DOWNTOWN ACTION

MARCH 1976----VOLUME ONE NO. 1

TAXATION----MOB MONEY----TORONTO PLANNING

CONTENTS

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We welcome submissions.

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EDITORIAL

After five years Downtown Action still exists! Through thick and thin (thick with work and thin on funds) we've been able to continue providing city people -- usually tenants -- with the hard research data they have needed to carry on their political struggles to change our urban environment.

We started in the summer of 1971 when the residents of South St. Jamestown were being evicted from their homes in order to make way for a series of new highrise apartments. The residents, mostly working-class people, had not been involved in the planning of the area, but it was obvious that their homes had been slated for demolition and urban renewal. What was equally obvious was that their homes were quite satisfactory, especially for families. The tenants however, did not really know who they were dealing with. To assist in solving this problem Downtown Action found out who was responsible for the evictions and the tearing down of the homes. We did this by going to the assessment roles where property owners are supposed to be listed. As a result of this research tenants discovered who was behind the frontmen, the middlemen and the speculators. For the first time they were able to identify who their real landlord was: a major development. The residents of South St. Jamestown did not win their fight, but a valuable lesson was learned. Tenants, in order to fight, had to know who they were fighting against; they had to know who owned their homes.

In the following years Downtown Action searched innumerable titles to determine ownership of individual properties. In doing this work we discovered one major shortcoming of the method of research we had been using until then. The assessment rolls were not all that reliable for a number of reasons: first they were often out of date and simply inaccurate; secondly they were not alway[s] complete; and finally they only identified individual property owners. Consequently we relied more and more on actual title searches of properties. This method of research helped us be more accurate and led us to more useful information. Not only could we find where there were land assemblies and where they were being formed, we could also determine land prices, how they had increased, what profits were being made, and how these dealings were being financed. With this knowledge we were able to help tenants organize against the developers before it was too late. The consciousness that developed as a result of the publicity given to the varius cases we were involved with contributed to the fighting of the municipal election of 1972 on the issue of the real effect and the real beneficiaries of development and urban renewal.

The changing urban environment was not only tearing down older but satisfactory working-class homes and replacing them with adult only, high-priced and high-rise apartments. The downtown was being rebuilt as well. Older buildings were demolished and replaced by ever higher and even costlier office towers. The Eaton's Centre, the Bank of Montreal Tower, and the Metro Centre complex are only a few examples. Again Downtown Action was involved. Our role in the Metro Centre fight -- which residents have been able to "scubber" -- perhaps best exemplifies our work in this field. At numerous public meetings we put together land ownership maps for all to see. Knowledge of who owned what, and what was its value played a basic role in the citizens' fight against the developers. Knowledge of landowners clearly puts before the public <u>who will benefit the most from development proposals</u>, and knowledge of the cost of the land and the possible profits clearly shows why developments are proposed. Minor advantages for the general public are offset by the costs of servicing and social disruption, while the owners make super profits.

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This approach has most recently been used in fighting the Official Plan Amendments for the City of Toronto. While planners attempt to present proposals in "neutral" technical planning jargon, they repeatedly fall back on "economic feasibility" when they are challenged on the specifics. Economic feasibility in everyday language means profitability for the developer and speculator. Thus, the real beneficiaries of the planners' proposals are the speculators who drive the price up, and the present owners who demand higher densities to get a "fair return" on their investment. With a knowledge of who owns and controls land in the downtown area citizens attempted to argue against further development. While not successful this tactic did make clear to all what planners mean by economic feasibility: i.e., give the owners what they speculated for.

Not all assembled land has been developed, witness the parking lots, the vacant lots, boarded up homes and deteriorating neighbourhoods. The owners and speculators on these properties have been caught in one of the market's own little mysteries: the downturn. Money is no longer available for development. So, while no new housing is being built, urbanization continues to bring ever more people in need of housing into the city. This development in the economy has led to a major shift in the focus of the political struggles mentioned above.

In response to the shortage of capital, landlords have attempted to maintain their profits by cutting back on maintenance and increasing rents. As a result tenants have been facing increasing hardships, and have been looking for assistance in fighting back. In spite of the legal requirement to post their name in their buildings, landlords have refused to make themselves known to tenants, let alone available to answer their complaints. Coupled with the veil of corporate anonymity, this effectively shields landlords' identity from the public. Downtown Action consequently receives numerous calls from tenants wanting to know who their landlord is, and what can be done concerning their situation. Our resources and research skills have been put to use to determine ownership and financial information. Again, this information has been used to bolster tenants' fights to have more say in the running of their homes.

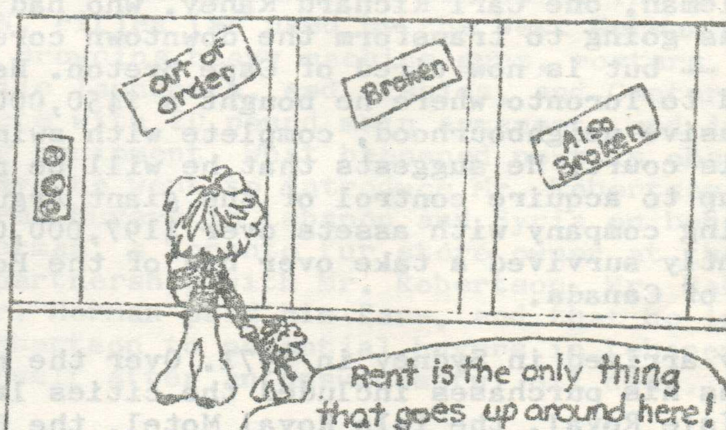
More recently with the passing of the Residential Premises Rent Review Act, tenants will require substantial financial data regarding the operation of their building, and Downtown Action has already received requests for help. While it may prove to be a difficult point to bring up under the present legislation, the most important factor in rent review is original cost and equity, not the year by year increases in operating costs. As a result, tenants, if they want to determine what fair rents are, will have to know what the original land factor costs were. This will require extensive title searches of whole projects, breaking them down to buildings, and trying to sort out all the different corporations involved and who owns them.

What is the significance of Downtown Action's survival? Certainly it is not an indication of governments' willingness to fund groups like ours. Funding has never been available to us for more than six months at a time, and we have had to rely on OFY and LIP grants as our main source of funds. Nor is our survival a personal tribute to the cleverness of our staff. Because of the kind of funding we've had it has been difficult to maintain a constant staff. Rather, the significance of our survival is to be seen in the importance of property ownership information, and the fact such information is not readily available to the public. (As far as we know we're the only ones providing it.) Over our years of operation we have found that land ownership information was and still is indispensible in carrying out the political struggles for bringing change in our urban living environment.

The information itself however does not bring about change. This fact is the other key to our survival. Since the beginning the information we have been able to get has been constantly related to actual efforts by residents' groups and tenants' associations to gain control over their living situations. Information in books, reports and filing cabinets does not bring about change; residents' groups armed with information can bring about change. Downtown Action has attempted to arm these groups.

To be sure the information we dig up has become more sophisticated over the years. Initially land ownership was obtained from assessment rolls. Then we relied more on actual title searches. From there we began to take note of not only who the owners were, but also the mortgagees, and how much financing the owner had. Today we are developing skills and resources to understand the whole affair of land ownership, development and maintenance: what is the cash flow and the return on equity? Tenants particularly, need to know and understand how much their homes cost to build and how much it costs to maintain them.

Our experience has been that our mission is still an important one. The development and real estate industry is under pressure because housing needs to be built and it isn't. Their defense propaganda can be read in any newspaper. Because of their sophisticated arguments (not necessarily logical) tenants and other concerned citizen need an understanding of these matters. For this reason at this time of government cutbacks in funding, groups like Downtown Action -- and we shouldn't be the only one -- need to survive and expand. More than ever before research in land ownership and development economics can expose the industry for what it is: capital raping the public in order to reproduce itself. The information is necessary and vital to carrying out the political organizing necessary to control our lives.



BLACK MONEY

By Anne Mason-Apps

"A sinister saga of graft, corruption, fraud, greed, crime, Meyer Lansky, European Banks, the Mob, Fantum (?!) Holdings ltd., and the economic crisis in Canada. TOO EXCITING TO PUT DOWN--TOO SHOCKING TO FINISH!!!"

--The Editor

A recent case reported in the Globe and Mail on 25 Sept. 1975 considered the wheeling and dealings of a mysterious gentleman, one Carl Richard Rahey, who had once said that he was going to transform the downtown core of Sydney, N.S. -- but is now tired of Cape Breton. He has just moved to Toronto where he bought a $450,000 house in an exclusive neighbourhood, complete with swimming pool and tennis court. He suggests that he will be negotiating a coup to acquire control of the giant Argus Corp., a holding company with assets over $197,000,000 which recently survived a take over bid of the Power Corporation of Canada.

