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LA THÈSE A ÉTÉ MICROFILMÉE TELLE QUE NOUS L’AVONS REÇUE
THE QUEBEC-GOTHIC CASE:
THE POLITICAL ECONOMY OF URBAN REDEVELOPMENT

by

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A thesis submitted to the Faculty of
Graduate Studies in partial fulfilment
of the requirements for the degree of
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ABSTRACT

The Quebec-Gothic Case: The Political Economy of Urban Redevelopment

Anne J. Castle

The Quebec-Gothic case was a conflict among citizens' organizations, developers and the City of Toronto over the proposed razing of a west-end neighbourhood.

Manuel Castell's La Question Urbaine was used as a theoretical guide which analysed urban conflict from the point of view of urban social movements and the urban planning process. The origins of the Quebec-Gothic case traced to post-war concentration of the land development industry which led to increased profits for the developers while opportunities for homeownership were reduced for Toronto residents with modest incomes. Three citizens' groups organized to oppose the developers in response to this changing situation. The relationship between the citizens and the developers is seen as a social class conflict. Through negotiations, the developers proposed a development which broke even economically and made some environmental planning concessions to the citizens. But construction was not undertaken until prices rose in 1975, assuring the developers a profit without making further concessions to the citizens.
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PREFACE

Between January and June 1974, I was employed as a researcher by the Toronto architecture and urban planning firm of Klein and Sears. My assignment was to assist Jack Klein, a principal in the firm who had been employed as a consultant by the City of Toronto to negotiate a solution to the Quebec-Gothic conflict among citizens, developers and the City's representatives. I acted as a secretary to the Quebec-Gothic Working Committee as the negotiating body came to be called, and I also collected urban planning data and summarized the history of the dispute. Usually I talked with the working committee members to help to defuse tensions before they came to the weekly meetings. It was not until after the case was resolved with a negotiated solution that I realized that I had sufficient data for a thesis and that my role in the Quebec-Gothic case could be described as "participant observation".
INTRODUCTION

"The growth of the big modern cities gives the land in certain areas, particularly in those which are centrally situated, an artificial and often colossally increasing value: the buildings erected on these areas depress this value, instead of increasing it, because they no longer correspond to the changed circumstances. They are pulled down and replaced with others. This takes place above all with workers' houses which are situated centrally... The result is that the workers are forced out of the centre of the towns towards the outskirts; that workers' dwellings, and small dwellings in general, become rare and expensive and often altogether unobtainable, for under these circumstances the building industry, which is offered a much better field for speculation by more expensive houses, builds workers' dwellings only by way of exception."


The Quebec-Gothic case was a conflict among several citizens' groups, real estate developers and the City of Toronto over the proposed razing of an attractive middle income neighbourhood slated for redevelopment into high rise apartments. The Quebec Gothic case was one of several high profile conflicts over redevelopment proposals which dominated Toronto urban politics in the early 1970's.

As it developed, the Quebec-Gothic case provided an example of the nature of urban conflicts, the mechanisms of resolution and the consequences derived from the developing contradictions of urban politics. The conflict is an excellent case study because:

1. It is a conflict over land use which demonstrates how social groups representing class interests interact with one another in crisis;
2. It demonstrates the role of the urban municipality in mediating the interests of those it represents, particularly through the
use of urban planning procedures.

Although the Quebec-Gothic case provides an excellent case study of how the urban municipality resolves a crisis, the analysis of the crisis has also led to the development of insights about the nature of the Canadian state (the urban municipality in a federal capitalist democracy). While the federal and provincial governments are concerned with facilitating the process of accumulation of capital and the legitimation of this process, the urban municipality is more preoccupied with the control and allocation of land (space). Both land and capital are scarce. Both are subject to intense competition. The urban municipality is able, through its powers of urban planning, to control the quality of the urban environment. Therefore, most urban conflicts in metropolitan areas are disputes over land use, and the value and quality of services allocated to that land such as housing and commercial or industrial development. Land use conflicts become political issues.

If the function of the urban municipality is to allocate land use, which classes are active in the urban situation? The fractions of the capitalists are the entrepreneurs (developers) in the property development industry. The non-capitalist classes involved in the typical urban conflict (struggle) are the persons whose lifestyles and patterns of work are disrupted because of the activities of the entrepreneurs. In this context, these non-capitalist classes include the working and professional classes living in the older single family
dwellings, all residents of urban neighbourhoods slated for redevelopment into highrise apartment dwellings, who become part of the citizens groups.

What role does the State play vis-à-vis these social classes and their interests at the municipal level? The urban municipality is not neutral; it must play its role in maintaining the capitalist system, by permitting the accumulation of capital by the private sector. But the urban municipality also purports to be democratic. When it is challenged by the citizens, the urban municipality inflicts costs upon the developers at their behest. Therefore, the government which includes representatives of the developers, must have some autonomy to inflict costs on the developers and the citizens.

In order to discuss crisis at the urban municipal level, it is necessary to understand the urban economic environment in which the class conflict develops. Economic and political conditions are continuously altering the class positions of various groups in society. In the Quebec-Gothic example, the development industry underwent a process of vertical and horizontal consolidation within a period of twenty years, and transformed itself from a struggling competitive industry into an industry with the characteristics of an oligopoly. The consequence of this consolidation was the urban crisis; the enlarged scale of urban redevelopment activities and the vastly increased number of citizens affected by redevelopment activities.

Secondly, the housing shortage which was, perhaps, an effect
of later stages of the consolidation of the housing development
industry, inflated the cost of housing, putting the possibility of
owning a house beyond the means of a large portion of the working and
middle classes. Thirdly, the urban sprawl of metropolitan Toronto had
driven upward the cost of core area land as the commuting distance
from the suburbs became less attractive.

What were the consequences of these economic changes?
Socially and economically, the conditions of the citizens declined
while the developers' economic conditions improved. The opportunities
for economic security through home ownership were ended for a portion
of the working class; the quality of life for those who left neigh-
bourhoods subjected to urban redevelopment, changed and declined.
While the relative social and economic position of the citizens declined,
New Left ideologies supporting the preservation of the environment, the
right to housing and social justice issues were receiving increased
support from the general public. The citizens challenged the City's
legitimacy, arguing that it was ignoring public demands for sensitivity
to environmental issues and public participation in the urban planning
process. The rapid change in the economic environment which upset
class relations among the citizens and the developers, combined with
a new ideology which supported the citizens' economic interests, led
citizens to request the City's intervention to redress the balance.

This demand for urban municipal intervention by the citizens
generated a political crisis. The developer entrepreneurs were as
unwilling to give up their newly established powers as the citizens were willing to regain lost power. How does the state cope with this challenge to the power of the developer entrepreneurs by the citizens? Because the urban municipality is democratic, the urban municipality's personnel can be changed through the electoral process. In turn, the new representatives make policy changes, which in time are reflected in new regulations with respect to land use and the urban planning process.

