, T.B. McCormack, City Planner (Port Arthur) to Lillian Dennis, City Clerk, November 27, 1964.

⁵⁹PANC, November 4, 1964, p.1.

half. On December 8, 1964, Fort William officially endorsed Port Arthur's submission, which was also supported by the Lakehead Chamber of Commerce and the Fort William-Port Arthur and District Labour Council.⁶⁰ Laskin was finally able to get support from all Lakehead municipalities at a February 3, 1965 meeting of the mayors and reeves of the five municipalities.⁶¹

The provincial government's proposal to create Regional Governments reinforced the belief that changes in local government were needed, and inevitable, at the Lakehead. At the end of March, 1965, the Select Committee on Municipal Law recommended that regional governments replace local governments, using existing county boundaries, with powers over assessment, taxation, policing, welfare, arterial roads, public health, hospitals and planning.⁶² The committee argued that regional governments were needed to restore responsibility to elected representatives and to ensure more efficient and economic administration. Such a system of government would reduce inequalities in taxation, reduce competition for industrial and

⁶⁰Ontario Archives, RG 4, Series 4-02, Box 277, File 7, Municipal Affairs - Lakehead Municipalities Proposed Union of 1965.

⁶¹DTJ, February 3, 1965, p. 1.

⁶²DTJ, March 31, 1965, p. 1.

commercial assessment, make a unit of government which would be stronger financially than small municipalities, and make it easier to facilitate the provision of municipal services. The local response to the provincial government's proposals varied. Mayor Laskin approved of the concept, saying that "in the long run this is what we are trying to suggest for our own area."⁶³ Others opposed it, believing that the provincial government was taking over local responsibility and, thus, taking away its powers.

On June 29, 1965, the mayor and reeves of the five Lakehead municipalities agreed to the Ontario government's choice of consultants for the study of local governments at the Lakehead.⁶⁴ On September 28, 1965, the Minister of Municipal Affairs, J.W. Spooner, announced the appointment of Eric Hardy as a Special Commissioner to conduct a thorough review of local government at the Lakehead. The minister also stated that "the method and procedure of this Review will be similar to those already undertaken in the Ottawa, Eastview and Carleton Study", as well as others underway at the time. This meant that comprehensive research would be undertaken, followed by public hearings, then a report from the Commissioner. The provincial

⁶³PANC, April 1, 1965, p. 1.

⁶⁴DTJ, July 5, 1965, p.3.

government would pay for half of the cost of the survey, with the municipalities paying the other half. Spooner also indicated that both the provincial government and the municipalities would examine the results of the survey and any proposals contained therein.⁶⁵

Conclusion

By the early 1960s it was becoming quite apparent that Fort William and Port Arthur were going to face a shortage of residential land within their borders. Like many other cities in Ontario, the suburban fringe was growing. At the Lakehead, most of the growth occurred in Neebing Township, which bordered Fort William, and in the area of McIntyre Township which bordered Port Arthur. The tax bases of these townships were quite different. McIntyre had very little commercial and industrial assessment, whereas Neebing had the luxury of a large industrial tax base due to the location of the Great Lakes Paper Mill. The residents enjoyed many of the benefits of the amenities of the city without the associated costs, but the planning of residential expansion in these communities was a concern, particularly in McIntyre.

Port Arthur Council struggled with Shuniah's request that Port

⁶⁵Ibid.

Arthur annex McIntyre Township. Shuniah Council insisted that all of McIntyre be annexed by Port Arthur, while Port Arthur Council felt its taxpayers could not afford the property tax increases that would result if this took place. The annexation process and failure to reach an agreement led directly to Port Arthur's desire to have a comprehensive review of local government at the Lakehead.

Those who favoured amalgamation of Fort William and Port Arthur began to think in larger terms. Labour and business organizations favoured Port Arthur Council's request that the Ontario government assist in funding a local government review. Their organizations now reflected their belief that the Lakehead was a single economic and social unit. The Lakehead Chamber of Commerce and Fort William-Port Arthur and District Labour Councils urged Neebing, Paipoonge, Shuniah, and Fort William to support Port Arthur Council's request for a review of local government at the Lakehead. In February, 1965 Port Arthur's Mayor, Saul Laskin, finally convinced all his counterparts in the other Lakehead communities to support this request.

Initially, the Ontario government had been reluctant to help the Lakehead communities in a local government review. However, by September 1965, faced with overwhelming support at the Lakehead for

such a study, the Minister of Municipal Affairs announced their appointment of a review commissioner. The Lakehead would be one of many local government reviews done in the Province of Ontario as the provincial government attempted to deal with the growth and cost of municipalities and their governments.

Chapter 5

The Lakehead Local Government Review: The Creation of Thunder Bay

The provincial government appointed Eric Hardy in September, 1965 as the commissioner of the Lakehead Local Government Review. At the time of his appointment, Hardy was a private consultant in the area of local government. His experience in local government included thirteen years as the Director and Secretary of the Citizens Research Institute of Canada and the Bureau of Municipal Research, fourteen years as a Special Lecturer on Local Government at the University of Toronto, and as a trainer for assessors and municipal clerks. In addition to his appointment to lead the Lakehead Local Government Review, Hardy was also a member of the Ontario Committee on Taxation. He was a respected researcher and consultant with seventeen years of experience of working on behalf of municipal and provincial governments.¹

The terms of reference for the Lakehead Local Government Review were broad. In his letter to the Mayors and Reeves at the Lakehead, the Minister of Municipal Affairs, J.W. Spooner, stated that

¹**Ontario Archives, RG 4, Series 4-02, Box 277, File 7, Municipal Affairs, Lakehead Municipalities Proposed Union of 1965.**

Eric Hardy was to inquire and report upon:

(a) the structure, organization and methods of operation and discharge of the functions of the Cities of Fort William and Port Arthur and of the Municipalities of Neebing, Paipoonge, and Shuniah and of the local boards of all the said municipalities.

(b) all aspects of the functions and responsibilities of the existing local government institutions within the area embraced by the said municipalities and, in particular, without limiting the generality of the foregoing inter-municipal relations and problems which concern or may concern any two or more of the municipal corporations or local boards having jurisdiction within the said area.

(c) the relationships of the said area to adjacent areas whether land organized municipally as townships, organized for school or road purposes or unorganized territory within which land is subject to the provincial land tax...

(d) the anticipated future development of the area or other changes therein which may require reorganization or revision of the existing system of local government in the area or make such reorganization or revision desirable, including but not limited to changes which affect the relationship of local government within the Lakehead area to local government elsewhere within the District of Thunder Bay.

(e) any other related matter affecting the local government structure, organization, methods of operation and discharge of functions within the designated municipalities or the adjacent areas.²

To carry out this assignment, Hardy would work with local officials to

²**Ibid.**

compile information about the area and hold public hearings. The other local government reviews being undertaken in Ottawa, Eastview and Carleton County, the Niagara Region, and Peel-Halton followed a similar process.³

The Lakehead Local Government Review began its study just after the provincially-appointed Select Committee on Municipal Law released its report, recommending that a system of regional governments replace local governments. The existing local government structures made effective planning difficult. The cost of local government had increased dramatically because municipal services had expanded to include public health, homes for the aged, parks, and libraries.⁴ Services in other areas, such as policing, fire protection, hospitals and education, had expanded and employed specialized professionals. The public demand for more and better services made municipal government more complex and costly than ever before.⁵ The

³*Ibid.* The province temporarily financed the total cost of the review. Upon completion the affected municipalities would be responsible for half of the cost.

⁴DTJ, March 30, 1965, p. 22. S.H. Blake, City Administrator of Fort William wrote an article explaining the "function of a municipality" in the Daily Times-Journal's "Progress Edition".

⁵At the Lakehead, Fort William's residential taxes were increased by about seven percent in 1965, from 78.25 to 84 mills. See DTJ, April 7, 1965, p. 1. Also Port Arthur's residential mill rate increase

Select Committee on Municipal Law believed that regional governments would enlarge the tax base, reduce competition for industry and commerce, make it possible for municipal governments to employ experts, and would be beneficial in dealing with regional problems and boundary adjustments.⁶

The Lakehead Local Government Review's recommendations reflected the changing attitude towards local government structures in Ontario. In his final Report, Eric Hardy would recommend a single Lakehead city consisting of Fort William, Port Arthur, McIntyre Township, and Neebing Township.⁷ He would also recommend an upper-tier District level of government to look after regional concerns. If implemented, this would have created a large two-tier regional government similar to those being established in southern Ontario. In the event, the Ontario government acted quickly to create a Lakehead

was about 8.5%, from 70.5 to 76.5 mills. See DTJ, March 23, 1965, p. 1. Fort William increased its residential mill rate in 1966 from 84 to 93.75 mills, an increase of about 11.5%. See DTJ, April 13, 1966, p. 1. It is important to note that Port Arthur and Fort William property assessments differed. One mill was worth about \$85,000 in Port Arthur, while it was worth \$69,600 in Fort William. See DTJ, April 8, 1965, p. 4.