Rahey arrived in Sydney in 1971. Over the next fourteen months his purchases included the cities largest hotel, the Isle Royal, the Isle Royal Motel, the Belmont Hotel, numerous business and residential properties, and dozens of building lots in nearby New Waterford and Westmount.

In May 1974 Mr. Rahey outlined a proposal to transform a complete block of central Sydney into a modern complex with offices, stores, and adjoining Marina, and an underground parking scheme. The scheme never got off the ground. In March 1975 he pleaded guilty to evasion of income tax. The Department of National Revenue has ruled that he owes $233,350 in unpaid taxes for the years 1967-72 and they are continuing their investigation.

His money in Sydney came from a limited number of sources: Mirlaw Investment Limited of Montreal which is listed in the Inter-Corporate Ownership Guide (1972) as being controlled by Societe Bancaire Barclay Suisse, and in Toronto from mortgage brokers Alan Feldman and Charles Orenstein, and businessmen Stephen Lewar and Solly Blackman. All the loans are short term (six months to two years) and at high rates of interest (as much as 6% above the prime bank rate). One wonders if that Charles Orenstein is one and the same as the Charles Orenstein who was a partner with William Teron in 1973/4 in Farmers & Merchants Trust of Calgary, Alberta.

Mr. Rahey also appears to be involved in a strange deal which began in 1971 when he, as president of Bonray Financial Corp. Ltd., of Richmond St. West, decided to go into the arms selling business. An employer John Stuart Robertson wrote a circular on Bonray letterhead listing the arms the company had for sale. The arms included F.N. rifles (as used by the West German army), .50 calibre Browning heavy machine guns, mortars, guided missile launchers, and missles, and Centurion tanks complete with 20 pound main armament, and infrared sighting equipment. What happened next is obscure. Mr. Rahey says he went to introduce Mr. Robertson to potential arms buyers in Lebanon and Syria on behalf of Norman Herman, a Toronto fur store owner at the time, who was in partnership with Mr. Robertson. Mr. Rahey said that Mr. Herman paid his fare, and that he introduced Mr. Robertson to potential buyers in Lebanon and went off himself after an unsuccessful oil deal.

Mr. Herman's version says that Mr. Robertson told him he could get surplus weapons in Yugoslavia and had a market for them in Sudan. Mr. Herman says he sought the advice of a Toronto man, Albert Volpe, who was living in Yugoslavia at the time, where he had an interest in a gambling casino in Belgrade. (Mr. Volpe was named as a member of La Cosa Nostra by the U.S. Senate investigating committee in 1963).

Mr. Herman says Mr. Volpe investigated and found that Mr. Robertson could indeed get hold of some surplus arms in Yugoslavia and get permission to export them. Mr. Herman says he gave Mr. Robertson $20,000 in travellers cheques and took him to the Toronto Airport where he saw him fly out. Mr. Herman says that Mr. Robertson got off the plane in Montreal and returned to Toronto where he met Mr. Rahey who cashed $1,000 of the cheques. Then, said Mr. Herman, Mr. Robertson flew to Lebanon where he cashed several more cheques with Mr. Rahey's brother-in-law. Later in 1972 Mr. Robertson was arrested in Cyprus after the island police siezed 300 pounds of hashish, apparently enroute to Toronto. Mr. Robertson pleaded guilty to hashish smuggling and was sentenced to seven years in jail. He was pardoned after serving 18 months and is believed to be somewhere in Europe.

Another interesting case surfaced in October 1975 when Clarkson Company was appointed interim receiver of International Chemalloy Corporation, following the filing of a bankruptcy petition by the prominent developer Angelo DelZotto, also a Chemalloy shareholder. He alleged that Chemalloy had defaulted on a $91,500 note.

The company became the subject of an Ontario Securities Commission investigation, looking into the company's disclosure practices, the distribution of its shares in Europe, and the strange transfer of $600,000 cash. Clarkson's investigation showed that there is evidence "that some directors conspired amongst themselves and with others to obtain shares of the Capital stock of Chemalloy from its treasury and to market these shares in an illegal way."

"There is evidence that the persons that may be involved in the conspiracy include the following:

David T. Winchell - pres. & director
Enver Hassim - direct. and solicitor
Samuel Ciglen - financial advisor
Gerald Mandel
Louis Sherkin

and certain officials of Handelskredit Bank A.G. Zurich, Switzerland; and of Intraholding Establishment of Vaduz, Licktenstein, and other persons unknown. Two other directors General F.J. Chesarek, and Charles A. Sullivan are also named as possible members of the conspiracy.

Chemalloy holds a controlling interest in Tantalum Mining Corp. of Manitoba. In earlier court proceedings Jack Biddell of Clarkson testified that in August 1974, Chemalloy borrowed $600,000 from a New York Company using Tantalum holdings as collateral. The $600,000 was then transferred to Winchell Corp., a private company owned by Winchell.

In September the OSC, OPP and Metropolitan Toronto Police fraud squad raided offices and homes of Winchell and three of his associates, Ciglen, Hassim and John Sikura, a Winchell neighbor and former employee of Winchell Corp.

Another interesting international financial battle is shaping up over control of Security Capital Corp. Ltd. -- a Toronto company linked to one of the looters of the IOS Ltd. mutual funds empire. It appears (temporarily at least) to have passed back to Shirley Oakes Butler of Nassau, daughter of Sir. Harry Oakes, the Canadian gold mining magnate who was murdered in the Bahamas in 1943. Although the murder was never solved rumors

Do you dare to turn to page 25 for the continuation of this infamous tale!

Pity the Poor Landlord

Selections from Downtown Action's brief to the Select Committee of the Ontario Legislature on Bill 20 (Rent Review) and Bill 26 (Ammendments to the Landlord and Tenant Act). The brief has been useful to some tenants for organizing.

Landlords are in effect the first level of authority and government faced by the tenants. They differ from government, however, in that at the moment they are responsible to no one but themselves and indirectly to their creditors. Their control over tenants has gone virtually unquestioned until quite recently. Rent Control or Review and security of tenure, properly written and enforced, provides some curtailments on the landlords' power. However, many more controls, not directly related to the tenants, need to be applied, and should be a part of the legislation.

Landlords complain that they're losing money. As we said earlier, it is not true. A study of particular buildings shows this beyond a doubt. We've taken examples of buildings, from which tenants have complained concerning rent increases, and calculated what kind of money the owners are losing.

HERE ARE JUST 3 EXAMPLES

EXAMPLE 1: 15 Shalmar Boulevard, Toronto
owner: Versailles Court Apartment Ltd. (a company in the Metro Trust group. It has two Swiss directors.)
size: 78 units
age: built in 1960

The building was built with a mortgage to London Life, guaranteed by Central Mortgage and Housing Corp., for $659,587.50 at 6 and 3/4%, due 10 April 1986.

(In this and other examples operating costs are based on a formula used by CMHC. The formula is adjusted to 1976 operating costs.)

EXPENSES:

yearly mortgage payments.....	$54,222.72
taxes, 1975..................	47,926.57
other operating costs........	46,445.40
TOTAL	$148,594.69

INCOME:

rental.......................	$184,860.00
parking......................	10,248.00
TOTAL	$195,108.00

INCOME OVER EXPENSES $46,513.31
or, 31.3% of expenses

Tenants in this building have received rent increases increasing rents for a one-bedroom apartment to $241 (from $180) and $287 (from $215) for a two-bedroom. This increase would result in an annual increase in revenue for the owner of $62,244.00 or 31.9%. His profits would increase to 73.2% of his expenses.

If his rent were to go up by the proposed 8% limit, the landlords profit would be restricted to 41.2% of his expenses.

EXAMPLE II: 5-15 Brookbanks Dr., Don Mills
owner: Second Lehndorf Ltd. (as trustee for FONDS II LEHNDORF VERMOEGENS VERWALTUNG)
size: 2 buildings totalling 270 units
age: built in 1968

There two outstanding mortgages on the building:
1) for $1,512,900 at 7 and 3/4% due 30 Sept. 1994 to the Bank of Montreal
2) for $1,795,800 at 7 and 1/4% due 1 July, 1998 to the Toronto Dominion Bank

EXPENSES:

Mortgage payment..............	$281,141.04
Taxes, 1975...................	159,282.01
other operating costs.........	176,043.40
TOTAL	$616,466.45

INCOME:

rental........................	$435,060.00 (15 Brook.)
	399,120.00 (5 Brook.)
	4,800.00 (floor incr)
parking.......................	31,140.00
TOTAL	$799,644.00

INCOME OVER EXPENSES...$183,177.55
or 29.7% of expenses

Tenants in this building received rent increases making effective rents for a one-bedroom $257 (from $200), two-bedroom $290.50 (from $226), and three-bedroom $322.50 (from $254). These will increase the landlord's revenue to $1,007,154, which is $390,688 over expenses or 63.3% of expenses. The allowed 8% increase would result in the landlord getting a profit equal to 39.2% of expenses.