But the powers of the municipality are circumscribed by the federal and provincial states. For example, the municipality might designate certain properties for working class housing through zoning. But this municipality does not have the resources to build houses on the land. If the private sector does not consider the venture profitable, and the federal and provincial governments fail to subsidize this type of housing, the urban municipality is relatively powerless to carry out its policies with respect to working class housing. The urban municipality may, through land use allocation, influence the distribution of social services, but the provincial and federal states have the resources to finance the housing or infrastructure according to the urban municipality's plan. The urban municipal and the senior government levels are interdependent. The willingness or reluctance of the three governments to work together is largely influenced by the particular influence of social classes within each of them. As mentioned above, the developer entrepreneur is active at the urban
municipal level, but the other levels are dominated by other social groups.5

The powers to resolve the urban crisis far exceed the jurisdiction and fiscal resources of the urban municipality. Usually, the urban municipality must be satisfied with superficial solutions. It can negotiate at its level because the resistance from the federal and provincial states to become involved is considerable. If all three states become involved, the crisis is protracted. Negotiations between the levels of government are time consuming, because changing the allocation of power among social classes will influence the control of the economic system. Therefore the state will try to measure the economic effects of social changes before they are implemented in order to assure the continuity of the capitalist system.

This deliberate structuring of state power protects the capitalist state and the dominance of the bourgeoisie by slowing change. Because the powers of the urban municipality are circumscribed by taxation restrictions and its land use planning mandate, the urban municipality is almost always unable to fully resolve an urban crisis. Because it is unable to resolve crises, the role of the urban municipality often becomes that of containing urban unrest. It is the tension between containment and a desire to change the structural situation which characterizes the urban municipality in this case study.

Castells says "urban organization is not then a simple arrangement of spatial forms, but rather these forms are the expression of the
process of collective consumption." Through the analysis of social class use of space and the patterns of collective consumption, it is possible to understand the role of the urban municipality in determining the quality of life of its citizens. Castells points out that the urban crisis is caused by the formation of social movements which develop as a response to the patterns of collective consumption.

The Quebec-Gothic case is an example of a social movement developing as a response to the urban municipality's role in condoning the massive redevelopment of a neighbourhood. In order to understand the urban crisis, Castells suggests that urban social movements be studied from the point of view of the citizens' organizations. Castells goes on to suggest that through the study of the urban planning process, the urban municipality's role in the mediation of class conflict can be better understood. He argues that in order to understand the urban municipality, it is necessary to understand the use and control of space by social classes and the patterns of collective consumption (the consumption of state allocated social services and public works). Castells argues that the social value of space developed in the process of allocating the state's social consumption outlays constitutes what we call the urban crisis.

The role of "collective consumption" in the urban municipality is defined by Castells as "the accessibility and use of certain collective services, from housing conditions, through the type and level of health, educational, or cultural facilities . . .", i.e. the use of state
services by different social groups. Castells argues that the state targets its legitimation programmes to specific social groups. As we shall see later, the consumers (or beneficiaries) of legitimation programmes are not always social groups which, objectively, need them.

Castells says that the starting point for discussion of urban social movements is the focus upon 'problems', 'issues' and 'stakes' which the social movement pursues and the structural determination of these problems. Concrete social movements become the locus of observation, as opposed to the framework of analysis. Organizations are seen as the means for the expression of structural contradictions. 8

This approach to urban social movements differs from the participation studies of the Anglo-Saxon tradition which are characterized by a focus upon individuals and their involvement in a variety of voluntary organizations. This individual involvement may be defined as participation in decision-making or the formal or informal role of the actor in the local social structure. Emphasis is placed upon the learning of political skills and participation in democratic institutions, the processes, as opposed to the functions or goals of participation. 9

The urban social movements approach is primarily concerned with the effects of the movement upon the state and the social classes involved in the conflict. Castells suggests that an urban social movement "tends objectively towards the structural transformation of
the urban system, or towards a substantial change in the balance of forces in the class struggle, that is to say in the power of the state." 10

Castells says that urban social movements are concerned with the urban spatial unit of the process of reproduction of labour power, and that the American community power and municipal politics literatures do not discuss the autonomy-dependency interrelationships between the municipal, state and federal levels of government. 11 Instead, political scientists assume that urban politics is an administrative arm of the provincial government.

"We think of municipalities dealing with such prosaic things as garbage removal and sewers, as opposed to such world-shaking problems as separatism or Canada's role in nuclear disarmament ... social scientists have been regrettably uninterested in the subject." 12

But while Castells also points out this problem and argues that his structuralist approach can resolve this analytical problem, he and his followers, Olives and Lentin, 13 also assume the state is a monolith and do not differentiate among the structures and functions of the state's levels. Certainly, in Canada, the notion that the municipality is a creation of the provinces is a truism, but the nature of the structural relationship, particularly in periods of urban crisis, has been neglected. Students of municipal politics learn that municipal governments are intended to provide services for the protection of property, such as local police forces, fire department, garbage collection and an urban planning capability to assure that municipal public works are adequately carried out. 14 The importance...
and significance of this role cannot be disputed, particularly in eras of harmony of relationships among the apparatuses within the system. But in cases of rapid structural transformation, such as in the late '60's, with spill-over in the early 1970's, this is inadequate.

The urban municipality mediates the class struggle by intervening, through the urban planning process, to allocate space to different social classes for housing. It intervenes with federal and provincial legitimation programmes by zoning the location of office buildings which deliver the programmes. The location of these offices and their relationship to transportation corridors, in turn, determines their accessibility to different social groups.

But the urban municipality's powers with respect to provision of legitimation programmes or in altering social consumption patterns are limited. The federal and provincial states decide which legitimation programmes they will provide (e.g., housing) and also which social classes they hope will "consume" these legitimation programmes. Housing is an excellent example. Federal and provincial housing programmes provide subsidies and loan guarantees to developers to build homes and apartments for lower middle income groups. They also provide mortgage guarantees for lower middle income people to buy the homes built by the developers. But the urban municipality has very limited funds for housing and can make little alteration when housing conditions become an issue except to appeal to the provincial and federal governments.
In an urban crisis, the social movement is initially uninterested in state jurisdictions and the urban government which is most localized and most accessible becomes a "flak-catcher" in the sense that it contains the class struggle until the senior government levels can deal with the crisis by reallocating social consumption patterns. The limitations of the power of the urban municipality weaken its ability to substantively alter class relations, but it can affect the relative quality of life and the contact which each group has with another.

In summary, the urban municipality mediates class conflict through the urban planning process, but it has limited control over collective consumption because the federal and provincial states dominate these areas.
FOOTNOTES


2. Rosa Luxembourg defines capital accumulation (in The Accumulation of Capital [New York: Monthly Review Press, 1968]) as the expanding reproduction of capital bound up with certain conditions:
   a) production creates surplus value;
   b) surplus value must be converted into money for its appropriation for purposes of expanding reproduction, through commodity markets and the hazards of the exchange;
   c) provided that realized surplus value has been added to capital for purposes of accumulation, the new capital must assume productive forms of labour and inanimate means of production;
   d) additional quantity of commodities representing the new capital plus surplus value will have to be reconverted into money.

3. Legitimation strategies include (a) adaptation of public administration to the demand for public administration; (b) management of symbols; (c) appearance of successful crisis management; according to Renate Mayntz, "Legitimacy and the Directive Capacity of the Political System" in Lindberg et al., Stress and Contradiction in Modern Capitalism (Toronto: D.C. Heath and Co., 1975).

4. New Left ideologies and issues were/are articulated in a number of journals, for example The New Left Review, Our Generation, the now defunct Ramparts. Psychological attitudes and beliefs of the New Left are described by Kenneth Keniston, Young Radicals: Notes on Committed Youth; Herbert Marcuse, One Dimensional Man, summarizes some of the ideological bases of the New Left.