⁶DTJ, March 31, 1965, p. 1.

⁷Hardy, Report and Recommendations, p. 89.

city, but chose not to implement a district-level of government.⁸

Although some Lakehead citizens opposed the creation of a single Lakehead city, most opposition to the provincial government's actions focused on the lack of a local plebiscite on the issue. The Ontario government only allowed a plebiscite on the name of the new city. At the Lakehead, even this decision was not without controversy. A city by the name of Thunder Bay finally came into existence on January 1, 1970.

Lakehead Local Government Review

Eric Hardy began his study of local government at the Lakehead at the end of 1965. He visited local officials and organizations to become familiar with the local situation. In March of 1966, Hardy released a document titled "Alternatives for Local Government in the Lakehead." In it, he outlined the purpose of his study, the possible alternatives, and the proposed time line for the Lakehead Local Government Review. Commissioner Hardy made it clear he needed local input for the Review to be useful:

⁸The districts were being dealt with by another study. See Inter-Departmental Committee on Government at the District Level in Northern Ontario. Report and Recommendations. Toronto: The Committee, 1969.

Those who are active in the Lakehead's affairs must help to disclose the present and potential problems facing local government and assist in the determination of what are acceptable forms of improvement.⁹

Along with the collection of data, there would be public hearings in June 1966, when the municipalities, organizations and concerned citizens could present their views. The final report and recommendations would follow, with the entire process taking about one year.¹⁰

The hearings began on June 14, 1966 in the District Court House in Port Arthur. The first submission was given jointly by Port Arthur's local government bodies, including the City Council, Board of Education, Board of Parks Management, and the Roman Catholic Separate School Board. In his covering letter to Eric Hardy, Mayor Saul Laskin stated that they jointly recommended

the formation of a large Lakehead city by the full merger of Port Arthur, Fort William and the urban and potentially urban portions of all present suburbs, and the consolidation of the residual portions of the

⁹**Ibid.**

¹⁰**PANC, December 10, 1965, p. 3. This was the common procedure for local government reviews. See Jacek, "Regional Government and Development: Administrative Efficiency versus Local Democracy", pp. 152-153.**

suburban municipalities with other areas into new rural municipalities.¹¹

They felt that urban growth would be better dealt with by one unified municipality rather than the then "present system of divided, competitive local jurisdictions." The Board of Park Management recommended that one Lakehead Regional Authority be established to operate Park and Recreation facilities and programmes. Irrespective of any changes in the local government, the separate and public school boards wanted larger units of school administration for the Lakehead area. The Board of Education's conclusion argued that the rivalry between Port Arthur and Fort William was no longer desirable nor advantageous. Rather than being helpful, the board argued that "there is abundant evidence that a parochial approach to community affairs is detrimental to the citizenry in general," particularly in attracting industry or dealing with senior governments.¹² Instead, the Board supported the trend toward unity, giving the Lakehead Chamber of Commerce, and the Harbour Commission as examples of the

¹¹Lakehead Local Government Review, "Submissions", 1975, Original submissions, Metropolitan Toronto Reference Library. The original submissions were found in the Metropolitan Toronto Library, Municipal section. They were bound in book form.

¹²Ibid.

establishment of united representative bodies.

Support for the creation of a large Lakehead city also came from the Lakehead Social Planning Council, Lakehead Chamber of Commerce, Lakehead Executive Association, the Fort William-Port Arthur & District Labour Council, and the Lakehead Branch Community Planning Association of Canada. These organizations felt that the Lakehead would benefit, as they had, from being united into one municipal government. They believed that a city of 100,000 people would better attract industry and investment, could provide better and more economical services, and be stronger in its negotiations with senior governments. It would also end the bickering that occurred between the cities and allow for area wide planning with authority to implement such plans. These organizations also argued that, since the Lakehead already was a single economic, social and cultural unit, it should be a single administrative unit.¹³

The organizations and associations which had been created on an area-wide basis used themselves as examples of how amalgamation better served the needs of their constituents. Unity made their

¹³**Lakehead Local Government Review, "Submissions", Lakehead Chamber of Commerce", pp. 1- 4, 8; "Lakehead Social Planning Council", pp. 6-7; "Fort William-Port Arthur & District Labour Council", pp. 1-3.**

organizations more economical and efficient, and gave them a stronger voice.¹⁴ Some organizations, such as the Lakehead Social Planning Council, also found that the standard of their services improved. While they argued that there was a beneficial trend towards unification, some organizations recognized that the creation of one city would raise some concerns, but they argued that none of the other alternatives were suitable, and that the benefits of having a large Lakehead city would outweigh the costs.

The other four Lakehead municipalities did not support total amalgamation of Port Arthur and Fort William. Instead, they proposed different variations of a two-tier system of local government.¹⁵ The primary concern of the rural municipalities was that they have sufficient representation on any upper-tier government.¹⁶ Shuniah recommended that a large portion of McIntyre township be transferred

¹⁴Ibid., "Lakehead Chamber of Commerce", pp. 6-7; "Lakehead Social Planning Council", pp. 5-6; "Fort William-Port Arthur & District Labour Council", p. 1.

¹⁵Lakehead Local Government Review, "Submissions", "Shuniah"; "The Corporation of the Municipality of Neebing"; "Paipoonge"; and "Submission by Fort William Planning Board and The City of Fort William".

¹⁶Ibid., "Shuniah", p. 15; "Paipoonge", p. 2; and "The Corporation of the Municipality of Neebing", p. 6.

to Port Arthur.¹⁷ On the other hand, Neebing and Paipoonge did not want the existing municipal boundaries to change.¹⁸ They were concerned that transferring any territory to the cities would set back the development of the rural municipalities.

Fort William also proposed a two-tier regional municipal government that would alter the existing boundaries. Their plan included the elimination of Paipoonge, the enlargement of city boundaries, and the expansion of Shuniah and Neebing beyond the area that was being studied.¹⁹ In contrast to the proposals from the rural municipalities, Fort William outlined a Regional Council which would have more urban than rural representation.²⁰ In addition to the Regional Council, there would be a Regional Board of Education, a

¹⁷Lakehead Local Government Review, "Submissions", "Shuniah", p. 16.

¹⁸Lakehead Local Government Review, "Submissions", "Paipoonge", p. 2; and "The Corporation of the Municipality of Neebing", p. 6.

¹⁹Lakehead Local Government Review, "Submissions", "Submission by Fort William Planning Board and The City of Fort William", p. 5. It appears that Fort William proposed that Shuniah and Neebing would include the municipalities and townships that were adjacent to them. None of the other submissions proposed expanding beyond the boundaries of the five municipalities included in the study.

²⁰*Ibid.*, p. 6. Each city would have five representatives and the two rural municipalities would have two representatives each.

Lakehead Region Planning Board, and a Lakehead Region Board of Parks and Recreation, which would complement their District counterparts. Like those from the rural municipalities, Fort William's submission was crafted so that local identity would be retained. However, Fort William's proposal disregarded the integrity of the existing boundaries and seemed self-serving.

Eric Hardy was quite critical of Fort William's submission. He argued that their proposal was complex and could increase the cost of local government.²¹ Conversely, Fort William's aldermen were quite critical of Mr. Hardy and the process by which the Review was being conducted. Alderman Cook claimed that while the municipalities were contributing half of the cost of the study they had no say in the outcome.²² The truth of this claim became apparent when Hardy indicated that his recommendations would be submitted to the provincial government for its consideration and action. At times, Hardy's comments made it appear that he was leaning toward full amalgamation, which led Fort William's Alderman Ron Knight to suggest that "many feel it [amalgamation] is being jammed down their throats and have turned to the idea of a federated type of government

²¹**DTJ, June 17, 1966, p. 1.**

²²**Ibid.**

which is second best."²³ In Hardy's defense, it was the Commissioner's job to question the proposals put forth, debate their viability, and find out what was expected of local government by the citizens of the Lakehead.

In addition to some misgivings about the procedure employed in the hearings, Mayor Reed indicated that his council was not unanimously in favour of a two-tier metropolitan government.

Alderman Robert McCranor presented his own brief, which called for amalgamation of Fort William and Port Arthur, leaving the rural municipalities separate.²⁴ He did not believe that a metropolitan form of government would lessen the competition between the two cities. He also argued that areas designated as industrial in both cities could be used for residential purposes. McCranor believed that the competition only could be eliminated through full amalgamation, and that then there would be savings in education, transit system, and road construction.

Some groups did not state their preference for any particular

²³Ibid. Eric Hardy also questioned Neebing's solicitor, Bernard Black, who asserted in their submission that "Amalgamation is not the answer". Hardy wondered whether the rivalry would continue in a federated system of government. See DTJ, June 17, 1966, p. 3.