EXAMPLE III: 200 Balloil, Toronto
owner: Greenwin Construction
size: 364 units
age: built in 1966

The building has an outstanding mortgage to London Life for $4,464,900.00 at 6 and 3/4% due 10 October 1997. CMHC insured the mortgage.

EXPENSES:

Mortgage costs.................	$344,205.00
Taxes, 1975....................	203,440.91
other operating costs..........	203,371.22
TOTAL	$751,017.13

INCOME:

rental.........................	$851,934.00
parking........................	76,032.00
TOTAL	

INCOME OVER EXPENSES.$176,948.87
or 23.6% of expenses

Tenants of 200 Balloil have received rent increases so that rents are now as follows:

$215 (from $150) for a bachelor
245 (from $167) for a one-bedroom-jr.
290 (from $230) for a one-bedroom
365 (from $256) for a two-bedroom

As a result, the landlord's revenue increases to $1,274,010.00 or 69.6% of his expenses. The 8% limit on rent increases would limit the profit to 32.6% of expenses.

Greenwin, apart from the outstanding mortgage on this building, has an $8,000,000 demand debenture with the Canadian Imperial Bank of Commerce at 16% per annum against this and ten other properties.

<u>These examples all have one shortcoming, namely, that profit has been calculated as a percentage of expenses. To obtain a more realistic picture, profit should be calculated on</u>

the actual amount of money invested in the property, that percentage of creation costs which the landlord paid. Unfortunately it is only under very unusual circumstances that this information is made available by the landlords.

While these are but three of many examples that could be used, they do not represent the most extreme cases of landlord profiteering.

WHAT ABOUT THE COST OF LAND, CONSTRUCTION, ETC.?

Those factors used by the landlords in rent determination, over which the tenants have no control or influence, also need to come under public scrutiny and control. These factors include the cost of land, the cost of construction as it is reflected in the mortgaging, collateral financing and refinancing and speculative sale. To illustrate -- inflated land costs.

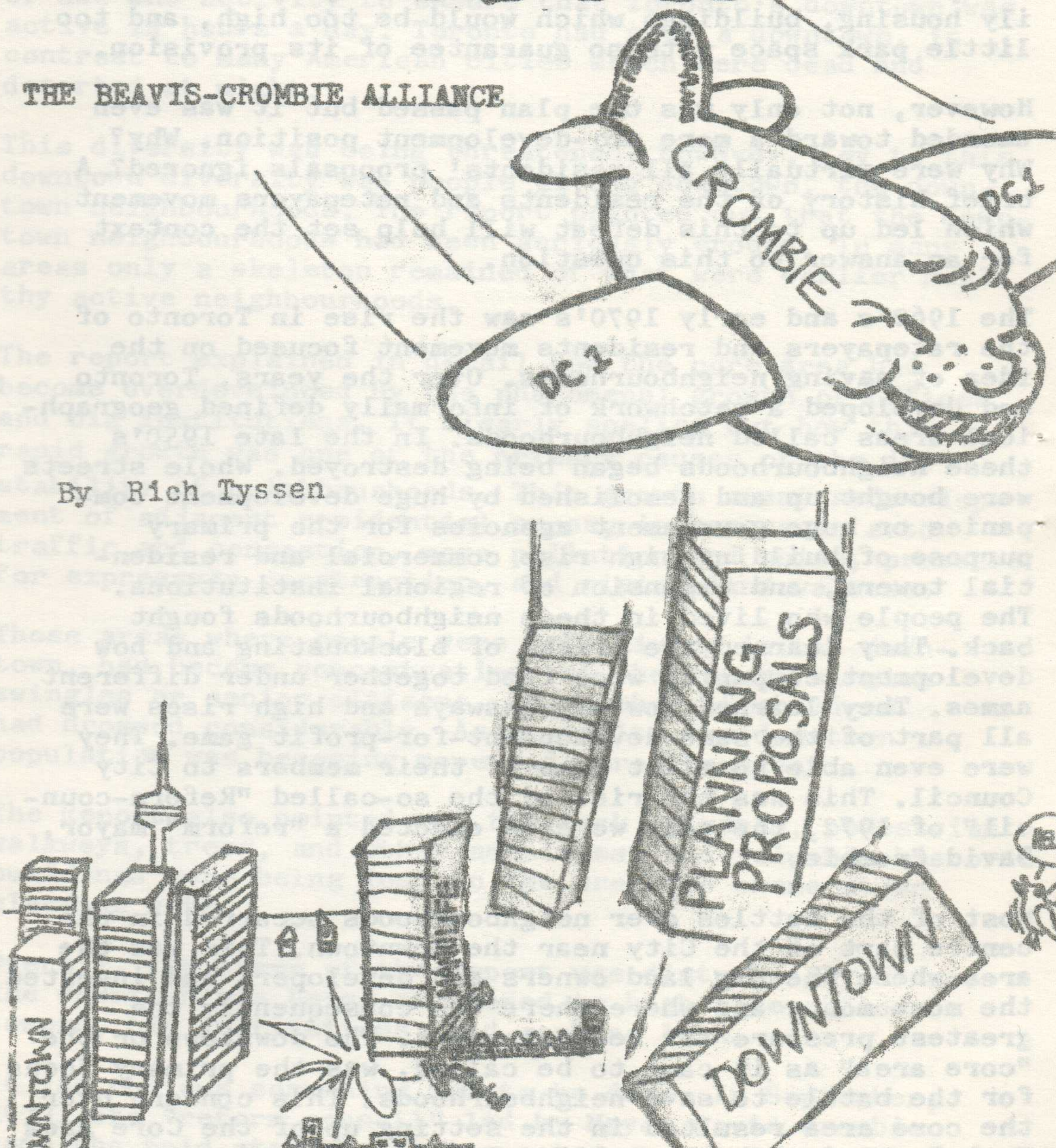
A good example of this was reported in the Globe and Mail on Thursday, November 27, 1975. It concerns a parcel of land on the slopes of the Humber River. The land is used to raise money, and presently has $1.25 million in outstanding mortgages. The property has not been developed. When it is, the ultimate cost of the housing, if housing is built, will have to cover the costs of carrying these mortgages. There are many more examples of the same phenomenon. In fact it is a common occurrence. Land available for housing construction near the major metropolitan areas is controlled by a relatively small number of corporations (The Spurr report of CMHC verifies this) and its value is escalated unnecessarily before it is brought on stream. We all know how the price of serviced land has increased. Control of land prices, remembering of course that land is essentially a public resource which obtains most of its value only as a result of the public planning process and public investment, would substantially reduce the cost of housing.

IT'S SOMETHING TO THINK ABOUT -- AND DO SOMETHING ABOUT, TOO.

TORONTO UNDER ATTACK!

THE BEAVIS-CROMBIE ALLIANCE

By Rich Tyssen



On January 21, 1976, the City [illegible] a new plan for the [illegible] bounded by the Lakefr[illegible] Road, the Valley, and Bathurst St. More [illegible] residents and community organizations opposed [illegible] the plan allowed [illegible] growth, too little family housing, buildings which would be too high, and too little park space [illegible] no guarantee of its provision.

However, not only was the plan passed but it was even amended towards a more pro-development position. Why? Why were [illegible] residents' proposals ignored? A [illegible] history of the residents and ratepayers movement which led up to this defeat will help set the context for [illegible] this question.

The 1960's and early 1970's saw the rise in Toronto of the ratepayers and residents movement focused on the idea of saving neighbourhoods. Over the years, Toronto had developed a patchwork of informally defined geographic areas called neighbourhoods. In the late 1950's these neighbourhoods began being destroyed. Whole streets were bought up and demolished by huge development companies or government agencies for the primary purpose of building high rise commercial and residential towers and expansion of regional institutions. The people who lived in these neighbourhoods fought back. They learned the tactics of blockbusting and how development [illegible] together under different names. They learned [illegible] expressways and high rises were all part of [illegible]-for-profit game. They were even able to elect their members to City Council. This was [illegible] the so-called "Reform-council" of 1972. They [illegible] a "reform mayor" David [illegible].