5. Garth Stevenson in "Federalism and the Political Economy of the Canadian State", in Leo Panitch, ed., The Canadian State: Political Economy and Political Power (Toronto: University of Toronto Press, 1976), pp. 71-100; and C.B. MacPherson in Democracy in Alberta (Toronto: University of Toronto Press, 2nd edition, 1988), have discussed the use that fractions of capital have made of the federal system when an intra-class conflict is carried out in the form of a federal-provincial conflict. In the Quebec-Gothic case, the developers used connections at the municipal and provincial levels to represent their interests. There were certainly close links.
5. between the developers and the Progressive Conservative Party of Ontario through the developers' lawyer, Mr. Eddie Goodman, a senior partner in the law firm of Goodman and Goodman, and a fundraiser for the Ontario Progressive Conservative Party. At the federal level, Mr. Goodman (and the Cadillac Fairview Corporation) are further from the centre of the action. During the most recent federal Progressive Conservative Leadership contest, Mr. Goodman acted as a fundraiser for Flora MacDonald, who was not a top contender. It may well be that further research would demonstrate that the housing development industry makes sure that its interests are represented by the provincial level in any conflicts which might develop between the federal and provincial levels of government.


7. Ibid.


10. Manuel Castells, La Question Urbaine, p. 329.

11. Ibid., p. 295-304.


CHAPTER 1
THE URBAN MUNICIPALITY AND THE CANADIAN STATE

In this chapter I am concerned with discussing ideas about the structure and functions of the state in a federal capitalist democracy and in turn, the urban municipality as an element of the state. Miliband defines the state as consisting of several elements including bureaucracy, coercive apparatuses, judiciary, parliament and government (including sub-central governments). A discussion of the state inevitably leads to certain propositions about the distribution of power in the state and its basis in the social class structure. I am most interested in conflict over social consumption outlays which emerge in the urban municipality, and its role in contributing to or resolving that conflict.

I assume that in a federal capitalist democracy there are certain tensions between the maintenance of a capitalist economic system and a democratic political system. Claus Offe summarizes this debate: "the central analytical controversy concerns whether the state can overcome the contradictions of advanced capitalism, or whether there are contradictions in the state itself which keep it from dealing with the contradictions." O’Connor sees a conflict between the necessity of the capitalist state to provide conditions suitable for the accumulation of capital (i.e. the maintenance of monopoly capital and a capitalist social class) while legitimating its activities through the provision of social consumption outlays (legitimation functions) such
as pensions, health benefits and decent housing (equal participation in the material and intellectual comforts of capitalism). O'Connor argues that the capitalist state will collapse because the state will empty its coffers to provide social consumption outlays rendered necessary to legitimize a government which must satisfy the demands of the capitalist class. Manuel Castells adds to the concept of social consumption by pointing out that with respect to the urban crisis, the expenditure of the state to legitimate itself can be analysed by studying patterns of "collective consumption". The state is sometimes able to target its collective consumption outlays to groups whose support it wishes to court or maintain, but quite often, rapid economic and social changes lead to a maldistribution of social consumption outlays. This leads to confrontation of the state by those excluded, or to class conflict when one social class appears to be benefitting from structural economic change, at the expense of others. In short, the urban crisis of social consumption can be expressed through several different types of conflict.

I view the relationship between the state and social classes as full of contradictions. In urban politics, the citizens' groups confront the developers, largely through litigation. They also confront the municipality through the electoral process and demand intervention by politicians. The developers retaliate to citizens' demands through coercive practices, and intimidation as well as litigation. In the Quebec-Gothic case, the City's role alters. At first it supports the
developers, then it intervenes to support the citizens and then, finding that effective resolution of the conflict exceeds its jurisdiction it backs down and tries to effect a compromise solution through the use of urban planning techniques. The citizens are able to effect electoral change of personnel and the new city council is willing to review its development policy, but the fragmentation of the state among the central and sub-central governments renders the city unable to effect real change. The city may be willing, but the stabilization priorities of the federal government render a real solution to the conflict impossible.

One of the shortcomings of most theorists of the state is their failure to understand the powers and limitations of sub-central governments. C.P. Macpherson and Garth Stevenson have pointed out that some fractions of capital have used provincial bases to fight federal policies which were detrimental to them, but few have looked to the type of interests which have been active in urban municipalities. In this discussion of urban politics, we are also interested in the role of the federal state with respect to the urban municipality's crisis resolution abilities. Housing provides an excellent example of conflict between the functions of the accumulation and legitimation functions of the state and how the division of state power among the central and sub-central governments strengthens the capital accumulation functions.

What is the role of the urban municipality in the Canadian
State? The primary functions of an urban municipality from the viewpoint of class analysis are:

1. to control the allocation of urban space;
2. to administer some of the most controversial social consumption outlays;
3. to act as a "flak-catcher" for pressures for political change from social movements.

The urban municipality exercises control over urban space through the urban planning process. By urban planning, I mean the allocation of land for specific functions, whether they be housing, commercial or industrial establishments, as well as the density of urban development. Through the regulation of land use, the planners influence land values and property investments,—but most importantly, they dictate the location of social services (social consumption outlays) such as hospitals, recreation facilities and social welfare offices. The social class which is spatially closest to these social consumption outlays normally benefits from them most.

The second role of the urban municipality is control over some of the most controversial social consumption outlays. For example, primary and secondary school education is managed by the urban municipality. Poor quality education jeopardizes opportunities for upward social mobility of children and is therefore highly controversial. Municipalities also collect garbage and build sewer systems. While authors such as Rowat have attributed political scientists' disinterest in urban government to the apparent dullness of these services,
it is also true that there are few strikes as upsetting and controversial as a strike among sanitation workers in July, or a breakdown in the filtration of city water supply which sends people to hospital with typhoid. The urban municipality also provides short-term welfare for persons who are ineligible for the more generous federal or provincial social service benefits, and employs a police department for the protection of real estate and the maintenance of public order. The point is that many of the services provided by the urban municipality are taken so much for granted that they are no longer controversial. It is their absence or inadequacy which is immediately noticed: unclean water, uncollected garbage, neglected streets and police strikes create more immediate distress than the closure of half a dozen federal government departments. The control over the most basic factors contributing to the quality of life of people in cities makes the urban municipality subject to extreme pressure when services cannot be maintained.

The third role of the urban municipality—the "flak-catcher" role, or containment—is often dormant. When urban development is proceeding at a slow to moderate rate, there is little unemployment and the commercial and industrial sectors are prosperous, the urban municipality may well be a matter of competent administration. But during periods of very rapid urban development, one of them being at the time of the Quebec-Gothic case, the urban municipality becomes very active in making urban planning decisions which may have a major
impact upon a neighbourhood versus the future development of a community. Then the urban planner's decisions affect the quality of life of individuals. Under these conditions, social movements, particularly those concerned with planning and housing, may direct their energies to the urban municipality even though the jurisdiction, in the case of housing, is shared among several levels of government. When it is challenged by social movements, the urban municipality may be forced into a "flak-catching" or containment role because it does not have the resources or authority to deal with the problem.

The urban municipality's unique role is its very systematic and detailed control over land use. The shortage of urban land and the competition among social groups for the most central and favoured sites creates a mediation function for the urban municipality. Through city planning departments, the urban municipality has often acted at the behest of fractions of capital to permit the capitalist class access to the most favoured sites for development and redevelopment. Except in the area of land use, the autonomy of the urban municipalities is not as clearly defined as the federal and provincial governments, which have constitutionally specified roles. The responsibilities of urban municipalities are decided by the provincial governments and normally include the maintenance of individual property and the infrastructure provided by the provincial and federal governments. More recently, as welfare is no longer distributed by charitable and religious institutions, short-term welfare is provided by the bureaucracy
of the urban municipality. The consequences of the responsibilities for allocation of space (land and housing) and short-term welfare are that the urban municipality is first approached in crises developing from the housing shortage or a sudden down-turn in the economy (or system), which increases pressure placed upon it. The capitalist class vies to increase its control over desirable core area real estate, while other groups fight to maintain control over the same property. The urban municipality seeks control over land use through urban planning, just as the federal and provincial governments seek control over social consumption outlays to mediate challenges to the system.