²⁴Ibid., June 16, 1966, p. 29.

local government alternative. Instead they gave a history of their organization and their current situation.²⁵ McGregor residents wanted to ensure their interests were not overlooked. Port Arthur's Public Utilities Commission gave Hardy assurances that they could adapt to any changes he proposed, while Fort William's Hydro Electric Commission requested that provision of electric services continue within the Commission system. These organizations were primarily concerned with their own effectiveness within whatever local government structure Hardy might propose.

The public hearings before the Lakehead Local Government Review lasted five full days, from June 14 to June 18, 1966. The Commissioner heard from a variety of sources, with views that ranged from keeping the existing municipal bodies, with some amalgamated services; to the creation of a metropolitan government; to the creation of one Lakehead city out of Port Arthur, Fort William, and the suburban portions of Neebing and Shuniah. Some organizations were concerned with their own situation, such as the teachers working at Lakehead schools, and advocated specific solutions to the problems of

²⁵Lakehead Local Government Review, "Submissions", "Group of Citizens From McGregor Township"; "Public Utilities Commission Submission"; "Fort William and District Health Unit"; "Port Arthur and District Health Unit"; "Hydro Commission of Fort William"; and "A Submission By The Lakehead Planning Board".

their particular situation.²⁶ Eric Hardy received what he had asked for - public input concerning local government at the Lakehead. The submissions, while not agreeing on what changes should be made, did demonstrate that some change was needed to the structure of local government. As many of the participants stated in their briefs, the Commissioner had to consider all the facts and arrive at his recommendations. The submissions were made available to the public at the main public library of each city and the Lakehead Planning Board office. Hardy welcomed comments on these submissions, as well as any new submissions that resulted from the public hearings.

The final report and recommendations that the Lakehead Local Government Review was to present to the five municipalities did not appear until the spring of 1968. Throughout 1967 local politicians, newspapers and others questioned the delay, because the original timetable suggested the report would be finished earlier. There were rumours and speculation because the reasons for the delay were not clear. Some people believed that the provincial election in the fall of 1967 was the reason for the delay, and others proposed that the report

²⁶Lakehead Local Government Review, "Submissions", "A Brief For The Lakehead Local Government Review Commission Submitted by the Elementary (Public and Separate) and Secondary Teachers of Fort William, Port Arthur, Shuniah, Neebing and Paipoonge".

was done but was being withheld from Lakehead citizens.²⁷

In the final report, Eric Hardy explained that his report was delayed for several reasons. He said that the Commission spent the fall of 1966 doing further research and assimilating the material it had in its possession as a result of research and local hearings at the Lakehead. Hardy met with the Lakehead's municipal officials at the end of January, 1967 to inform them of the progress of the report and that it had been delayed due to his other commitments.²⁸ He wanted to meet with the five municipalities in March for the purpose of testing "likely courses of action and narrowing down local preferences where proposals were open to choice."²⁹ Mayor Reed, for example, appears to have not fully realized that the commissioner had not decided on his final recommendations but was still in the process of determining what should be done at the Lakehead.³⁰ Eric Hardy cancelled the March 9

²⁷DTJ, March 6, 1967, p. 2. An unidentified Port Arthur alderman was quoted as saying the report was delayed because "an election is due soon and things like this [Hardy Report] will all be shelved meanwhile."

²⁸DTJ, January 31, 1967, p. 2.

²⁹Hardy, Report and Recommendations, p. 15.

³⁰DTJ, January 31, 1967, p. 2. The headline for the story suggested that the report would be released in March, although the story stated that there was no guarantee the recommendations would be made public then.

meeting because "response from council members of the municipalities...has not been sufficient to justify proceeding at this time"³¹, which surprised local officials.³² In his final report, Hardy suggested the problem was with the procedure. He stated that the meeting was "abandoned because of the lack of full and enthusiastic support for the suggested procedure."³³

Eric Hardy hinted at what some of his recommendations would be when he was at the Lakehead at the end of March. He talked about the possibility of creating a Thunder Bay District Council that would take over control of specific services. This was interpreted by some people as meaning that Hardy would propose a local government structure similar to the one suggested by Fort William at the public hearings.³⁴ However, he continued to consult with local officials so

³¹DTJ, March 6, 1967, p. 2.

³²DTJ, March 7, 1967, pp. 1, 4. Each member of council was to sign a form that would swear them to secrecy in respect to the meeting, so that the contents of their discussion would not become public. Hardy did not want their considerations to become public before the report was produced and presented the Minister of Municipal Affairs. It was not clear whether enough representatives from the municipalities were going to attend the meeting or if they were opposed to the pledge of secrecy.

³³Hardy, Report and Recommendations, p. 15.

³⁴DTJ, April 3, 1967, p. 4.

that he could see their reaction to his findings. This would help him further refine his recommendations in his final report.

The Lakehead Local Government Review report was further delayed through most of 1967 because of Eric Hardy's involvement with the Ontario Committee on Taxation. Its report became public at the end of August, 1967. Within the report was a recommendation that regional governments be established throughout Ontario. The Tax Committee proposed that Fort William and Port Arthur and "their tributary settlements" constitute one of the north's metropolitan regions.³⁵ However, any final proposal would be contingent upon the findings of the local government review.³⁶ Hardy found the regional structure proposed by the Tax Committee to benefit his review because

First, it has indicated how regional government proposals developed for the Lakehead area and District of Thunder Bay might be fitted into a broader pattern of regional government to serve all of northern Ontario. Second, the Tax Committee's Report supplies both a justification for regional government and a definition of the political science principles to be observed in giving it form and shape.³⁷

³⁵Ibid., August 31, 1967, p. 1.

³⁶Hardy, Report and Recommendations, p. 15.

³⁷Ibid.

The Tax Report and his involvement with the Committee thus influenced Hardy's recommendations for the Lakehead.³⁸

The delay in the release of the Hardy Report, which extended until the spring of 1968, concerned civic, business and labour leaders at the Lakehead. At a January 8, 1968 meeting between council members of Port Arthur and Fort William and officials of the Chamber of Commerce and Labour Council, the provincial government was criticized for the delay. The cities were waiting for the report before expending any energy on the amalgamation of specific services, such as the transit system. Mayor Laskin explained that the delay was the result of Hardy's other commitments and his desire to make a report "able to withstand the serious scrutiny of the public."³⁹ More importantly, the delay revealed how the local officials no longer controlled the process of changing the structure of local government at the Lakehead. In the words of Mayor Laskin, "Right now, it's in their hands".⁴⁰

³⁸Changes to local government were being delayed because the provincial government was waiting for the results of the Smith Report. See Pearson, "Regional Government and Development", pp. 180-181.

³⁹DTJ, January 9, 1968, pp. 1, 3.

⁴⁰Ibid., p. 1.

Report and Recommendations: Amalgamation Achieved

Although local officials at the Lakehead were concerned about the apparent delay in the release of the Hardy Report, they were impressed with its thoroughness upon its release in April, 1968. Mayor Saul Laskin was pleased with the report which, among other things, recommended the establishment of a single Lakehead city.⁴¹ Fort William aldermen were reported to be impressed and surprised by the scope of the report.⁴² They had not paid close attention to the changes to local government elsewhere in Ontario and, until the Minister of Municipal Affairs released the report, some aldermen, like Hugh Cook, felt that amalgamation of the Lakehead cities would not be recommended.⁴³

It soon became clear, however, that the amalgamation issue had entered an entirely new stage. Municipal Affairs Minister Darcy McKeough's presentation of the Hardy Report at Lakehead University on April 16, 1968 made it clear that the local municipalities had lost control of changing local government at the Lakehead when they

⁴¹DTJ, April 17, 1968, p. 1.

⁴²Ibid., April 18, 1968, p. 4.

⁴³Raffo, The Thunder Bay Amalgamation Oral History Project, PR 21, Interview with Hugh J. Cook, July 10, 1995.