Most of the battles over neighbourhoods were fought in the central part of the city near the downtown. This is the area where land owners and developers [illegible] the most money [illegible] where the consequent greatest pressure [illegible] "core area" as it came to be called, was the [illegible] for the battle to save neighbourhoods. This [illegible] the core area resulted in the setting up of the Core Area Task Force in February, 1973, [illegible]

On January 31, 1976, the City of Toronto Council passed a new plan for the whole Central Area of Toronto (roughly bounded by the Lakefront, Rosedale Valley Road, the Don Valley, and Bathurst St.). More than 40 residents and community organizations opposed the plan. Residents felt the plan allowed too much office growth, too little family housing, buildings which would be too high, and too little park space with no guarantee of its provision.

However, not only was the plan passed but it was even amended toward a more pro-development position. Why? Why were virtually all residents' proposals ignored? A brief history of the residents and ratepayers movement which led up to this defeat will help set the context for an answer to this question.

The 1960's and early 1970's saw the rise in Toronto of the ratepayers and residents movement focused on the idea of saving neighbourhoods. Over the years, Toronto had developed a patchwork of informally defined geographical areas called neighbourhoods. In the late 1950's these neighbourhoods began being destroyed. Whole streets were bought up and demolished by huge development companies or huge government agencies for the primary purpose of building high rise commercial and residential towers, and expansion of regional institutions. The people who lived in these neighbourhoods fought back. They learned the tricks of blockbusting and how development companies were tied together under different names. They learned how expressways and high rises were all part of the same development-for-profit game. They were even able to elect some of their members to City Council. This was the rise of the so-called "Reform-council" of 1972, the year we even elected a "reform" mayor, David Crombie.

Most of the battles over neighbourhoods occurred in the centre part of the City near the downtown. This was the area where the big land owners and developers had invested the most money and where there was consequently the greatest pressure for redevelopment. The downtown or the "core area" as it came to be called, was the primary focus for the battle to save neighbourhoods. This concern over the core area resulted in the setting up of the Core Area Task Force in February, 1973. Residents, businessmen planners, and politicians met for months studying the problems of the core area. In 1974, the Core Area Task Force Report was produced. It was a monumental work.

The Report made clear, to many people for the first time, that a healthy, safe downtown depended on a wide diversity of use and activity to ensure that Toronto's downtown was active 24 hours a day. Toronto had such a downtown, in contrast to many American cities which were dead and deserted at night.

This diversity was being threatened, however. Key to this downtown diversity was people living downtown, the downtown neighbourhoods. The report pointed out that the downtown neighbourhoods had been seriously eroded. In many areas only a skeleton remained of what were earlier healthy active neighbourhoods.

The report explained in detail how the core area had become overdeveloped by the phenomenal growth of offices and big institutions. It clearly spelled out how this rapid growth was one of the primary causes of the instability of neighbourhoods. This growth meant redevelopment of adjacent residential areas, increases in auto traffic and congestion, more pollution and noise, pressure for expressway construction, and rising land values.

Those areas where people were left living in the downtown, had become concentrations of the young, singles swingles or senior citizens. The number of children had dropped considerably. As a result, the downtown population was becoming more and more transient.

The Report also pointed out the lack of parks, pedestrian walkways, trees, and other amenities. Old valuable historic buildings were being lost to the wreckers crane at an alarming rate.

Overall, the theme of the Report was disturbingly clear. The downtown was being abandoned to high rise office towers, big institutions, and parking lots.

It was obvious something had to be done. In September, 1973, the "reform council" led by Mayor David Crombie made the bold step of calling a temporary stop to the furious pace of downtown development through the use of 45 foot holding by-law which prevented construction of buildings higher than 45 feet. This by-law was to allow a two year breathing spell to allow for study and evaluation of the future of the core area. At the end of that two year period proposals for a new plan were to be brought forward for public discussion and ultimate adoption by City Council.

There was fierce opposition to the holding by-law by developers. An awesome battery of the best lawyers in Toronto was hired to fight the holding by-law at the Ontario Municipal Board. In December 1974, the holding by-law was turned down. The Ontario Municipal Board (OMB) made a very revealing statement in its December 9, 1974 holding by-law decision.

> "In any event, certain incontrovertible facts cannot be ignored. Values of land would be seriously depressed. The evidence of N.R. Wood, President of Cadillac-Fairview Corporation Limited, a developer in the larger cities of Canada, a part-owner of the Toronto-Dominion Centre, and developer of the Eaton Centre, should not be overlooked. This company has assets of $800,000,000, and is the largest real development company in Canada. The effect of the by-law on this company at least is to create such uncertainty that no further lands are being acquired for development because the risk is too great. The consequence of the by-law no doubt has been to drastically reduce land values which in part would have to be passed on to the ultimate user. The housing market has also been seriously and adversely affected. If there is justification for rezoning, and if there were planning mistakes made in the past, one class of society should not be asked to pay for those mistakes. The rights intended to be accorded to this group under The Planning Act, as much as to residential neighbourhoods are no less. Everyone is entitled to stability and the right to plan for the future." p. 13

The OMB's statement is among other things logically inconsistent. One cannot say at the same time that reduced land values would be "passed on" while saying that costs of planning "mistakes" are being born by one class. The OMB has also failed to realize that a "mistake" for one class may not be a "mistake" for another class. The Board either doesn't realize or is unwilling to acknowledge that the interests of the class of people that generally live in residential neighbourhoods in the core area are often in fundamental conflict with the class to which N.R. Wood, president of Cadillac-Fairview Corporation Limited, belongs. It is in Cadillac-Fairview's interest to re-develop neighbourhoods. It is in the interest of the neighbourhoods being re-developed that they do not.

In the present system such a conflict cannot be mutually resolved. You must choose for one side or the other. It seemd obvious which side the OMB had chosen.

Council immediately passed another by-law after the defeat of the first. This holding by-law was eventually given qualified approval by the Ontario Cabinet. The Cabinet stated, however, that a new downtown plan would have to be completed and in place by September 30, 1975.

During the summer of 1975 it became clear that the planning staff would be unable to finish its work on the proposals for the new downtown plan in time. The September 30, 1975 deadline had to be extended. The Planning Board and City Council asked the Ontario Cabinet for a four month extension. Some members of the Planning Board argued that four months would not be enough time for the work left including public discussion and instead suggested a six month extension. Their arguments failed, however. This later proved to be a serious mistake. The deadline for completion of the plan was January 31, 1975. The politicians who consistently opposed an extension of the deadline for the holding by-law were Mayor Crombie and his representative on the Planning Board, David Smith.

In August, the Planning Board drew up a time table for completion of the work that remained. The schedule was too compressed from the beginning, allowing only <u>four weeks</u> for public discussion. Four weeks was enough time for the developers or their lawyers to consider the 1200 pages the proposals contained. This is their profession. It was not enough time, however, for residents and residents groups who had to read the mass of material on their own time, call meetings for discussion, fit dates for meetings into peoples' personal schedules, etc. The community process is not that of a high-powered corporation. But if the schedule was too compressed from the start, it became worse as the overworked planning staff fell behind and deadlines for the release of reports were extended. One report was released days before a public meeting to discuss it.

The work schedule also allowed only three weeks for the planning staff to review the public reaction and change their proposals based on this reaction. As the staff fell behind in the release of reports, this review was overlapped with the public discussion. The last public meeting on the proposals was held just 8 days before Christmas on December 17. The planning staff were required to have the rewrite of the proposals ready to submit to the Planning Board by January 6. In between these two dates were the Christmas and New Years holidays. Just due to time alone it would have been almost impossible to expect more than minor changes to the plan resulting from this review process.

What the planners finally presented was virtually the same as they had proposed at the beginning of the public discussion. This was in spite of solid opposition and detailed counter proposals coming from about 40 residents groups all over the City, most of whom worked through the Residents Advisory Committee. The Residents Advisory Committee was set up by the City Planning Board as a counter-lobby to Mayor Crombie's industry and labour advisory group which was the developers lobby.

The conspiracy against Toronto continues on page 33.

TAXATION: Who really pays?
Who really benifits?

By Ernie Holwell

The purpose of this document is to focus attention on the taxation policies of governments. To show how, in the process of raising ever more money for the increasing costs of government, they pursue policies which serve best the interests of the all-powerful monopoly corporations.

The cost of government at all levels has been escalating progressively over the past several years and, side by side with mounting costs, the share which corporations are carrying -- industrial and financial -- has been slowly but surely shrinking by comparison with the personal income taxes.

For example, according to published information taken from John Turners* Budget Statement for 1973 -- corporate direct taxes in 1951 amounted to 28% of all revenues collected by the federal government.

By 1973 this percentage had been reduced to 12.2%, while at the same time corporate profits had risen by more than 650% to the year 1975.

On the other hand individual taxpayers paid only 26.7% of all revenues collected in 1951.

But, by 1973, this percentage had risen to over 46%, and the total population had increased by some 7 million people, which in turn increased the total number of individual taxpayers.