The Federal Government and the Urban Crisis

Federal housing policy is characterized by contradictions between its dual objectives of economic stabilization and social housing. I point out later that the absence of an effective national social housing policy inhibited the resolution of the Quebec-Gothic case, and that the economic priorities of the government constantly triumphed over social needs and democratic values. Other federal policies and programs or the absence of certain policies also impinged upon the Quebec-Gothic case, including tax policy, competition policy and the activities of the Company of Young Canadians.

But first I will look at the role of housing in the urban crisis. Castells considers housing to be a means through which the
federal state can selectively alter the relations of social classes by producing housing for social consumption by specific social groups. Housing not only satisfies a need for shelter but is the physical basis of social relationships. Housing prices and consumption of houses by selected groups of the population affect the individual's quality of life. Through manipulating financial markets available to mortgages, and altering the fiscal arrangements to provide incentives or disincentives to the housing development industry, the federal state alters the social relationships of the general population by:

1. manipulating the availability of housing stock;
2. targeting this housing to specific social groups through housing prices and conditions attached to loans.

Castells points out that through intervention in the housing situation, the federal government alters the social relationships of the general population by determining the geographic location of public housing. For example, most Canadian public housing is located far from the city centre where public transportation to places of employment, social services, shopping and medical facilities is poor. By locating the poor in inaccessible areas, the government is, in effect, segregating them from the rest of the population. While the state is providing "public housing" inhabitants with excellent shelter, the enforced isolation will not promote changes in their situation. This is a form of 'marginalization'.

Secondly, the state determines the availability of state
housing to specific social groups. Through mortgage guarantees, the federal state makes home ownership available to targeted groups—usually the young middle class family. Old people, working class people, who may not be able to find the down-payment, are largely ineligible for home ownership assistance. These people are not enjoying the benefits of the state’s social consumption outlays.

Why did the federal state remain aloof from the urban crisis, of which the Quebec-Gothic case was merely an example? Apart from divided federal-provincial jurisdictions, the major reason is the conflict between general economic stabilization policy and the social housing policy. Stabilization policies are necessary to the maintenance of the capitalist state because they are used to modify the negative effects of a down-turn in the business cycle. Because variations in residential construction starts significantly influence general economic activity, and because residential construction normally responds anti-cyclically, it is highly responsive to general economic policy. When economic activity is increasing, the nation’s capital markets usually invest in enterprises more profitable than residential construction. This reduces the funds available for housing and raises the costs of mortgage finance. An increase in the cost of credit and a decrease in housing availability lowers the number of housing starts. When this happens, the residential housing market is said to behave counter-cyclically, and this tends to lower inflationary pressures upon the economy. The federal government can
accentuate or ameliorate this anti-cyclical behavior. If increasing the number of housing starts is the goal, then the government will try to increase the availability of credit. This in turn increases employment in the construction field and can be highly inflationary, through increases in the cost of credit. But usually general economic stabilization is the priority and when this happens, housing starts are reduced, because curbing inflation is most important. When the availability of credit is reduced, the industry cuts back first on the construction of low income housing. Not only does a shortage of housing develop in the lower cost sectors, but the high mortgage interest rates and tighter credit puts home ownership beyond the means of the working class.

Social housing priorities in the 1970's have taken second place to government objectives to reduce inflation and encourage investment in productive (i.e. manufacturing sectors) sectors of the economy, rather than in housing.

While the federal government was uninvolved in the Quebec-Gothic case from the point of view of specific housing assistance, a full-time community worker financed by the federal Secretary of State Department's Company of Young Canadians, organized the Quebec-Gothic Residents and Tenants Association. His leadership and organizational skills were a major factor in sustaining the conflict. The purpose of the Company of Young Canadians was to stimulate the poor, the working class, and the unorganized to defend their rights, and to increase access to government for the deprived. The Company's enormous success was
to a large extent measured by the political pressures exerted by municipal and provincial governments to discontinue the program. The desire by the federal government to extend its reach to the poor and the unorganized is an example of the contradictions in the Canadian government. On the one hand the Department of the Secretary of State was funding community development organizations to encourage higher expectations and demands upon government, while other government departments such as Health and Welfare and Central Mortgage and Housing Corporation, as well as provincial and municipal governments, were saying that it could not meet those demands. The federal government's refusal to develop policies or consistent policies also contributed to the urban crisis. The non-intervention by federal regulatory agencies and tax policies allowed the acquisition of land for speculative purposes to become increasingly profitable. Similarly there were generous tax write-offs permitted to companies during the land assembly process. Lastly, corporate losses could be deducted against the profits gained through other developments. Without an analysis of the accounts of the Cadillac Fairview Corporation, it is impossible to determine whether or not the prolonged Quebec-Gothic case actually resulted in a net loss to the developers, but as the goal of the developer entrepreneur is to make money, it would appear unlikely that the conflict would have been prolonged without the possibility of a profitable redevelopment. To illustrate the point, as of January 1974, carrying costs of over $3 million had been paid to banks for the
purchase of the site. This money could only be recovered upon the
sale of the dwelling units on the site. Indirectly, the federal
government was tolerating corporate behavior which was inflationary
and costly to the consumer of housing.

As the federal corporate tax policies supported the developer rather than the citizens in the Quebec-Gothic dispute, it might be expected that social housing policies would provide some compensating benefits to the citizens. This is not the case. Federal and provincial social housing programs were intended to house low income persons and were designed to allow the developer to build:

a) high density apartment units to minimal standards;
b) on inexpensive property (in other words isolated, undesirable areas for residential development).

At the time the Quebec-Gothic case was being resolved, no programs permitted the renovation of existing low income housing, rendering any government sponsored rehabilitation of the Quebec-Gothic homes impossible. Secondly, both the federal and provincial governments considered the cost of acquiring the Quebec-Gothic site prohibitively expensive. Lastly, the type of housing which the federal government would have subsidized was inimical to the demands of citizens. High density apartments are unsuited for children and generally unsuited for the diverse lifestyles of the Quebec-Gothic residents. By all three criteria through which a social housing program might have relieved the Quebec-Gothic dispute, --purchase of the site, renovation
of existing homes, and construction of a housing environment suited to
the needs of its inhabitants, the federal and provincial govern-
ment social housing programs could not respond to the challenges of
the Quebec-Gothic case. Furthermore, the City of Toronto did not have
the funds to intervene in the Quebec-Gothic case by acquiring the
site itself and renovating or redeveloping the site according to its
objectives.

In 1972, the federal government introduced a Neighbourhood
Improvement Program (NIP) and the Residential Rehabilitation Assistance
Program (RRAP), which recognized the desirability of preserving inner
city residential neighbourhoods, but this was a response to the demands
of the urban municipalities faced with political crises such as Quebec-
Gothic. Without federal support the urban municipality was forced into
its roles as "flak-catcher" and negotiator—without the "sweeteners"
to inspire constructive conflict resolution.