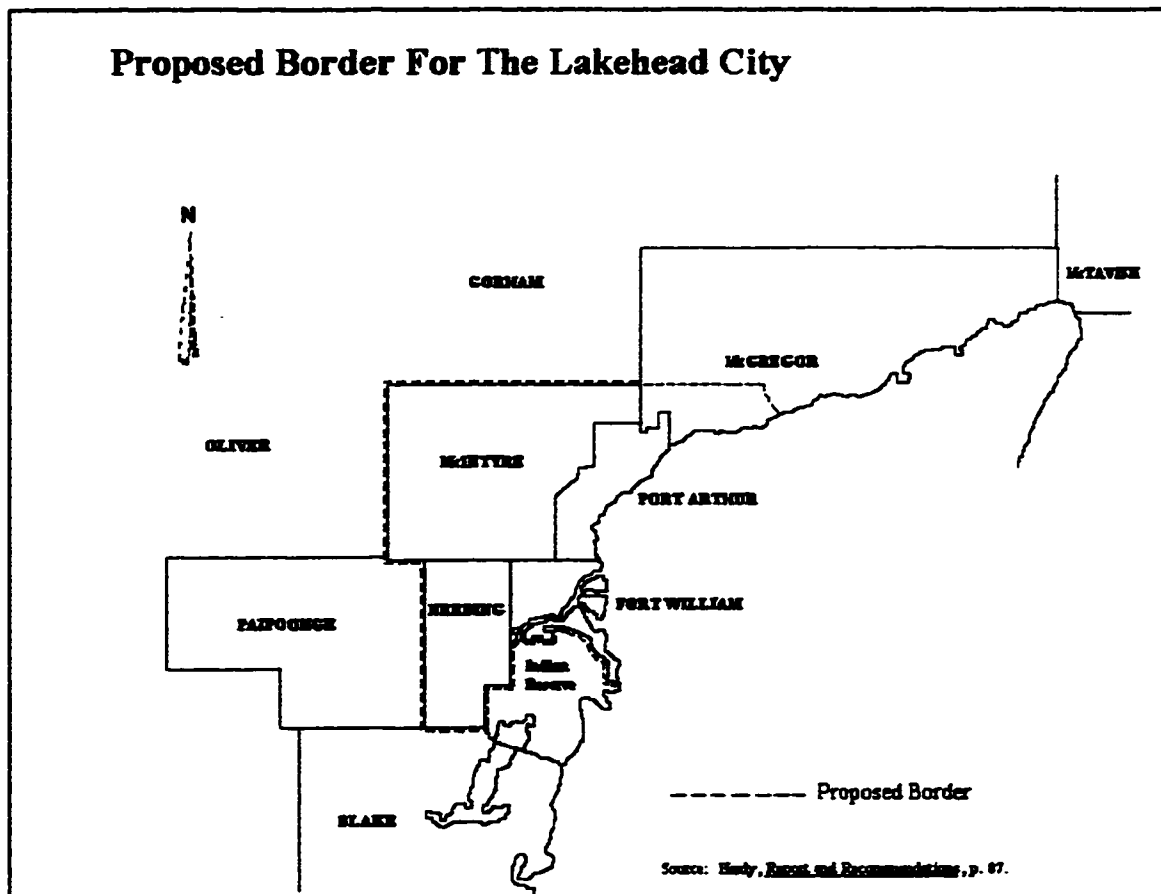
requested provincial assistance in setting up the Lakehead Local Government Review.⁴⁴ In his Report and Recommendations Hardy strongly urged "that the Cities of Fort William and Port Arthur and adjacent territories from the Municipalities of Shuniah and Neebing be joined to form a single Lakehead city."⁴⁵ McKeough revealed to Lakehead citizens that they had until June 28, 1968 to raise objections and amendments to the Review. He also stated that it was "the government's responsibility to make the final decision as to implementation of the report."⁴⁶ Therefore the tentative timetable was that the government would be introducing legislation to enact the proposals at the beginning of 1969, with the possibility that the new city would be functioning January 1, 1970.

The desire of the Minister of Municipal Affairs to have the recommendations carried out was understandable, considering the commitment the provincial government had made to the Review.

⁴⁴The provincial government made it clear in the Design For Development document released in 1966 that "when asked, the other levels of government were in a position to offer advice only." See Lionel D. Feldman and Katherine A. Graham, "Intergovernmental Relations and Urban Growth: A Canadian View", in Lionel D. Feldman, ed. Politics and Government of Urban Canada. Fourth Edition. (Toronto: Methuen Publications, 1981), pp. 211-212.

⁴⁵Hardy, Report and Recommendations, p. 89.

⁴⁶PANC, April 17, 1968, p. 1.



Commissioner Hardy reflected the senior role of the province when he followed protocol by presenting his report first to the Minister of Municipal Affairs. The provincial government co-sponsored the Review financially, and it had selected him as the Commissioner. The provincial government would have been remiss if it had left the decision to implement the recommendations of the Review report solely to the co-sponsoring Lakehead municipalities. These communities had asked for provincial assistance in setting up a local government review because, obviously, they had felt there was a

problem. Hardy's recommendations would substantially change local government at the Lakehead, demonstrating that the then-current structures were inadequate and required profound restructuring. The provincial government decided to take an active role in forcing the Lakehead communities to act upon the Review report.

The lack of a plebiscite on Hardy's recommendations was criticized by people both opposed to and in favour of amalgamation of Port Arthur and Fort William. The April 18, 1968 editorial in The Daily Times-Journal argued that the rights of Lakehead citizens to decide the structure of their local governments were being denied. The focal point of the argument was that Hardy and the Department of Municipal Affairs had decided that "the proposals shall become law without the need of a vote by the people who would be affected directly."⁴⁷ The only question that the local citizens would be allowed to vote on would be the name of the new city. The editorial in The News-Chronicle did report that "Mr. McKeough reluctantly admitted last night it would be theoretically possible to have a plebiscite but it was clear from his attitude that this will not be encouraged."⁴⁸ Eric Hardy was quite aware that, although organizations such as the

⁴⁷DTJ, April 18, 1968, p. 4.

⁴⁸PANC, April 17, 1968, p. 4.

Chamber of Commerce were in favour of total amalgamation, some members privately opposed the official position.⁴⁹ However, he did not support having a plebiscite to decide the matter:

Quite probably a referendum vote today would carry, if not in each city, at least across both cities. Even so, a referendum is not the best means of deciding the Lakehead's future. The governmental choices do not boil down to one simple alternative. If a new Lakehead city should be formed, over how wide an area should it extend? What should happen to the territories beyond its borders, including possible remnants of partitioned municipalities? How should a new Lakehead city relate to the rest of the District on such services as health or municipal assessing?...The force of local opinion must of course be reckoned with and should therefore be tested beforehand if that can be done. But a referendum is not the best way of going about it, in the opinion of this Review Commissioner.⁵⁰

However, being denied a plebiscite on whether Hardy's recommendations should be carried out became the rallying point of opponents to amalgamation. For example, some people who would have supported the plan, such as Fort William's alderman Harold Lockwood, were opposed to it because of the lack of a plebiscite on the matter.⁵¹

⁴⁹Hardy, Report and Recommendations, p. 57.

⁵⁰Ibid., p. 59.

⁵¹DTJ, April 19, 1968, p. 4.

The response from the four affected municipal councils varied from support in principle to wanting more time to study the Hardy Report, as well as to hold a plebiscite. However, the debate on the merits of Hardy's proposals remained primarily confined to the process by which it was to be implemented rather than the substance. Port Arthur City Council approved in principle the Lakehead Local Government Review Report and Recommendations on May 13, 1968, while rejecting the Municipality of Neebing's resolution that the deadline to study the Hardy Report be extended until September 30, 1968.⁵²

Meanwhile, Fort William Council wrestled with the issue. Like Port Arthur, Fort William had appointed representatives to the Inter-Municipal Committee which was studying the Review Report, and receiving briefs and submissions on its content.⁵³ On April 23

⁵²CTBA, Series 17, TBA 90, Port Arthur Council Minutes, pp. 31503, 31537.

⁵³CTBA, Series 1, TBA 53, Fort William Council Minutes, April 23, 1968, p. 47. M. Hennessy, W. Bryan, and Mayor E.H. Reed were appointed as Fort William Council representatives on the Inter-Municipal Committee. Port Arthur Council appointed Mayor Saul Laskin, W.T. Arnott, and C. McNeil on April 22, 1968. See CTBA, Series 17, TBA 90, Port Arthur Council Minutes, April 22, 1968, p. 31456. Fort William and Port Arthur each had three members and the other communities that would be involved would be allowed to participate. See DTJ, April 17, 1968, p. 3.

Alderman Bryan put forth a motion for Fort William Council to officially endorse the Hardy Report. However, unlike Port Arthur Council, this motion was lost in a seven to four vote.⁵⁴ In response to this outcome, a new motion was put forth by M. Chicorli, seconded by H. Lockwood, that the deadline for studying the Review Report be extended to December 31, 1968, and that a referendum be held on the final recommendations "in respect to the amalgamation of the Lakehead area".⁵⁵ This resolution passed by the same seven to four vote that defeated the previous motion. On May 27 Port Arthur Council decided to not endorse Fort William City Council's May 14 resolution.⁵⁶ Port Arthur Council, led by Mayor Laskin, had originally argued for amalgamation of the Lakehead cities and supported the process as set up by the provincial government. Mayor Laskin was not in favour of a plebiscite, arguing that "the simplest thing is not to make a decision but to rely on somebody else to make a decision. As

⁵⁴CTBA, Series 1, TBA 53, Fort William Council Minutes, April 23, 1968, p. 47 and May 14, 1968, p. 54. Those in favour of the motion were G.A. Remus, W.E. Bryan, D.G. Aedy, A. Anderson. Those opposed were M. Hennessy, W.M. Assef, L.M. Baarts, M. Chicorli, A. Widnall, H. Lockwood, and W.A. Nealin. Mayor Reed was absent.

⁵⁵Ibid., May 14, 1968, p. 54.