In 1973, 37%, or almost 8 million Canadians contributed an average of $964.00 each for a total of $7.7 billion ($7,700 million) to the federal government in income taxes.

As the costs of government operations rise, a substantial portion of the tax revenue rightfully belonging to the corporate sector is systematically transferred by GOVERNMENT to that section of the population which makes up the work force -- from whose pay packets income tax is deducted at the source, and who pay the bulk of all other hidden taxes with almost everything they purchase -- purchases made from a take home pay which has already been reduced considerably by taxation and other charges.

Despite this, the corporate sector sheds crocodile tears in expressing its concern about government spending which calls for "the payment in cash for social programs including pensions and benefits" -- i.e., Health; Welfare; Family Allowances etc. etc.

The fact is that revenues from personal income taxation more than covers the costs of these and other social programmes.

These revenues are collected from the public and returned through transfer payments to the Provinces and Municipalities, or by direct payment such as Old Age Pensions which amount to almost $4½ billion for 1975.

This statement is borne out by the findings of two well known research organizations -- C.D. Howe Research Institute and The Canadian Tax Foundation -- whose studies of Federal Government spending was made public by the Toronto Daily Star.

<u>Federal Government spending for 1975 is estimated at more than $22,000 million</u>.

And, since individual taxpayers contribute 46% of the national budget, the personal income tax will net the federal treasury about $10,120 million -- a figure which is projected by The Canadian Tax Foundation.

To accumulate such a fantastic sum, over 8 million Canadians will have contributed an average of $1,200 each in individual taxes for 1975 -- this despite the fact that almost 800,000 workers are unemployed.

Corporate profits for 1975 are publicly reported to be over $17,500 million.

Based on 12.2% of the federal budget, as indicated by ex-Finance Minister John Turner, the corporate share will amount to only about 15% of the above figure. Profits thus retained by corporations result from the fact that (a) individuals are substantially over-taxed, and (b) Debt Financing is the rule rather than the exception, not only at the federal level but for all levels of government in Canada.

Researchers list the following as fixed charges to be met from the Federal Budget:

Civil Service & Government Salaries	36.1%
Commitments to International Organizations (U.N.)	12.1%
Allocation for National Defence	9.0%
Interest on Public Debt of $18,100 million	4.5%
Pension Fund for government employees	2.4%
Total this group	64.1%

These items alone represent over $14,000 million of the 1975 budget of $22,000 million, and, as already demonstrated more than $10,000 million is contributed by individuals.

The question arises, who pays for what?

It is obvious that the insistent demands for reduced government spending can be applied only towards a substantial reduction in the costs of the peoples hard won social programs.

The objective of the corporations, through the agency of governments, is to reduce on a continuing basis, the proportion of the Real National Income going to the working class in money wages and other benefits; to further relieve the tax on corporate wealth; and to increase the public's share of government financing --

so that more funds are available to bail out and help finance many corporate ventures.

As one example: Provate corporations have literally forced governments to provide millions of dollars as "risk capital" for exploration and transporation in energy development, while at the same time enjoying greater and greater profits from refining and distribution of the finished products.

We are constantly advised that government subsidies to corporations are for the purpose of providing more jobs -- to reduce unemployment.

In this connection, Peter Newman, in his recent book "The Canadian Establishment" expresses the opposite but true point of view:

"The corporations, if they are big and powerful enough, have learned that no government will allow them to shut plants and increase unemployment. So they raise their prices and profits with equanimity, and governments protect them with subsidies and by increasing the money supply."

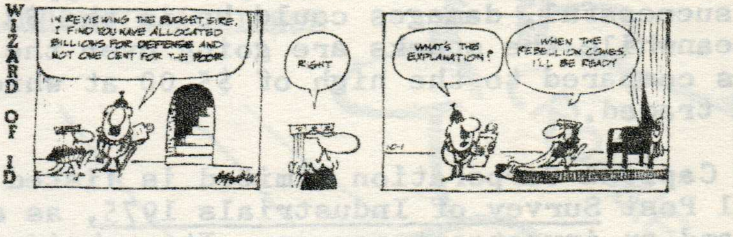
DEBT FINANCING.

Governments raise funds in three main ways: by various forms of taxation; by printing new money; and by borrowing.

According to recently published figures, the money supply in Canada has been increased by more than 750% over the period 1951 to 1975 -- that is from $8.8 billion to $68 billion.

Borrowing, or Debt Financing as it is known, is a device which enables governments to maintain a low tax policy on corporate wealth; to transfer this untaxed portion of necessary financing as a charge against the whole population on a "per capita" basis. Or, in more understandable terms -- debt financing is a form of mortgage which must be paid off by the taxpaying public over a period of years at the going rate of interest. Interest which, since 1970 has averaged almost $1,000 million annually.

As already indicated the current debt at the federal level amounts to $18,100 million. A debt which has increased since 1960 at the rate of $400 million each year, and which now represents a charge of $809.00 against every man, woman and child in Canada.



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BLACK MONEY.....................................continued....

have linked it to interests that were represented by Meyer Lanksy, the perversely brilliant financial expert who is the main architect of the giant conglomerate that is organized crime in the United States. Butlers' husband, Alan Butler, was named in a 1972 complaint by the U.S. Securities and Exchange Commission as one of the lesser participants in the milking of the IOS fund assets by Robert Vesco and Norman LeBlanc.

LeBlanc, an accountant from Montreal, who has now taken up residence in Costa Rica, bought the control block of Security Capital share from Mrs. Butler in 1972. Trading in the stock was suspended in July 1973, however with the exception of the control block, trading has been allowed to resume in the over-the-counter market, but the stock has not been resinstated by the Toronto Stock Exchange.

According to the company's latest information circular, Mrs. Butler has retrieved the stock in a court ordered liquidation of LeBlanc's Bahamian assets, although LeBlanc is contesting the transfer. Security Capitals' management proposed that Mrs. Butler raise the voting grip on the company to 61% at the annual meeting held in October. This was successfully challenged by Louis Chesler an internationally known financier and business associate of Meyer Lanskys'. Chesler, through Marc-Jay Investments Inc., and 260111 Investments Ltd., controls more than 10% of the voting interest of Security Capital Corp. Ltd.

There are some other unsettled legal problems too. There is an action against the Company alleging non-performance of an agreement it made to purchase 290,000 common shares of the notorious Seaway Multi-Corp. Ltd. Apparently if the suit is successful, damages could be in the $3,000,000 range. Meanwhile the stocks are going over the counter at 20¢ as compared to the high of $5.00 at which if formally traded.

Security Capital Corporation Limited is listed in the Financial Post Survey of Industrials 1975, as a holding company and an investment company. Its subsidaries are engaged in the operation of pharmacies, sale of automobles, wines and spirits, office equipment, and nursing homes.

Its subsidiaries include the wholly owned Medex Nursing Homes Ltd. and Medex Nursing Homes (Alberta) Ltd., the 72% owned Alda Instruments Ltd. and the 57% owned General Bahamian Companies Ltd.

Another financial juggling act presently coming to pieces is the mini-empire of Canadian property developer Dr. Simon Davidson. He managed to stick together in West Germany, a collection of underfinanced corporations, tax shelter companies, and Spanish Development companies.

The economic recession in Europe plus a sagging tourist industry in Spain where Davidson has three major projects underway, caused him to resign from Gebr. AdtAG (Adt Brothers Ltd.) a Frankfurt based holding company with interests in construction, packaging, resort hotels and land developoent.

When Davidson took over in 1970 he merged Adts with Unibau GMbH & CoKG which builds single family homes in partnership with a West German subsidiary of Richard Costain Ltd. Although this particular operation made some profit a number of other ventures were considerably less successful such as a project known as the Hotel Revitalization Centre, in the Harz Mountains resort of Bad Lauterbeck. The centre opened in 1972 and has never made a profit.

Davidsons' main problems though, appear to be in Spain. He needs at least $25 million to complete three partly constructed hotel and resort ventures. He was able to interest 800 investors, to become co-venturers in the Spanish tourist boom, but now that the boom has popped, they are being told that they will have to put up more cash to save the Hilton Hotel tower block in Barcelona, a hotel complex for the Reina Hotel group at Alcudia Bay, and the Bellevue Apartments, both on the island of Majorca, from takeover by Davidsons' Spanish creditors.

Davidson is a former Toronto businessman of European origin. Although he works out of Frankfurt, he lives in Brussels when not visiting his real estate projects in Spain.