The implications of this priority of economic stabilization
functions over the social housing function are that the urban munici-
pality is comparatively powerless in dealing with a conflict caused
by rapidly changing economic conditions, and it must wait for the
federal and provincial states to weigh their options before responding
to the crisis. The urban municipality may well be able to allocate
land use functions, but as the Quebec-Gothic case shows, the federal
government and the private sector have the greatest influence upon
what is built on the land which the urban municipality plans. The
federal government and the private sector, through their investment decisions, determine the development priorities while the urban municipality's interventions must be limited to location and density.
FOOTNOTES


2. A contradiction is the tendency inherent to a specific mode of production to destroy those preconditions upon which its survival depends. "The term contradiction is rather used as an analytical concept related to the dominant mode of production by which a society reproduces itself." Claus Offe, "Introduction to Part III, Legitimacy vs. Efficiency," in Lindberg et al., Stress and Contradiction in Modern Capitalism, pp. 246-7.


4. Legitimacy is defined as a generalized willingness to accept political decisions which lie within a certain range, i.e. that formal procedures (belief in these) increases the general willingness to accept decisions. This definition of legitimacy refers to the conditions which legitimate governments. Claus Offe asks "What are the conditions under which these legitimating rules find universal acceptance, and under what conditions do they fail to find acceptance?" He argues that their acceptance must depend not on what they are but what the consequences or likely results of their application are. The Quebec-Gothic dispute is a good case study of the conditions which contributed to the loss of the City's legitimacy with respect to urban planning and the redevelopment of urban neighbourhoods. While the electoral process provided the prerequisite change in personnel, the development and strengthening of citizens' groups played a role in the City's attempts to regain its legitimacy (by resolving the Quebec-Gothic dispute and similar land use problems). What is the source of the legitimacy of the citizens' groups in the Quebec-Gothic dispute? Henry W. Ehrmann says that "groups derive their legitimacy from assumed compatibility of their claims with community values. They will therefore formulate their demands in such a manner as to correspond to commonly held concepts of justice". Certainly impressive organization and media support as well as the assumption of community support contributed to the legitimacy of the citizens' groups. But the City's weakness and lack of legitimacy or clear-cut policy direction meant that the City must consult with the citizens' groups and other interests in order to re-assert its legitimacy. While the citizens' groups appear to have gained legitimacy, perhaps at the expense of the City, their
FOOTNOTES (continued)

4. status was constantly questioned. The citizens' groups were voluntary associations and did not represent an electorate, and the extent to which the City should consult with them and the manner of consultation were also questioned. Ehrmann points out that: "Both the recognition that interest groups are indispensable for the functioning of a modern democracy and the distrust that they might abuse the power derived from the exercise of legitimate functions have led many countries to statutory or constitutional enactments. They try to either police group activities or, to integrate them directly into the decision-making process." Certainly the developers constantly raised the issue of citizens' groups' legitimacy and used their lack of electoral representation or property ownership as indicative of their lack of credibility.


4. Ibid.

5. T.H. Marshall in Citizenship and Social Class (Cambridge: Cambridge University Press, 1950) was the first to point out the conflict between what he termed citizenship rights and the capitalist class system. Offe sees the contradiction as being between legitimacy and efficiency, while O'Connor terms the contradictions as being between the accumulation of capital and social consumption outlays (legitimation programs).


7. Manuel Castells, "Advanced Capitalism, Collective Consumption and Urban Contradictions: New Sources of Inequality and New Models for Change," in Leon N. Lindberg et al., Stress and Contradiction in Modern Capitalism. The terms "collective consumption" and "social consumption" are interchangeable. I shall use "social consumption" for convenience.


17. Graham Fraser, *Fighting Back: Urban Renewal in Trefann Court* (Toronto: Hakkert, 1972) for a discussion of the negotiations between the residents of Trefann Court and CMHC over urban renewal. NIP and RRAP were introduced in 1973, but could not be applied to the Quebec-Gothic site. *Report of the Quebec-Gothic Working Committee*. 
CHAPTER II

URBAN PLANNING HISTORY AND ECONOMIC CONDITIONS WHICH LED TO THE NEGOTIATIONS

Quebec-Gothic was a community in the west end of Toronto, just north of High Park. In the early 1960's it consisted of about 100 houses on some 11 acres of escarpment west of Quebec Avenue. An attractive neighbourhood with enormous trees (217 varieties) lining the streets, the crescent shaped Gothic Avenue had a more relaxed appearance than the usual perpendicular street with all its houses built at right angles with uniform set-backs from the road. Because Gothic Avenue was adjacent to an escarpment, it was isolated from the surrounding community and its residents knew one another better than those in many urban neighbourhoods. The single detached and duplex houses on the streets were between 50 and 60 years of age and most were structurally sound, with varying architectural styles. The Quebec-Gothic neighbourhood was not an inner city area threatened by encroaching commercial developments, blight or a host of urban pathologies. It was a pleasant older neighbourhood with solidly built houses, albeit somewhat run down. There was no need for slum clearance because the condition of the housing was uninhabitable. There were no pressures for redevelopment through the spread of downtown commercial offices. Why was the area slated for redevelopment if the housing quality was good?

The planners' rationale was in some respects sound and anti-
icipated some future needs. The Quebec-Gothic community is at the edge of an escarpment from which there would be pleasant views for high rise apartments. The properties in the Quebec-Gothic case were unusually large, making land assembly easier. High Park was just across the streets to provide good recreational facilities. Lastly, a station for the Bloor subway was located on Quebec Avenue, less than 20 yards from the site, providing excellent access to the Central Business District. City planners foresaw the demographic trends toward an increase in demand for single-person housing units by young, working single persons and also older persons whose families had grown up. These single people, both young and old, needed moderately priced housing and the planners tried to anticipate their needs by encouraging redevelopment in areas which appeared most suited to it. Unfortunately, in 1960 the planners could not have anticipated the 1970's rejection of high density apartment units by the public and the very desirable trend towards the preservation of good quality, older, single family dwellings in some older inner city areas.

Interviews with members of the Quebec-Gothic Residents Association revealed that in the early 1960's, the neighbourhood was inhabited primarily by Eastern European immigrants (Ukrainians, Greeks, Poles) who had moved there in the 1940's and 1950's while the formerly predominant Anglo-Saxons moved to the suburbs. Many families accepted lodgers, retained their mother tongues, used local ethnic shopping areas and were largely passive politically. When these people were
faced with the rezoning of their neighbourhood, they made little comment.

In 1963, the Planning Board of the City of Toronto recommended that the Quebec-Gothic site, 54 acres bounded by Keele Street, Bloor Street, Glenlake Avenue and the rear lot lines on High Park Avenue, be rezoned for high density residential development. Planning Board recommended the area in recognition of the fact that high-rise redevelopment was a forthcoming trend in urban development. The subway would provide good transportation to downtown commercial districts and High Park provided unusually good recreational facilities. The relatively high elevation of the site provided excellent views of the surrounding city and the house lots were unusually large, making land assembly easier, less time consuming and less expensive. It was a rational planning decision, given the values and priorities of the early 1960's. In 1963, the public meeting to discuss the planning board recommendation with residents who might be affected was uneventful. Residents asked specific questions about the influence of the recommendations upon their own lives but did not criticize high-rise development of a substantial middle income neighbourhood, in principle.

Why were the residents of the Quebec-Gothic community satisfied with the planning board recommendations in 1963? After all, seven years later the practical application of those zoning decisions was vigorously opposed. There are several reasons. The original residents were primarily Eastern European immigrants who may not have understood
the consultative process in urban planning procedures. The low turnout at the public meetings provides some support for this.