⁵⁶CTBA, Series 17, TBA 90, Port Arthur Council Minutes, p. 31561.

elected officials we have the responsibility of making decisions.⁵⁷

Also, the Minister of Municipal Affairs reaffirmed his decision that the deadline would remain as June 28.⁵⁸ Once again, the argument was against the process by which reform would be achieved, not the content of the report.

The provincial government did make a small concession to the thirteen municipalities in the Thunder Bay District which had petitioned for an extension of the time to present briefs on the Hardy Report. However, the deadline was only moved from June 29 to July 24, instead of September as had been requested.⁵⁹ Referring to Darcy McKeough's earlier statement that he had promised certain individuals that the deadline would not change, Neebing's councillor Don Lenardon questioned who he had made this promise to, and why they were more important than the local councils.⁶⁰ Lenardon speculated that the Minister's comments were not well received by the Premier, who then made McKeough extend the submission deadline.

⁵⁷PANC, May 22, 1968, p. 1.

⁵⁸CTBA, Series 17, TBA 90, Port Arthur Council Minutes, May 28, 1968, p. 62.

⁵⁹DTJ, June 20, 1968, p. 1.

⁶⁰DTJ, June 21, 1968, p. 19.

Neebing was the most vociferous opponent of the provincial government's plan for the creation of a single Lakehead city. It proposed the deadline for submissions be extended and that there be a plebiscite to decide the matter. Twelve other communities in the Thunder Bay District agreed with Neebing's resolution that there be an extension of the deadline to make submissions on the Hardy Report, with only Port Arthur and Shuniah dissenting. Neebing was the leader in opposing amalgamation because, unlike Fort William, Neebing was united on this issue and its councillors felt that their community had the most to lose.⁶¹

Eric Hardy returned to the Lakehead on May 30 to respond to questions concerning his Lakehead Local Government Review Report and Recommendations. The first question, likely on the minds of everyone present, was why he suggested that there be a plebiscite to choose the name, but not on whether amalgamation should take place. He argued it would be easier to hold a vote on the name because it would be dealing with a single question, whereas a vote on his report would have involved thirty-two separate questions which could only be

⁶¹**DTJ, May 30, 1968. At a May 29 public meeting at West Arthur Neebing councillors cited Port Arthur's debt of \$3.64 per capita compared to Neebing's low of .69 cents to argue how only Port Arthur was going to benefit from amalgamation.**

dealt within one all-or-nothing question. Hardy then asked, "What would be your prudent course if you agreed only with three-quarters of the proposals in the report?"⁶² He argued that it would be difficult to interpret the result of such a plebiscite. If the vote was negative, it would be almost impossible to determine what parts of the proposals were being opposed. He also pointed out, however, that once he had completed the report his responsibilities had come to an end.

Neebing and Fort William continued to look for alternatives to the Local Government Review proposals. In July, Neebing suggested that the two cities amalgamate first and, if it benefitted everyone concerned, then the area municipalities would be included.⁶³ In the fall, Neebing proposed amalgamation with Fort William, something that Fort William council wanted to investigate with a detailed study.⁶⁴ Nonetheless, such proposals demonstrated that Neebing and Fort William councils were not entirely opposed to amalgamation.

The provincial government kept to the time line that Darcy McKeough had outlined in May, 1968. On January 27, 1969

⁶²DTJ, May 31, 1968, p. 1.

⁶³DTJ, July 19, 1968, p. 16.

⁶⁴CTBA, Series 1, TBA 53, Fort William City Council Minutes, October 9, 1968, pp. 104-105.

McKeough addressed the councils and staff of Port Arthur, Fort William, Neebing and Shuniah on the legislation, creating a new Lakehead city, which the provincial government was going to introduce at the next session of the Legislature. He stated that

Basically the legislation will provide for the amalgamation of the municipalities of Fort William, Port Arthur, McIntyre Township and Neebing Township. On January 1, 1970 the cities of Fort William and Port Arthur will be officially dissolved and the Townships of McIntyre and Neebing withdrawn on the same date from the municipal corporations of Shuniah and Neebing respectively. At the present time it is anticipated that the remaining portions of Shuniah and Neebing will continue in operation as separate municipal corporations.

For the purpose of our legislation we intend to call the new city The Lakehead. I would like to make it clear however that provision will be made for the final determination of the name at the same time as the elections are held for council.⁶⁵

The proposed legislation dealt entirely with the creation of "The Lakehead", leaving the creation of a regional government to be done in the future once the Inter-Departmental Committee on Government at the District Level in Northern Ontario made its report in July, 1969.⁶⁶

⁶⁵CTBA, TBA 2403, Box 8, Vol. 3/CF/68, Port Arthur City Clerk's Files, "Amalgamation of The Lakehead: Address By Honourable W. Darcy McKeough at Fort William Council Chambers on Monday, January 27, 1969", p. 2.

⁶⁶Ibid., p. 7.

McKeough did not even address the issue of a plebiscite on amalgamation, making it clear that there would be a new Lakehead city on January 1, 1970.

With the introduction on April 3, 1969 of Bill 118, "An Act to incorporate the City of the Lakehead", the debate shifted to the Ontario Legislature. McKeough and the Progressive Conservative government knew it would be attacked as being dictatorial and undemocratic for not allowing a plebiscite at the Lakehead to decide the issue. In a visit to the Lakehead the previous year Ontario Liberal leader Robert Nixon had argued that a referendum should be held and that by asking for a local government review the local municipalities had not "signed over their total democratic rights to the minister of municipal affairs".⁶⁷ In December, 1968 Ron Knight, Port Arthur riding's Liberal representative and a supporter of amalgamation, also denounced the Minister of Municipal Affairs for not giving Lakehead citizens an opportunity to decide whether or not their cities should unite.⁶⁸ Knight, and others who supported the need for a plebiscite to decide

⁶⁷**DTJ, April 27, 1968, p. 1.**

⁶⁸**Ontario Legislature, Legislature of Ontario Debates, December 9, 1968, pp. 466-469. Knight was a Fort William Alderman in 1966 and 1967, before being elected a Liberal Member of Provincial Parliament in 1967.**

the fate of amalgamation, equated local participation with a plebiscite, as had been the practice before.

The Minister had publicly acknowledged that local participation was desired and necessary for the success of regional government, but he had not promised that this would be accomplished through plebiscites. Public consultation had occurred throughout the entire process of local government review and the subsequent implementation of the report, encouraged by Eric Hardy, and then Darcy McKeough, the Minister of Municipal Affairs. But this was not the same as local control, which had been taken for granted before the request was made for provincial assistance in 1965. Public outcry for a plebiscite led Knight to argue during the second reading of Bill 118

Has it never occurred to this government, to this Minister, has it ever occurred to them that the Lakehead people have always felt that this would be their decision? Does it not occur to this government that they may be removing this mandate from the people and assuming more responsibility than they should assume?⁶⁹

In opposing this bill, Knight and the Liberals portrayed themselves as the protectors of democracy against the dictatorship of the government.

⁶⁹**Ibid., April 23, 1969, p. 3472.**

Darcy McKeough did admit that he may have handled the presentation of the Hardy Report differently if he were to do it all over again, but he still did not believe that a plebiscite was necessary. McKeough explained that the government thought amalgamation of the Lakehead

was a good idea. We were also fortified by the responses which we saw in terms of council resolutions from three of the councils; in terms of letters which came to us from individuals; in terms of resolutions which came to us from various groups and organizations; by contact with one of the local members, who gave us his opinion forthrightly and openly and said that it would be acceptable to the people.⁷⁰

Knight's own arguments for a plebiscite reinforced the opinion of the Minister that there was substantial support for amalgamation at the Lakehead. Knight continually referred to surveys which showed 78 per cent of the people were in favour of amalgamation to support his contention that the government should not be afraid to have a plebiscite on the matter.⁷¹ Jim Jessiman, the Progressive Conservative member from Fort William, disagreed. He argued that there was much support for amalgamation at the Lakehead. He

⁷⁰**Ibid.**, April 24, 1969, p. 3565.

⁷¹**Ibid.**, April 23, 1969, p. 3472. He also stated that a majority of those in favour of amalgamation also wanted a plebiscite.

believed that "This is the time for action-not more talk."⁷²

Bill 118 became law on May 8, 1969, ending any hopes for a plebiscite on anything other than the name of the new city. The referendum was held June 23, 1969 in conjunction with the election of a new city council. Voters had a choice of "Thunder Bay", "Lakehead", and "The Lakehead". "Thunder Bay" won by 568 votes over "Lakehead". However, the combined vote for the "Lakehead" choices outnumbered "Thunder Bay" 23,679 to 15, 870, leading to charges of the ballot being fixed.⁷³ Although the allegations were denied, and it was pointed out that there were three separate choices, the episode left some people bitter about the entire process. The outcome of the referendum had done nothing to assuage those who felt the entire amalgamation process had been manipulated and secretive.

Conclusion

On the surface it appears that Thunder Bay became a city on January 1, 1970 because the provincial government had an vested interest in reorganizing local government at the Lakehead, as it was doing elsewhere in the province. However, the Ontario government

⁷²Ibid., April 24, 1969, p. 3544.