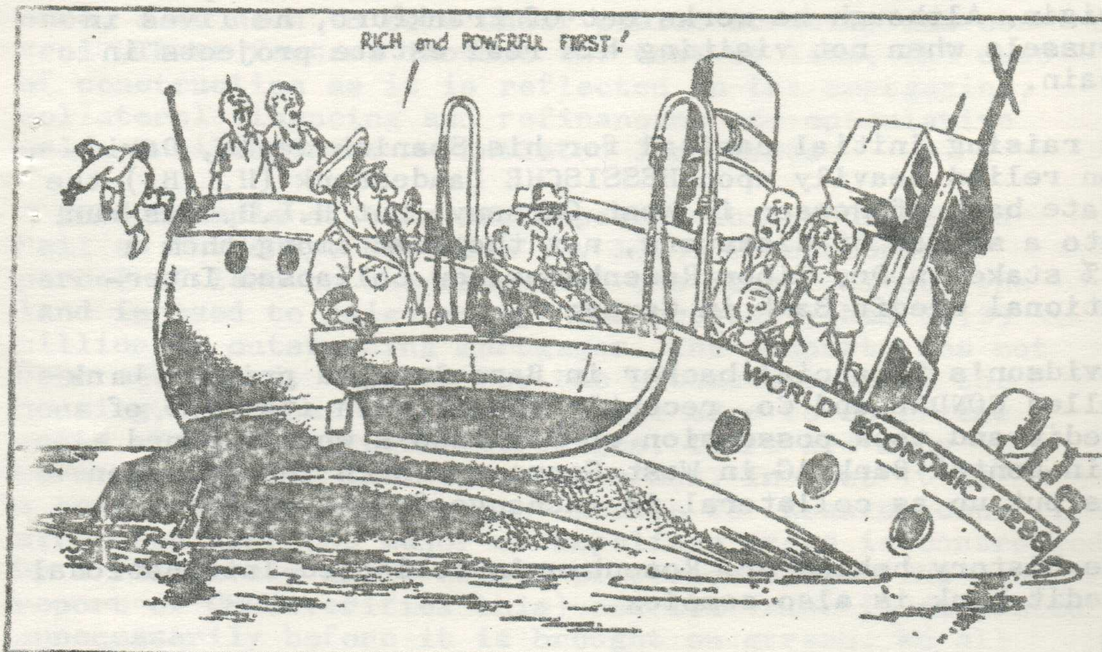
In raising initial capital for his Spanish deals, Davidson relied heavily upon HESSISCHE Landesbank (H.L.B.) the state bank of Hessen in West Germany. But H.L.B. has run into a streak of disasters, not the least among them a 36% stake in Dr. Tibor Rosenbaums now collapsed International Credit Bank in Geneva.

Davidson's financial backer in Barcelona, a private bank called CONDAL and Co. recently closed down its line of credit and took possession of Davidson's wholly owned Main-Bontal Bank AG in West Germany, which the Canadian has put up as collateral in exchange for $4 million.

The history behind Dr. Rosenbaum's collapsed International Credit bank is also complex.

Eldee Foundation, a Montreal based, private, charitable organization was formed in 1961 under the name of Canada - Histadruth Foundation to assist charitable organizations maintained in Canada for people of the Jewish faith. It was left in the unenviable position early in the year of having a major portion of money locked in an insolvent Liechtenstein trust. Helvus Trust defaulted on repayment of a $7.5 million deposit the Canadian foundation had placed with it. This deposit carried the unconditional guarantee of International Credit Bank. A plan to offer creditors 40% of claims in a liquidation settlement probably will not cover guaratnees on deposits in Liechetenstein even though the Bank and Helvus Trust are members of the same corporate family. The interlocking corporations, are controlled by Dr. Rosenbaum, a wartime Jewish rescue hero from Hungary. He is now a Swiss citizen and another international financier of some note.

He recently resigned as a director of Israel Corp., a $100 million development company formed to channel investments into the Jewish State. A fraud and bribery indictment charged a former managing director, Michael Tzur with illegally transferring $16.2 million in corporate funds to Helvus Trust and its Liechtenstein sister, Intercredit Trust.



Both Tzur and Rosenbaum resigned as Israel Corp. directors a year ago when the transfer was first uncovered. Rosenbaum has been charged separately in Geneva by Baron Edmond de Rothschild, Israel Corps chariman and largest shareholder.

Now Canada's Elder Foundation finds that its initial capital of $30 million has been seriously eroded. The 1973 audit shows that the foundation gave $6 million to such institutions as the Boy Scouts of Canada, Montreal Museum of Fine Arts, the Rabbinical College of Canada, the Canadian Heart Foundation, and the Jewish National Fund of Canada. In 1971 Eldee lent $15 million to Helvus Trust to be repaid yearly at the rate of $3 million and ending with a final payment of $7.5 million in 1975, which of course, was not met.

Another international investigation was launched last year which resulted in charges being laid both here in Toronto and in England. According to F.P. on 26 April 1975 the British court was told that a "powerful and ruthless crime syndicate was behind a conspiracy to obtain $500,000 from Barclays Bank in London with a forged Royal Bank of Canada cheque.

In London, Ronald Saint-Germain, a Canadian stock promoter, was convicted along with William McCallum and Frank Brockley, for conspiring to steal money from Barclays Bank. He was sentenced to seven years.

In Toronto, that same day, Saint Germain was charged with three others, with defrauding the investing public in the Aquablast stock prromotion affair. He has yet to appear in Canada because he was charged at the Old Bailey with conspiracy to murder a material witness and conspiracy to pervert the cause of justice relating to the forged cheque incident.

When asked by the judge who was behind the swindle, Ret. Chief Supt. Connor, one of the arresting officers, said, "Powerful and syndicated crime." When asked to clarify what he meant he said, "The Mafia, Cosa Nostra -- ruthless people with great resources."

Those involved in the swindle had presealed the bogus bankers' draft for collection and received £125,000 all the bank had in the till that day -- but were told to return next morning for the remainder. Of the amount received before the police intervened the following day £100,000 is missing.

In Toronto the trials have not yet been heard although the charges were laid in April 1975. The charges concerned the fraudulent stock promotion of Aquablast Incorporated, a Toronto based industrial cleaning concern. This company floated more than 1 million worthless shares to the public at prices from $3 to $8 per share.

One of the Key people arrested in Toronto was John Pullman. Mr. Pullman is reputed to be Meyer Lansky's chief watchdog and head of operations in Europe. Mr. Pullman is a former bootlegger who started out in the rackets with Lansky in the 1920's. He was born in Rumania, naturalized an American citizen, and then denaturalized in 1954. He became a Canadian citizen and finally moved to Switzerland as Lansky's chief overseas representative. Until recently he lived in Lausanne and was kept busy shuttling to Geneva, Rome, Paris, London and Toronto for meetings that have been said to be with Lansky's representatives. About a year ago he was declared "Persona non grata" in Switzerland.

In April he flew from Switzerland to Toronto where he was arrested in his suite at the Sutton Place Hotel. Charged along with him were Ronald St. Germain, Roger St. Germain, and Rober Keyser. Included in the long list of charges were the publishing of false statements that Aquablast had privately placed a $1.6 million debenture with Handelskredit Bank AG in Zurich, Switzerland, and that proceeds would be used to purchase equipment, provide working capital and finance marketing costs. It says that Pullman, Ronald St. Germain and Keyser defrauded Aquablast of the $1.6 million by arraging to issue debentures and made false statements to the Canadian Stock Exchange, that the Handelskredit Bank AG was the purchaser of the $1.6 million debenture issue. A secret numbered account was apparently for receiving and distributing the debenture issue.

It also accuses Ronald St. Germaine and Keyser of defrauding the First National Bank of Boston of $435,000 by using Aquablast debentures as collateral for a loan.

Pullman was, for a time, president of the Bank of World Commerce Nassau, which lost its Bahamian charter in 1965. In Toronto, Pullman has had varius real estate interests including assembling some of the land for the prestigious Manulife Centre at Bloor and Bay.

A front page story reported in December in the Wall Street Journal carried a story about Pullman and his arrest in relationship to Aquablast.

The story runs "Federal Investigators think that mob money totalling hundreds of millions of dollars have been funneled over the years to overseas bank accounts by courier. Mob middlemen in Europe then have withdrawn some of this money and sent it to U.S. and Canadian agents often brokers and lawyers, with orders to invest it in specific ways or to invest it at their own discretion. Generally these brokers and lawyers have been unaware of the real ownership of the funds they handle.

Some more fascinating facts surfaced. 24 December 1975 in Toronto News: "Three Toronto men were named last year in connection with investments for Pullman. Of the three, one was lawyer Joseph Burnett -- and another was Alan Feldman. Pullman was quoted as saying that Feldman did some investments for him in Ontario 'but not for several months' and Feldman denied it, admitting only that he knew Pullman."