But more significantly, the housing markets of the early 1960's were relatively stable and the residents expected that they could obtain a fair price for their homes and purchase new houses in the suburbs.

The homeowners expected that if their homes were sold to the developers, they would make a modest profit and purchase a more attractive new home in the suburbs. The market system functioned fairly effectively in the early 1960's for both the citizens and the developers. Housing markets were stable and the effects of changes in the structure of the construction industry were not yet fully reflected through inflationary prices. It is important to note that the City Planning Department was formally correct in all aspects of public consultation with respect to the zoning changes to be permitted in the Quebec-Gothic neighbourhood.

In 1964, City of Toronto Planning Board adopted an Ontario Municipal Board request to zone Quebec Avenue and the east side of Gothic Avenue for high density residential development, completing the proper urban planning procedure. In the fall of 1966, an official plan proposal brochure was distributed to all property owners in the City of Toronto. At a November 22, 1966 meeting at Annette Public School, the high density residential area designation was presented to the residents. No organized objections to rezoning and redevelopment
were made by local residents. The official plan was approved by City Council in 1968 and Minister of Municipal Affairs in October, 1969. By 1971, citizens on Quebec and Gothic Avenues and the surrounding neighbourhoods were ready to oppose the development. In April 1971, the City of Toronto Planning Board approved the rezoning of the "island" to a density of 2.5 X coverage. By June, Council's Building and Development Committee adopted the Planning Board recommendation in the form of a draft law, but before the bylaw was passed by Council, the citizens mobilized to oppose the redevelopment. On June 22, 1971, 350 citizens attended a public meeting to demonstrate their opposition to the bylaw; but on September 29, 1971, Bylaw 239-71 to permit the rezoning of the island to 2.5 X coverage had received third reading.

During this stage of the Quebec-Gothic case, the City Council was dominated by pro-developer members and the Ward 11 aldermen, Grays and Boychuk, supported the redevelopment. The City's decision to ignore the citizens' objections, as well as a rejection as "impractical" of a committee report prepared by two aldermen, two citizens and two officials which recommended the rehabilitation of the Quebec-Gothic houses (instead of their demolition), were clear indicators of City Council's skepticism of the citizens' legitimacy.

Furthermore, Planning Board refused residents' requests for a Part II study in February 1972, ignored 213 letters written by citizens during the autumn of 1971, and in November 1971 the Building
and Development Committee of Council upheld its decision to re-
develop Quebec-Gothic on February 28, 1972 despite the presence of
700 citizens opposing the redevelopment and only 8 people favouring
the redevelopment.

Although Council passed By-law 239-71 on March 15, 1972,
the citizens were able to appeal the decisions at the Ontario
Municipal Board. By the time the Board convened its hearing on
November 20, 1972, the Toronto municipal elections were only 15 days
away (December 4, 1972). The Board adjourned for discoveries despite
opposition from the developers and the City. The adjournment was
the first decision to benefit the citizens' groups. They had actively
participated in a city-wide campaign to elect a "reform" City Council.
The Humberside and Quebec-Gothic citizens' groups actively campaigned
for the election of Elizabeth Eayrs, former president of a Swansea
citizens' group, who promised to reconsider the development if elected,
and criticized her opponent, Ben Grysz, for close relations with the
developers. Ida Ammonson, the president of the Bloor-Hyde Park citizens'
group, was an unsuccessful aldermanic candidate.

The new City Council, headed by a "moderate", Mayor David
Crombie, was divided almost equally into two factions, a "reform" group
of aldermen and an "old guard". The greatly increased representation
of reform aldermen on City Council enormously increased the credibility
and legitimacy of the citizens' groups in shaping Toronto's redevelop-
ment policies and correspondingly downgraded the legitimacy and influence
of the developers. It also put the City in an awkward position legally and politically. The split in the Council and the absence of a clear-cut middle road indicated that policies must change but the electorate did not describe how they wanted their changes made with their ballots.

In the Quebec-Gothic case, the City lost the support of the developers by requesting a report indicating the implications of repealing By-law 239-71. The developers feared losing their legitimacy, which was based on a de jure adherence to the law and planning regulations, and they lost confidence in City Hall, saying that if the laws were not consistent, the business climate would be unfavourable for making business projections. While losing developer support, Mayor Crombie and the new City Council had not yet won the full support of the citizens' groups, which had such high expectations for reform that they were inevitably to be disappointed. By February 16, 1973, City Council passed a motion to repeal By-law 239-71, but meanwhile the Ontario Municipal Board, which had been sitting between February 5 and 13 to hear witnesses on By-law 239-71, released on March 1 a decision favouring a zoning change and indicated that revised applications for the site plan to redevelop Quebec-Gothic would also be favourably received. Temporarily at least, the Gothic development was supported by the Ontario Municipal Board and the citizens were supported by the City. The rejection of By-law 239-71 by the City and acceptance by the OMB created an impasse which the Mayor tried to relieve through
his personal intervention at a June 19 meeting with aldermen, citizens and developers. He was unsuccessful at this tense meeting and lost personal credibility while jeopardizing the planning board's "objectivity" with the developers.

Subsequently the City rejected the developers' requests to close Gothic Avenue (By-law 172-72) through the passing of By-law 49-73. This rendered the redevelopment of the west side of Gothic Avenue almost impossible, and this was supported by the Divisional Court of the Supreme Court of Ontario when the developers tried to quash By-law 49-73. It was clear that grounds for a compromise were developing.

Hoping that the OMB would consider legitimate its previous ruling to permit redevelopment of the "island", Gothic Developments bypassed City Planning Board and Council to build on the island as well as the west side of Gothic Avenue. But on January 3, the OMB accepted Gothic Development's proposal dated September 1973, but excluded the west side of Gothic Avenue from the density calculation of 2X coverage. The OMB directed the City to permit apartment redevelopment at 2X coverage and required that citizens, the developers and the City's representatives negotiate to determine the form of the development.

ECONOMIC CONDITIONS LEADING TO THE CONFLICT

Why are economic conditions important to the Quebec-Gothic
case? I try to show that the conflict was largely a consequence of rapidly changing economic conditions (vertical and horizontal concentration of the construction industry) which, combined with rapid increases in inner city real estate prices, led to shortages of housing for some low income people. I try to indicate that the municipality is helpless in dealing with the housing problem because of its fiscal weakness and that in the case of housing, the federal economic stabilization function is a higher priority than that of social housing.

ECONOMIC CONDITIONS IN THE DEVELOPMENT INDUSTRY

What was the condition of the housing development industry in the early 1960's? The housing construction industry was highly competitive and dominated by small businessmen and family partnerships, whose businesses expanded and contracted with the vagaries of the financial markets. It was unstable. Profits and productivity were low and most construction businesses operated on a shoestring budget. Small contractors built two or three houses at a time and sold them quickly, or went into bankruptcy.

After the second world war, the Central Mortgage and Housing Corporation contributed to the consolidation and rationalization of the construction industry by making loan guarantees available for the construction of homes. This reduced the risk for small builders while serving to stimulate the economy. The loan guarantees increased
demand for serviced land, a municipal responsibility, by the construction industry and the public. The expense put a severe strain upon the municipality's purse strings, and after the mid-1960's, many municipalities required that the builder also service the land to save the municipality the expense. Thus, the vertical integration of the construction industry was encouraged by governments. The public accepted the vertical and horizontal consolidation of the construction industry because the industry provided inexpensive housing in adequate numbers to meet the demands of the rapid urbanization of Canada during the 1950's and need for family housing while the children of the post-war baby boom grew up.  