⁷³Mauro, A History of Thunder Bay, p. 365.

was acting upon the recommendations from an independent local government review which was requested by the local municipalities. The commissioner, Eric Hardy, thoroughly studied the situation and consulted both the general public and local government officials before coming up with his final recommendations. Although the decision not to have a plebiscite to decide the issue of amalgamation was unpopular, many local officials supported and worked hard to carry out Hardy's recommendations and ensure the successful creation of Thunder Bay.⁷⁴

⁷⁴**Raffo, The Thunder Bay Amalgamation Oral History Project, PR-10, "Interview with Donald J. Lenardon", August 5, 1994. Lenardon was a member of Neebing Council at the time of amalgamation. He states that once it became clear that amalgamation was going to occur he worked hard to ensure its success.**

Chapter Six

Conclusion

Fort William and Port Arthur emerged in the late nineteenth century as small communities on the northwestern shore of Lake Superior. They grew and became cities because of the development of a national railroad system and their placement as transshipment points, as well as their position as the centre for mining and forestry activity in northwestern Ontario. However, Fort William and Port Arthur competed fiercely with each other for industry, investment, and government spending. While some residents felt that this competition benefitted the cities, others felt it hurt both communities. Business organizations such as the Port Arthur Board of Trade and, later, the Lakehead Chamber of Commerce argued that amalgamating the two cities would allow the Lakehead to better compete against other cities for industry and commerce.

Fort William and Port Arthur electors voted twice on plebiscites which asked whether the two Lakehead cities should amalgamate. In both 1920 and 1958 a majority of the Fort William electorate voted against amalgamation with Port Arthur. The competition between the two cities had caused many Port Arthur and Fort William citizens to

distrust the motives of their neighbours. They had also come to believe their city was superior to the other, whether it be property tax rates, quality of water, or the general cleanliness of their community.

Fort William and Port Arthur began to face many problems by the early 1960s. There was going to be a shortage of residential land in both cities in the very near future. Port Arthur was also concerned with uncontrolled urban growth in the Township of McIntyre, particularly the area adjacent to the city. Port Arthur could not afford to annex this area, just as it could not afford the water and road improvements needed in the intercity area. Fort William and Port Arthur councils were able to cooperate on many important issues, such as creating a harbour commission, but the bickering that also characterized their relationship often returned and soured any good feelings that were generated.

As the population and the cities grew, the Lakehead's citizens came to see the area as one economic and social entity. As a result, organizations, such as the Lakehead Chamber of Commerce and the Fort William-Port Arthur and District Trade Council, became active advocates of the amalgamation of Fort William and Port Arthur. They believed that it would make the Lakehead more competitive and its local government more efficient and effective. Like many other

communities in Ontario, Fort William and Port Arthur were facing challenges that required local government to change.

Port Arthur's mayor, Saul Laskin, convinced the other municipal leaders that a comprehensive study of the Lakehead's local government was needed. Once the provincial government agreed to appoint Eric Hardy as a commissioner to carry out the review, Laskin consistently argued for the amalgamation of Fort William and Port Arthur and the inclusion of the Townships of Neebing and McIntyre in a new Lakehead city. The other municipalities favoured some form of a two-tier structure so that they would retain their identity. This type of structure seemed most likely because the provincial government was advocating two-tier regional government elsewhere in Ontario, which they felt it would make local government less costly, more effective and modern.

Eric Hardy strongly recommended that a new Lakehead city be created by amalgamating Fort William and Port Arthur. The inclusion of McIntyre and Neebing would provide room for expansion and allow for orderly urban planning over a wider area. Thunder Bay, as this new city was later named, would also have a larger tax base that would enable the municipality to expand and improve its services. The Minister of Municipal Affairs, Darcy McKeough was determined that

the provincial government carry out these recommendations in the best interests of the Lakehead.¹ On January 1, 1970 Thunder Bay became a city; amalgamation was finally achieved.

The success of amalgamation is something that will be debated for many years. Water services have extended into the urbanized areas of McIntyre and Neebing, transit services have expanded (and long waits at the intercity have been eliminated), and other services have been centralized, making them more effective and efficient.² On the other hand, the old rivalry between Fort William and Port Arthur has not been eliminated. It still lives on in the efforts to maintain the viability of the old downtown cores as retail centres, and in the debates on where public buildings, such as the Thunder Bay Community Auditorium, should be located. Also, the population of Thunder Bay did not grow to 150,000 by 1980 as projected by the Lakehead Renewal Study, nor did it grow to 150,000 by 1986 as the proposed Official Plan anticipated.³ Eric Hardy based his recommendations on the lower population growth figures, but Thunder Bay's population

¹Raffo, The Thunder Bay Amalgamation Oral History Project, PR-5, "Interview with Darcy McKeough".

²Kosny, "Thunder Bay After A Quarter Century", pp. 236-238.

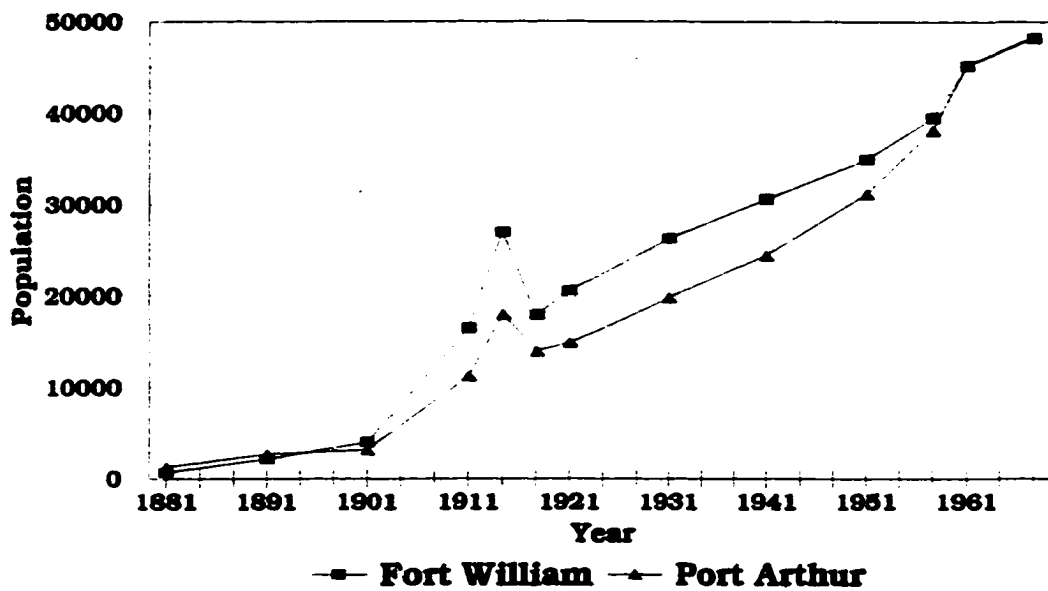
³Lakehead Local Government Review, Report and Recommendations, pp. 24-25.

growth has been negligible within its boundaries. Still, as Mitchell Kosny has written, based on a 1991 survey, "three out every four residents think that amalgamation was a good idea after all."⁴