Feldman was president of Far um Holdings Ltd., the vendor to the Ontario government of about 100 acres of land in the so-called "Shouldice affair. But no Toronto daily saw fit to identify the Alan Feldmans as one and the same man."

Also I wonder whether that is the same Alan Feldman, who with Charles Orenstein was so generous to Mr. Carl Rahey in Sydney, N.S.

So what does it all mean? It is probable that no one will ever know the complete story. However it appears that a growing number of international banks, whose assets have been obtained by various real estate loans, foreign loans and real estate mortgages, are either dying or dead. A growing number of civil and criminal suits have been launched in Europe and North America. The civil suits follow similar patterns. They allege illegal foreign currency speculation, gross negligence on the part of management, false and misleading financial statements, wasting of bank assets, and improper transfer of funds on corporate ledgers. There have also been criminal indictments which include charges of conspiracy to misapply funds by speculating in foreign exchange. Charges also include falsifying bank records, filing false statements with bank and federal officials, mail fraud and wire fraud.

Whether the activities of these institutions caused the recession or whether they are the victims of it would be an interesting debate but not the subject of this paper. What is clear though, is that there is a severe crisis in the west that surfaced about 18 months ago with the demise of the Franklin Bank, followed by repercussions in Britain, Germany, Australia and Japan. This coupled with steadily escalating inflation on an international scale has resulted in severe disruptions in the American and Canadian economies as well. The problems have just begun in Canada. We are beginning to feel the effects in such basic areas as food, shelter and clothing. It has just begun.

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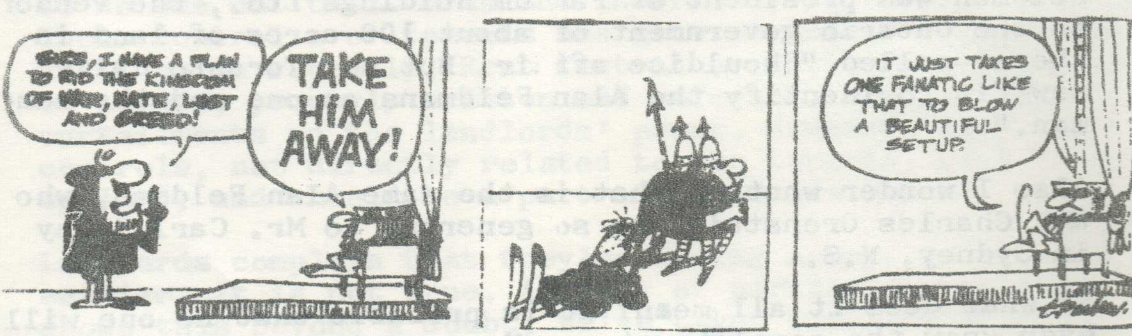

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TORONTO UNDER ATTACK! The Beavis-Crombie Alliance......Co

The Residents Advisory Committee (RAC) lost every one of its proposals when voted on by Planning Board and City Council. In spite of the fact that not one group in the Residents Advisory Committee (in which approximately 40 residents groups participated) endorsed the planner proposals, virtually none of the proposals from the residents were adopted. Why? Why was there such absolute rigidity?

To answer these questions it might be best to take three key areas and analyze them one at a time: office growth, housing, and parks.

Office growth is the key to the whole downtown plan. It is the key to both deconcentration* and the provision of housing. Too much office development and the goal of deconcentration would be jeopardized. Too little office development and the proposed mixed use provisions** would be undermined.

*Deconcentration is the process of shifting office and regional institutional growth to sub-centres elsewhere in the Metropolitan Toronto area.

**"Mixed use" zoning allows commercial and/or residential development in a single project. It allows a bonus amount of commercial space when residential accomodation is included.

The RAC position regarding office growth was essentially to control the rate of growth, not just indicate an upper limit as the planners were proposing. The goal of the residents groups for office growth was really quite simple keep office growth to an absolute minimum. To do this required a method for controling the rate of growth, that is, to allow in stages only the amount of office space to be constructed which was absolutely needed to meet the demand for such space.

The planners furiously resisted any move in this directio
Their arguments were basically the following:

1. The Ontario Municipal Board might consider such action to be a freeze on development.

2. The Ontario Municipal Board might consider such action to be confiscatory.

3. Such action would interfere with the achievement of the goals for housing on the plan.

4. Such action would interfere with the achievement of the conservation of historical buildings.

It would be useful to analyze each one of these arguments. In the first argument the planners are saying that the OMB would consider it to be a "freeze" if there was a severe limitation on the amount and the area allowed for office development. This is in spite of the fact that the land in question would presumably be zoned for other uses, low rise housing for example. One wonders here whether this means that city governments are obligated to zone land for the type of use and at the densities at which land owners can make money. An argument might be that zoning changes should not be made which are disadvantageous to the land owner unless it is "necessary". Are the planners suggesting that 60-100% more office space in the downtown is necessary? This is the amount of space the densities which the planners were proposing would allow.) Furthermore, are the planners suggesting that we plan our city only in such a way that we feel sure the OMB will approve? It is the judgment of this writer that the OMB favours the interests of land owners and land developers. It is their interests for which they are chiefly concerned. Residents concerns are accomodated when they do not threaten the developers interests too severely. Unless we are going to generally plan in the interests of land owners and land developers, we can expect to come into continual conflict with the OMB.

The second argument made by the planners was that severely limiting office growth might be considered confiscatory by the OMB. Presumably the concern here was for the City to avoid taking any action which the OMB would judge to be unjustly taking away the value of the land held by the landowners and developers in the downtow .

When the city upzones a property or invests in servicing such as a subway or sewer which makes land more valuable it does not confiscate these gains from the landowner. The reverse should not be true either. (Perhaps both should be true.) The OMB has regard for the loss of money for land owners through the effects of a down-zoning. It does not, however, seem to have the regard for costs to the general population resulting from overdevelopment of office and regional institutional space. These are costs such as time lost in congested roadways and transit, costs to health due to noise and air pollution, and costs of police protection when a downtown becomes unsafe.

The third and fourth arguments against severely limiting office space had to do with building housing in the downtown and saving old buildings. Office space produces more revenue than housing. In other words, a developer can make more money building office space than housing.* So he builds office space. He won't build housing unless he must. This is not because housing is not needed. It's needed desperately. The planners developed a scheme where they would give a bonus amount of office space if the developer would give them (or us as it were) some housing. Plus they would give the developer a bonus of up to 20% additional housing densities if he included an equal amount of assisted housing. The catch in this whole scheme (called mixed-use zoning) is that to get housing, you must have office space to trade, lots of it.

The same principal applies to saving historical building. If a developer saves a historic building, doesn't tear it down, the planners proposed to give him more office space. Again you must have office space with which to trade.

*An exception to this rule is currently very expensive condominium which approaches office space in its profit-making potential. However, only a very small part of the population can afford such accomodation.

The dilemma in all this is that you must accept something which you don't need or want, to get something you do need and want.

The same principal is true for the kind of housing the planners proposed. The residents are saying that we need good housing with a good social mix, a good mix of incomes, and at a human scale. What they were offered was "Manulife"-type buildings throughout the Central Core (roughly Victoria St. to University, Rosedale Valley Rd. to the Lakefront).

The same profit motive, which necessitated the allowance of large amounts of office space, dicates the size, shape, and occupancy of the housing proposed for the downtown.

Developers have paid high prices for land in the downtown. It has been bought and sold, speculated upon and invested in until the prices are sky high. It doesn't matter that it was the public that invested millions of dollars in servicing this land which makes it so valuable and allowed it to be bid up to the extraordinary prices of today. Since the developers own the land they can do what they want with it within the law. And they won't do anything with it that doesn't make money which includes getting back the money they put into the land. The only way they can do that is to build big buildings and use the expensive land intensely. This leads us to an impossible choice: high rise housing, or no housing. Take your pick. The planners obviously chose high rise housing.

It is now also understandable why it is so hard to build parks in the downtown. You have to pay a developer or land investor a market price for his land, land which has been bid up waiting to be developed. Governments are very reluctant to pay this kind of money for parkland, however desperately it is needed.

It is clear from this discussion that it is basically our present economic system of profit making and private land ownership which shapes our cities. Planners such as those who created Toronto's downtown plan are only fiddling, making some adjustments here, a few improvements there. In the end, however, we cannot blame the planners for the result. They are caught in the system the same as we are. What we can blame them for is how uncritical they are of the result, how they gloss over and rationalize their inability to do good planning in the prese system.

If we can't criticize the planners for the results we get, we can criticize the politicians. To begin changi the system requires strong measures, some fundamental choices. It might require challenging the OMB for exam or changing the property tax structure, and even more damental changes.