By the early 1960's, real estate development companies with secure financing and professional management had emerged. The process of rationalization and consolidation was typical of other industries except that it was accomplished in ten (10) years instead of fifty (50) years. In the urban areas, the problem was less that of servicing undeveloped land than of redeveloping entire neighbourhoods. Better financing changed the scope of urban redevelopment from the replacement of 2-3 large homes with a low-rise apartment dwelling in the 1950's to the razing of several square blocks for high rise, high density redevelopment. With the economic power to control more and more space, the influence of the developers in City Hall increased also.

By 1969, the negative effects of the large scale redevelopment by a small number of companies emerged. Almost all the new high rise
buildings were large brick or concrete slabs with uniform apartment units. The buildings were neither cheap nor attractive, nor did they reflect the diverse housing needs of the public. The shortage of housing meant that people had no choice but to live in slab apartment buildings and they began to resent the cost and uniformity which they attributed to lack of competition in the industry. Apart from expense and lack of choice, the conditions of oligopoly\textsuperscript{13}, a number of unattractive side effects of protracted development became more noticeable. During the land assembly process, many of the developers purchased options to buy houses. Under this market practice, the homeowner agrees to sell his house to the developer (or purchaser of the option) at a fixed price at any point in time up to the expiry date of the option. Sometimes the deal is fair, but as allegedly happened often during the assembly of the Quebec-Gothic site, the real estate agent hired to do the assembly took advantage of the ignorance of the residents in real estate matters and cheated them by offering prices which appeared reasonable at the time of the offer, but which were well below market prices when the deal was closed. Another side effect of the assembly process was caused by the time it takes to assemble properties and the pressures which are brought to bear upon the people who do not wish to sell out. The developers leave some homes unoccupied and allow these to decay, "bringing the neighbourhood down" in order to encourage residents to sell before their investment is lost, and politicians are encouraged to approve
the development before it becomes a slum.

In the Quebec-Gothic case the developers leased the houses to low income families, students, musicians, artists, hippies and, even several religious communes in order to lower the real estate values and encourage residents to sell their properties. None of these tenants are particularly attractive to traditional landlords and they find inexpensive, attractive housing almost impossible to obtain. Musicians are often rejected by landlords because practising annoys tenants. Artists need much space for their work, and have difficulty finding it at reasonable prices. The fact remains that because of its low rents and attractive neighbourhood, the Quebec-Gothic community attracted creative and intellectual people. The fact that there are so few housing alternatives for creative people in Toronto to some extent explains the tenacity with which the Quebec-Gothic conflict was maintained. This attempt to subsidize some of the holding costs through rental income and also encourage selling out backfired in the Quebec-Gothic case because the citizens organized to oppose the redevelopment and the City Hall administration.

The protracted development process does not hurt all the residents on the assembled site. Those who wait until theirs is one of the last dozen properties before selling sometimes find that with skillful bargaining, their home can be sold to a developer at well above its market price. The developer who wants to complete the assembly often pays, and the consequence is that the developer, in the case of
Quebec-Gothic, ended up paying above market prices for many of the properties on the redevelopment site. This in turn leaves the developer with little option but to build high priced apartment units to cover his costs.

The effects of the consolidation of the construction industry were significant because power within the urban municipality gradually came to be dominated by the developers and their representatives. Also, changes in the housing market negatively affected the accessibility of housing to lower income groups and reduced the choice of housing design alternatives. The housing development industry became very profitable at a time when housing costs were rising, making home ownership inaccessible to the working class and the middle class. The public attributed the apparent wealth of the construction industry to the oligopoly situation and argued that the developers were making excessive profits at the consumers' expense, while also failing to provide a decent housing product.

The data as to whether or not the profit levels of the developers was excessive is disputed. The developers argued that the concentration of the housing development industry was necessary; that the risks are very high and that the profits are highly variable. This is substantiated by a background study completed for the Royal Commission on Corporate Concentration.

What is important for this case study is that through consolidation, the economic power (control of the market) as opposed to
profitability, the development industry appeared to be highly profitable at the expense of the housing consumer. And it was this perception of economic profitability and power which, at a time when the public perceived its ability to find decent affordable accommodation as declining, contributed to the development of "powerless" citizens' groups opposing the "powerful, rich" developers.

The citizens reacted to a declining quality of life by organizing themselves to defend their citizens' rights, while the developers retrenched and argued for the status quo. The developers maintained that they had been playing the development game according to the rules and that it was unfair to change the rules in mid-stream, while the citizens argued that the changing economic conditions rendered the old rules irrelevant. Social movements reflect a public dissatisfaction with the impact of the urban municipality upon their quality of life. According to Manuel Castells, urban organization is not then a simple arrangement of spatial forms, but rather these forms are the expression of the process of collective treatment of the daily consumption patterns of households. This is why the "crisis of the cities" is profoundly felt, for rather than deterioration of the environment, the deterioration of the quality of life itself is involved, not so much of the physical surroundings but of the way of living, of the very meaning of life. 17

The importance of Castells' view of social movements is that they become a rational response to the social consumption patterns
imposed by the state, as opposed to bizarre, non-conforming reaction to the state. The citizens' committees discussed in this thesis reflect the public dissatisfaction with the manner in which the state is distributing its legitimation functions through action expressed in the citizens' movement. I would add that social movements do not develop as a consequence of unfair distribution of social consumption outlays but when a social class experiences a relative decline in social economic position through economic change which may or may not be a consequence of state legitimation functions.

In practical terms, the social consequence of the economic conditions was the changing lifestyle which Quebec-Gothic residents perceived they would undergo if urban redevelopment remained unchecked. Single family dwellings, mature trees, large gardens and an attractive streetscape which permitted neighbourliness and a variety of lifestyles—families, students, young people, old people, artists, professionals, would disappear in the homogeneity imposed by the high rise tower with its limited environment and relatively high cost which limits it to the young working single person and the childless couple. No musicians are permitted because the practising would disturb other residents. Children are discouraged for a lack of play area. Vandalism, suicide, alienation and other social pathologies are thought to develop in the high rise apartment environment. In short, the citizens felt that an environment which encouraged a desirable lifestyle was being destroyed, not for any social benefits, but for the economic advantages
of the developer.¹⁹

The social consequence of the economic conditions for the developers was acceptance into circles of economic power. In terms of social environment, the quality of life for the developers improved.

In summary, the citizens' access to housing was declining, while the social and economic consumption of the developers was increasing. The citizens organized as part of a social movement to fight for their way of life, while the developers used the legal and regulatory tools of the interest group to maintain and consolidate their position. The implication of this priority of economic stabilization functions²⁰ over the social housing function is that the urban municipality is comparatively powerless in dealing with a crisis caused by rapidly changing economic conditions, and it must wait for the federal state to weigh its options before responding to the crisis. The urban municipality may well be able to allocate land use functions, but as the Quebec-Gothic case shows, the federal government and the private sector have the greatest influence upon what is built on the land which the urban government plans. The federal state and the private sector, through their investment decisions, determine the development priorities while the urban municipality's interventions must be limited to location and density.

In this chapter, I have summarized the urban planning decisions which led to the zoning by-law changes which permitted the redevelopment of the Quebec-Gothic site. I have also tried to show
how changing economic conditions and increasing public sensitivity towards the urban environment caused the citizens to reject the proposed redevelopment. In the next chapter, I shall try to describe the specific interests of the groups involved in the Quebec-Gothic case: their social class identification and the relationship between the developers and citizens' groups as social classes in conflict. While I am concerned with the conflict among social classes, I am also concerned with the relationship of the social classes to the urban municipality and the different approaches which these classes use to obtain the City's support for their interests.