⁴**Kosny, "Thunder Bay After A Quarter Century", p. 242.**

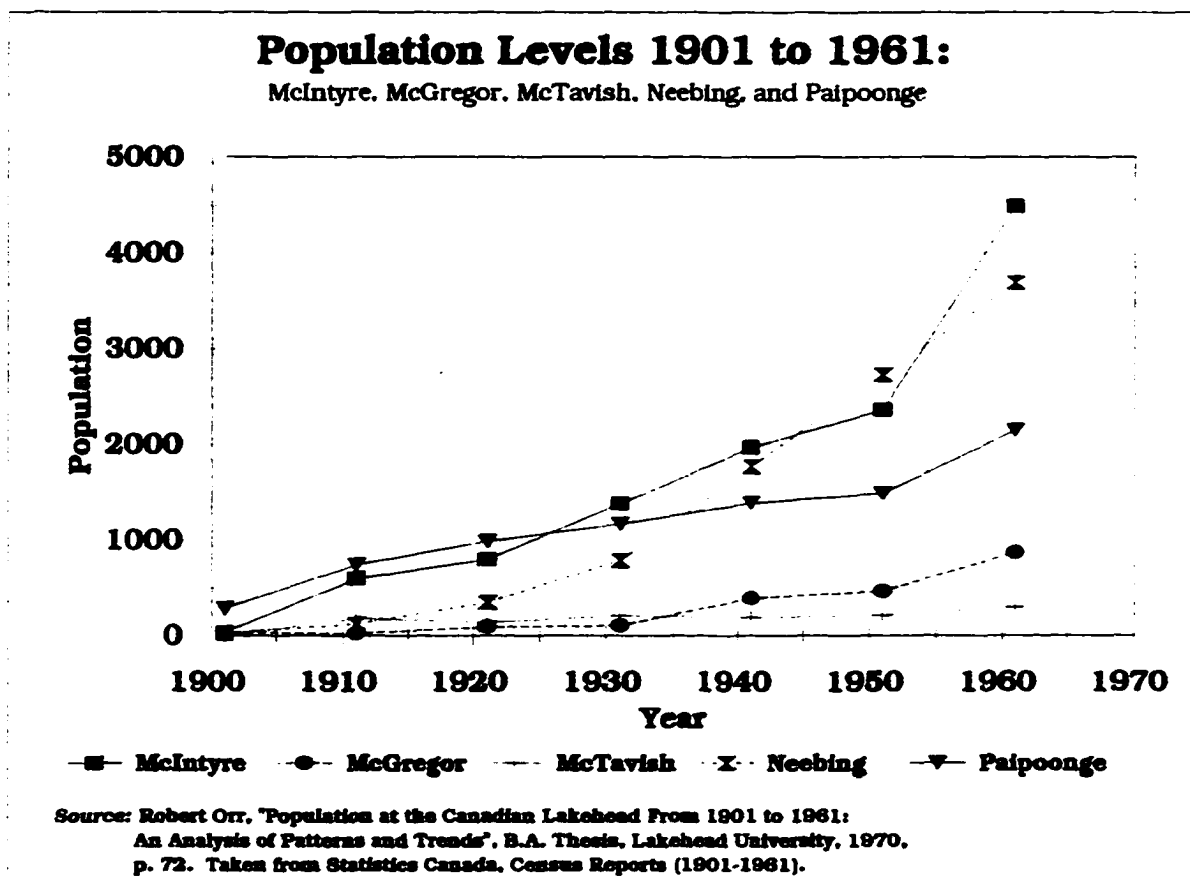
Appendix A

**Fort William and Port Arthur:
Population Growth 1881 to 1966**



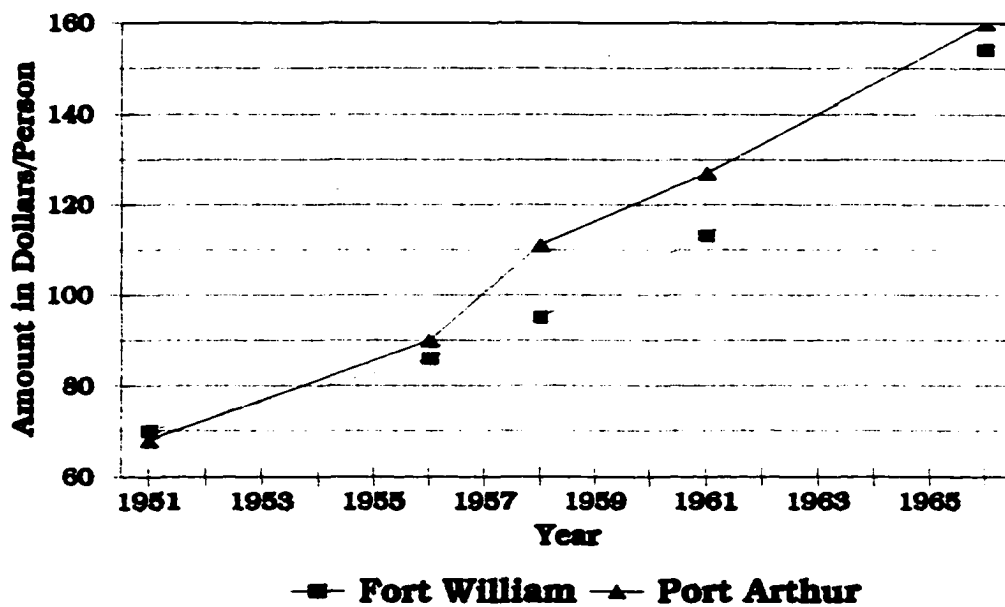
Sources: Statistics Canada, Census of Canada (1881-1966); Stafford, "A Century of Growth at the Lakehead", p.44.

Appendix B



Appendix C

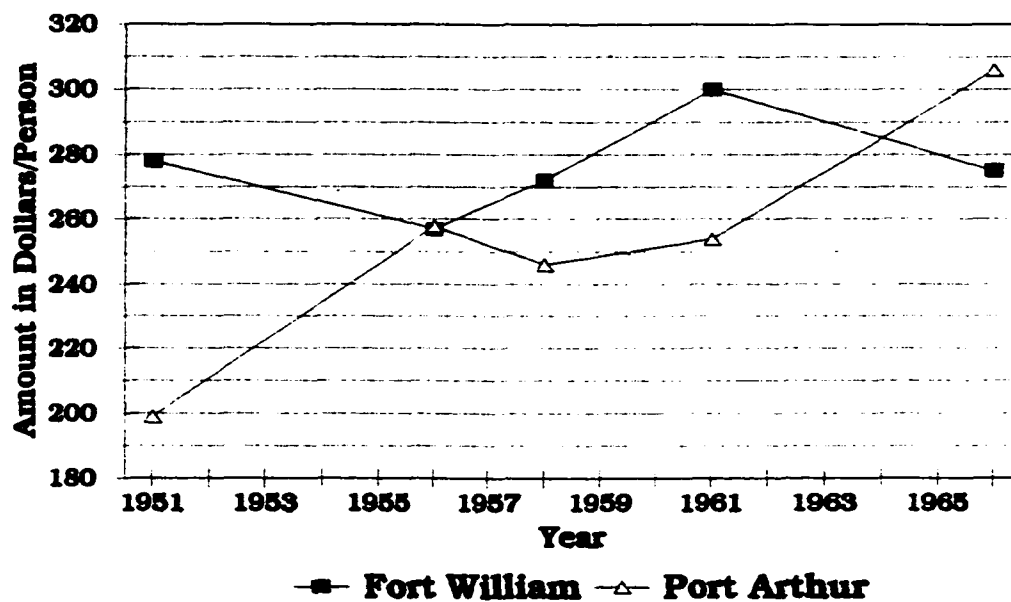
Fort William and Port Arthur: Tax Revenue Per Capita 1951-1966



Sources: CTBA, Series 104, TBA 4491-4494, Town and City of Fort William Financial Records;
CTBA, Series 105, TBA 4487-4488, City of Port Arthur Financial Records.

Appendix D

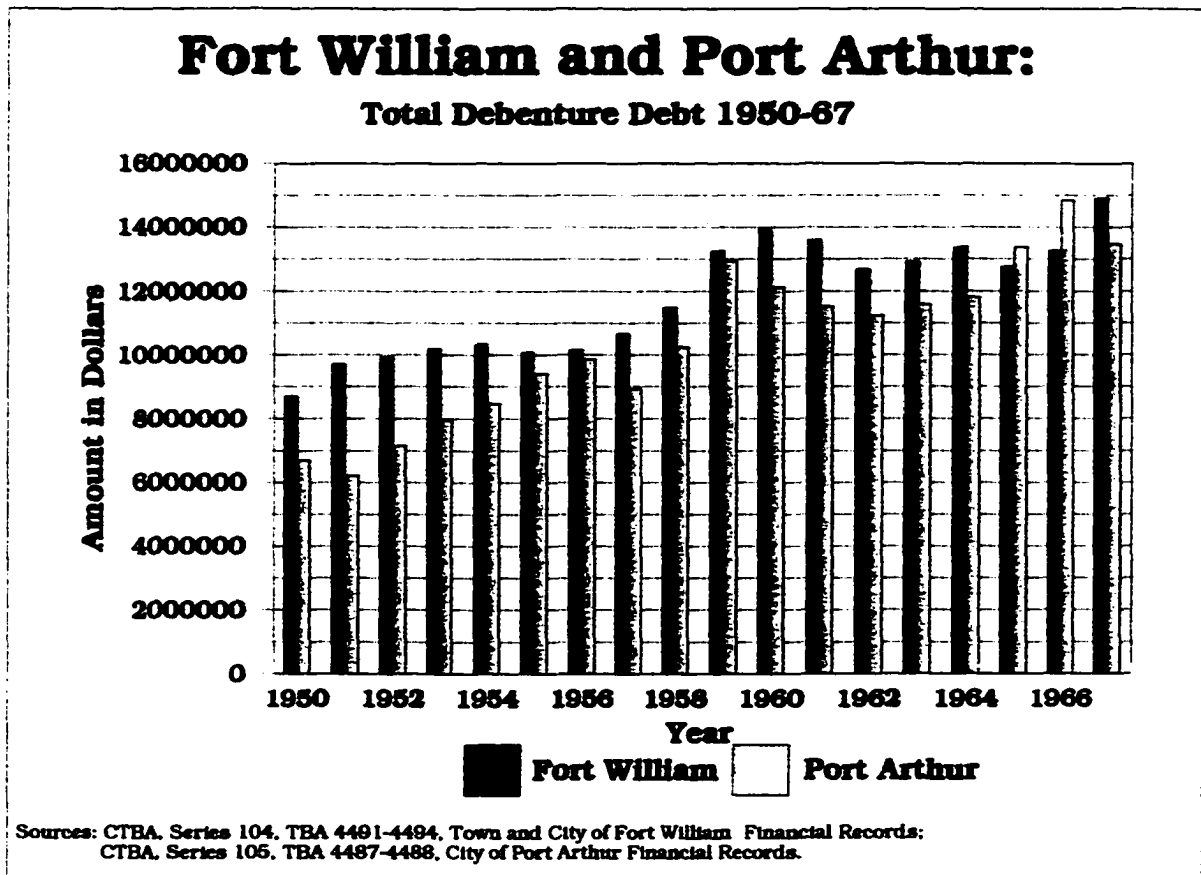
Fort William and Port Arthur: Debenture Debt Per Capita 1951-1966