However, City Council has passed the plan. The majorit of them have said that they are satisfied with it. The only question left to be answered is, are we satisfied with the politicians who voted for it. I, for one, am not.

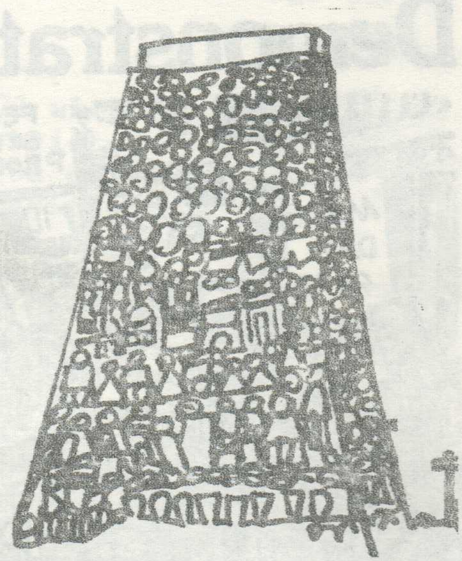
TABLES

	Planners	RAC
Office Growth	Allow office space to grow from 44 million square feet (present amount) to 70.5 million (lower limit) or up to 88 million (upper limit)	Allow office space tc grow only to the leve under construction or committed (another 11 million sq. ft.) for the first five years i.e. to 1981 and deci then how much more of fice space is needed

Housing	- 30,000 housing units in the Central Area - 15,000 housing units right downtown - 50% of the housing for persons below the median income - 16% family units (13% right downtown) - high rise, "Manulife" type form of building - increase densities to get housing built - high concentration of young, old, and single residents - majority of the housing to be built by the private developer	- ? units of housing - 50% of the housing for persons below the median income - 25% to 35% family housing - housing in a low-rise form - developing housing in a neighbourhood context wherever possible - a healthy mix of young and old, family and non-family residents - heavy involvement in land banking and by non-profit and public developers
Institutional Growth	- limit to 5%, or 500 sq. ft., the expansion of an institution without a rezoning - allow rezonings when "necessary" - emphasize local and community institutions	- specifies criteria to be met for regional institutional expansion - specifies that Council shall "actively involve residents in surrounding neighbourhoods in the decision or expansion of location" of regional institutions
Parks	- one-eight mile minimum walking distance from local or district park - minimum size for local park - 1/3 acres (roughly 140x100 ft.) - no minimum size for district park	- one-eighth mile minimum walking distance from local or district park - minimum size for local or district park of one acre

Built Form	- Residents had considerable agreement here with the planners apart from height limits - Height limits outside of the financial district ranging from 250 to 38 feet	- height limits outs of the financial d trict ranging from 150 to 38 feet
Retail	Basic agreement with planners here.	

Federation of Metro Tenants Associations



General Membership MEETING

Tuesday March 16 7:30 pm at David and Mary Thomson Collegiate Institute (Auditorium) 2740 Lawerence Ave. East, Scarborough.

Suite 26
165 Spadina
Toronto
364-1486

BE THERE!!!

RALLY TO STOP THE CUTBACKS

March 11 (Thurs.) 8:00 pm Convocation Hall at the University of Toronto. Hear David Archer OFL, Thomas Edwards CUPE-Health Sector, Pat Schultz Social Services, Sandy Steinecker Coalition Against Cutbacks and a speaker from the Ontario Federation of Students speak against the provincial cutbacks. Call 925-3137 for more info.

Demonstrate

DAY OF PROTEST AGAINST PROVINCIAL CUTBACKS

Saturday April 3, 1976 is being called as a province wide day of protest against the regressive provincial cutbacks by the COALITION AGAINST CUTBACKS. Assemble at 11 AM at City Hall Square. March at 12 noon to Queen's Park. Rally at 2 PM on the steps of the Legislate.

Built Form	- Residents had considerable agreement here with the planners apart from height limits - Height limits outside of the financial district ranging from 250 to 38 feet	- height limits outs of the financial d trict ranging from 150 to 38 feet
Retail	Basic agreement with planners here.	

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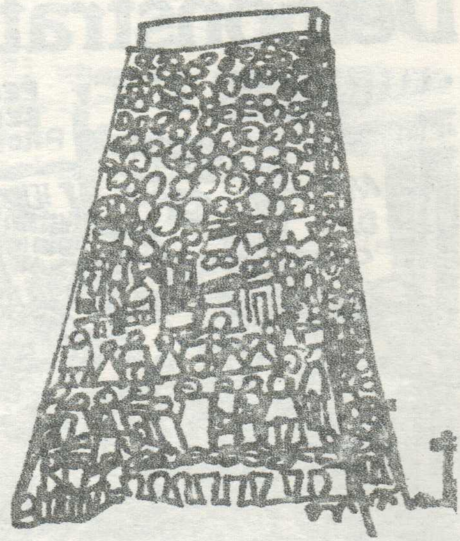

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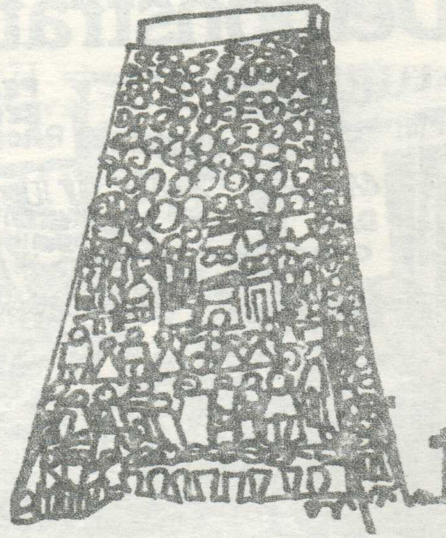

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JOIN DOWNTOWN ACTION AND RECEIVE DOWNTOWN ACTION FOR ONE WHOLE YEAR.

YOUR MEMBERSHIP ALSO ENTITLES YOU TO OUR UNDYING GRATITUDE AND A TAX DEDUCTION.

****

Please enrol me as a member of Downtown Action

Name ____

Address ____

Enclosed is the $10 membership fee which is tax deductible.
(Downtown Action is a registered charitable organization)

****

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METER
COMPTEUR
561273
CANADA
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Paul Reinhardt
20 Soho St.
T.O Ronto

DOWNTOWN ACTION

A Non-profit Community Research Corporation (1974)

Office: 165 Spadina Avenue, #26
(at Queen) - 364-1486

March 1, 1976

Dear Friends,

The citizens' fight in the city continues. Unfortunately the past twelve months will not go down in history as a year in which citizens won many battles. Instead of being innovative in dealing with the problems of urban living, our political leaders have hauled out all the old solutions to stave off political defeat: cutbacks in social services, more commercial development in the core .area, and more taxes for working people, in short, a move to the right.

We don't believe the citizens of Toronto, most of whom are tenants, are about to give up. Rather, the fight is going to escalate. Downtown Action has been involved in the development of the reform movement and the tenant movement in Metro. We hope we'll be able to continue in the role we've played, namely, providing information on and organizing around land ownership and planning issues.

For the past few years our involvement was made possible through various government grants. It is now quite clear that we won't be able to count on this kind of funding in the future. As a result we've had to do some serious rethinking of our place in the community. Because we seriously believe our services are still crucial, the main point of the rethinking focused around the matter of funding.

The conclusion of our discussion was we would make an appeal to those people we've worked with and for in the past few years. We have an offer we hope you will not refuse; it takes advantage of our status as a non-profit, charitable status, our skills as researchers and our newsletter.

Our plans are to publish our newsletter regularly, something we haven't done in the past. Usually the newsletter will be a relatively brief account of recent events. From time to time however, three or four times a year we hope, the newsletter will become a journal. Our intention is to provide some in depth analysis of

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the events we've been involved in. We hope this will be an educational experience of all of us.

The first issue is enclosed with our complements. We hope you like it. We hope you'll take the time to tell us what you think. Finally we hope you'll be come a subscribing member of Downtown Action. This membership costs $10.00 per year for individuals, $15.00 per year for groups, and $25.00 per year for institutions, and all subscribers will receive the newsletter at least ten times per year. Memberships, since we are a registered charity, are tax deductable.

We understand that you're probably as involved, one way or another, as we are in the fight for citizens rights. This is why we're asking for your help. Government largesse is now restricted to large corporations, so we have to depend on each other, something we've actually known all along.

Please consider a membership in Downtown Action: we're a good place to start your"investment portfolio" and, considering the"market" perspectives, this could be your best investment.

We trust you will enjoy the newsletter and look forward to hearing from you.

Sincerely yours,

JdeKlerk

Jack de Klerk, for
The Staff of Downtown Action