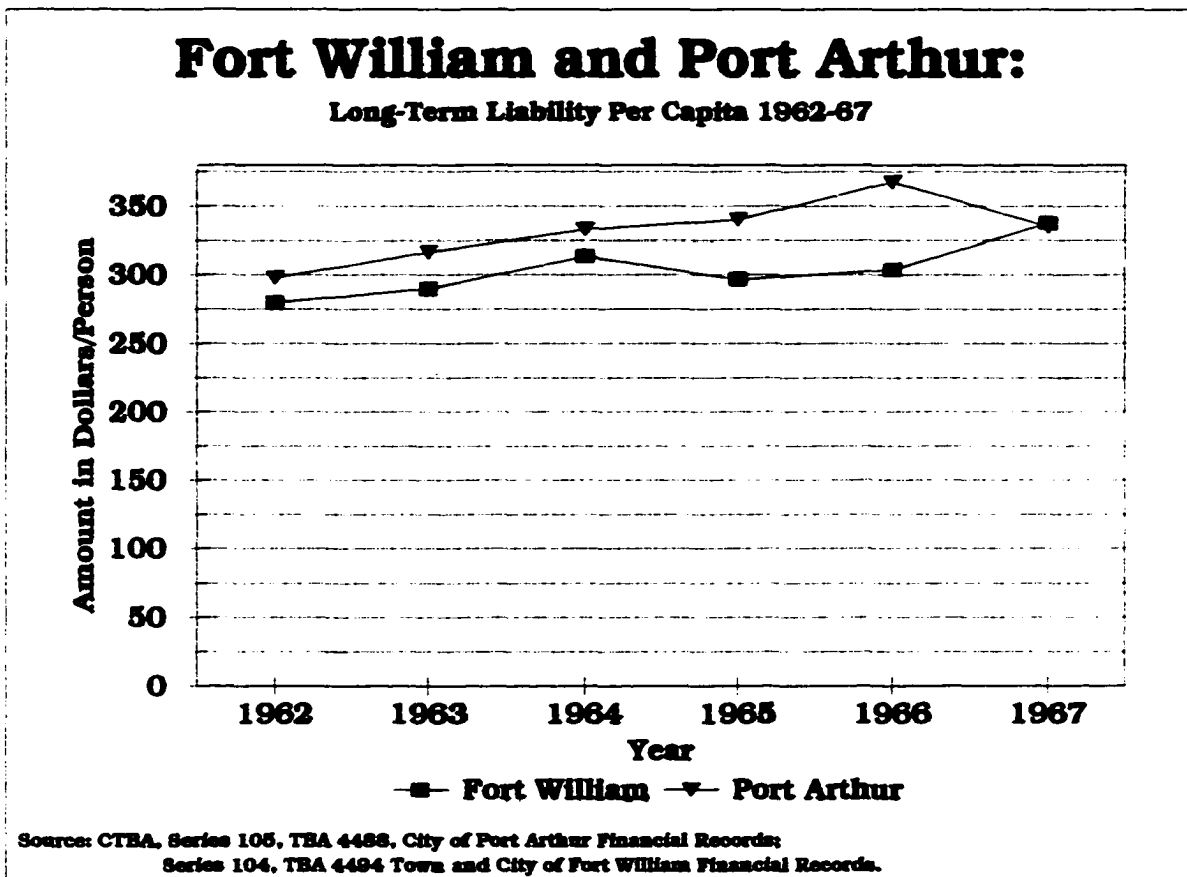
Calculated based on:

Sources: CTEA, Series 104, TEA 4491-4494, Town and City of Fort William Financial Records;
CTEA, Series 105, TEA 4467-4468, City of Port Arthur Financial Records.
Statistics Canada, Census of Canada (1956-1966)

Appendix E



Appendix F



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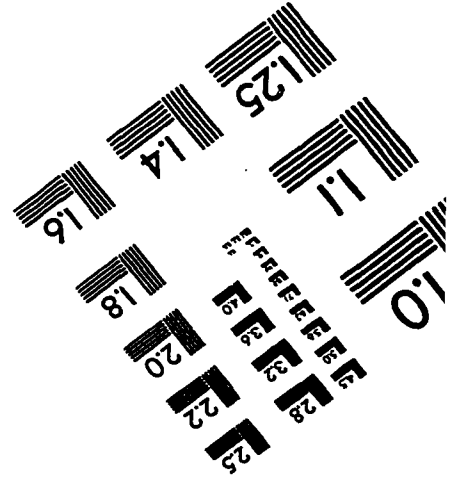
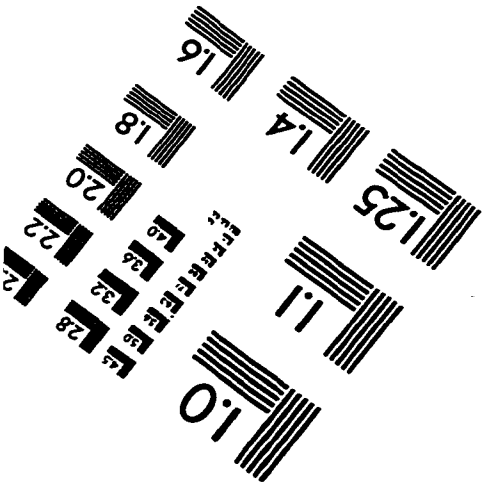
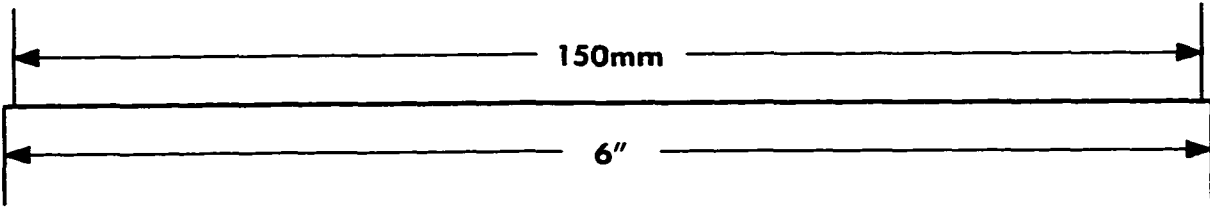
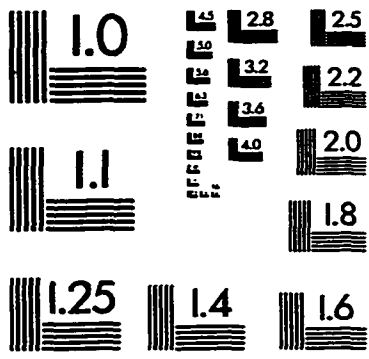
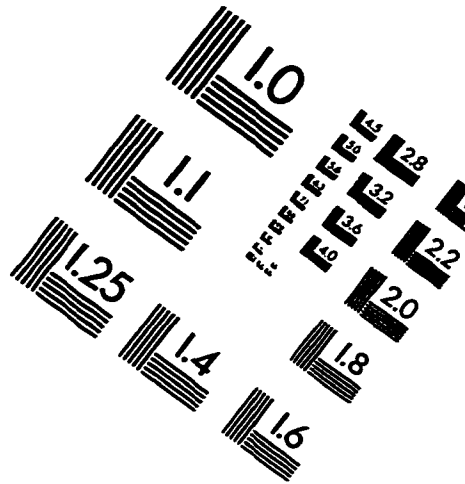
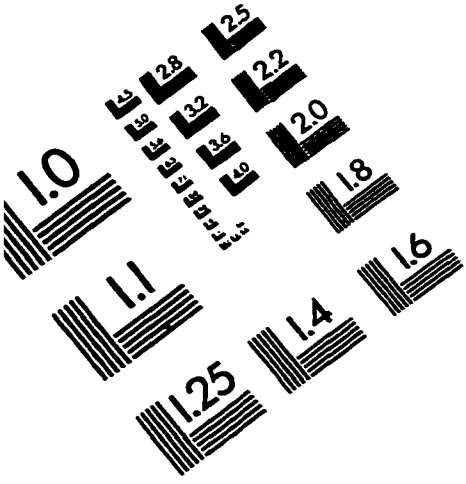
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