3. The crescent shape of the street made it possible for the residents to observe the comings and goings of neighbours beyond those immediately across the street or next door. Refer to Jane Jacobs, The Death and Life of Great American Cities (New York: Vintage, 1961).


6. The historical background for this chapter was drawn from City of Toronto Planning Board documents and summarized on a chart which was checked by representatives of the Quebec-Gothic Citizens' Group and lawyers for the developers in February 1974.

6a. The Ontario Municipal Board is a quasi-judicial body appointed by the Ontario government to review the decisions of local governments involving planning, zoning, capital expenditures and a number of other matters. A careful examination of these 135 cases (which pitted the citizens' groups against developers and City Councils or both) indicates clearly that the OMB is a tool of provincial policy, and that in spite of its semi-judicial atmosphere and its practices of taking evidence which seems to resemble an impartial court of law, it is performing the job of keeping citizens in their place and implementing the pro-development, pro-developer, pro-centralization policies of the Ontario government." Bruce McKenna, "The OMB: Citizens as Losers," in The City Book: The Planning and Policies of Canada's Cities (Toronto: James Lorimer and Co.), p. 197.
7. "The Toronto City Council Voting Record 1979-71" lists 12 of 23 council members as having a "property industry affiliation". The same table also lists a "government group" of 17 members and an "opposition group" of 6 members. See James Lorimer, A Citizen's Guide to City Politics (Toronto: James Lewis and Samuel, 1972), p. 119.

7a. A part II study is a detailed urban planning analysis of a neighbourhood which is intended to supplement the more general official plan. Usually part II studies are carried out before a major decision is taken to redevelop a neighbourhood.

8. Certainly the large slate of reform candidates indicated that the new city council might be more pro-citizen than past councils, but it is unlikely that the hearing was postponed for political reasons.


12. Ibid., p. 15.

13. Oligopoly is defined as "A type of market in which there is a relatively high degree of concentration; that is a small number of firms account for a large proportion of output, employment, etc. The essential feature of this form is the high degree of interdependence among the decisions of firms, which will generally be recognized by them ...." The definition adds that prices tend to be well above costs. From G. Bannock et al., A Dictionary of Economics (Penguin, 1972).
FOOTNOTES (continued)


15. James Lorimer, A Citizen's Guide to City Politics (Toronto: James, Lewis and Samuel, 1972). "Cadillac has a number of long term alliances and associations with its 'competitors' in the land development business, and we might surmise that the big developers in Cadillac's market have learned how to live with each other, co-operate with each other at least to a limited extent, and to prosper without doing so at each other's expense." p. 60.

16. Royal Commission on Corporate Concentration, Study No. 3, The Cadillac Fairview Corporation Limited: A Corporate Background Report, January 1976. The report indicates that if the entire Canadian market is considered, the construction industry is not concentrated. Barker et al., and Lorimer also concur on this point. But when the industry's activities are examined as carefully as available information allows, real estate development in large cities does appear to play a prominent role in major cities—in Toronto, Cadillac-Fairview, Greenwin, Belmont and Meridian are the dominant companies. Gluskin, writing for the Bryce Commission, cautiously reports that he is not sure whether the concentration in real estate serves Canadian social/economic interests or not.


CHAPTER 3

CONFLICTING INTERESTS IN THE QUEBEC-GOTHIC CASE

The conflicting interests in the Quebec-Gothic case were represented by three groups, the developers, the citizens and the City's representatives. The citizens and the developers were in conflict with each other and they were in conflict with the City. Both the citizens and the developers sought the intervention of the City on their own behalf.

First we shall define social class and then interest groups, social movements and protest movements. With definitions settled, we can go on to describe the major groups in the conflict. The citizens (including Quebec-Gothic, Humberside and Bloor-High Park groups) and the developers (Cadillac and Greenwin) have many characteristics of social class in conflict. We outline their relationship to each other and their relations to the City. The developers behaved as an interest group toward the City, while the citizens used the behavior of an urban social movement. The City's role is seen as attempted conflict resolution.

Note that the two opposing class fractions are called "citizens" and "developers". These terms are used because the actors referred to themselves as "citizens" and "developers". Secondly, Marxian terms such as "bourgeoisie" and "proletariat" are inappropriate given their nineteenth century association with their implied relationship to the means of production in the workplace, and are misleading in a
discussion of the urban environment.

Analysing social groups in conflict with each other and with the urban municipality is conceptually awkward. Castells points out that there are considerable difficulties in defining the actors in citizens' groups. He asks whether or not they are members of a social class or fractions of a social class. He asks about their different roles, and even which political process involves them.\(^1\) In Luttes Urbaines, Castells refers to the non-capitalist classes involved in urban conflict as being part of an international social movement. The terms social class and social movement are not mutually exclusive and are not consistently used by Castells.

The social class literature tends to emphasize the relationships (often conflicting) among large social groups in a society, usually over major issues. Marx's definition of social class is fragmentary and classes are seen as an instrument in engineering social change.\(^2\) More recently, Marxists have become interested in the role of the state in mediating social class conflicts\(^3\) but this literature is far from fully developed.

For many years, anglo-saxon political scientists have been contributing to the literature on interest groups as well as protest and social movements. Usually these social groups are seen as facilitating the democratic process (interest groups) or challenging it (protest and social movements). But it is assumed that the democratic state considers the opinions of interest groups in decision-
making and this literature concentrates on how these social groups represent themselves to the state; their strategies, and the outcomes of the intervention. Why the conflict develops seems to be lost in the discussion of co-optation and the relationship between social groups opposing each other is rarely discussed.

SOCIAL CLASS IN THE QUEBEC-GOTHIC CASE

According to Z.A. Jordan, "Marx never defined the basic concepts of his theory [of social class] nor presented systematically its main propositions". The theory is highly controversial in the sense that it is difficult to reconcile various statements and is based upon several assumptions: social classes perform a decisive function in the evolution of human society; the class struggle decides the transition of society from one evolutionary stage to another. Marx intended his theory to provide a "law of motion of modern society", a theory of social change. Social class in the Marxian sense is defined according to Jordan as:

1. place in the system of production and/or relation to the means of production; the possession or exclusion from proprietary rights to them;
2. the will to compete for economic power and to use it for the protection of economic interests;
3. class consciousness, that is, the ideological awareness which at least some members of the class have of their relative position.
in society, as determined by their situation in the process of production, and a programme of collective action (ideology) to maintain and extend their share of social wealth and political power.

Marx adopted definitions of class according to the type of analysis he wished to provide. Among the classes he identified were: financial bourgeoisie, industrial bourgeoisie, petty bourgeoisie, peasant class, proletariat, lumpen proletariat and feudal nobility. Jordan points out that Marx ignored social stratification and concentrated upon the differentiation of social classes. Social class is determined by the distribution of property, while social stratification is determined by education, income distribution, social honour and occupation. Castells points out that social class conflict in the urban environment is concerned with the control of the use of space and the collective consumption of commodities such as housing.

INTEREST GROUPS

An interest group is defined as a "voluntary association of individuals who band together for the defence of an 'interest'". The definition of an 'interest' is a "conscious desire to have public policy or authoritative allocation of values move in a particular general or specific direction." Malecki and Hood suggest that "interest groups enlist governmental authority on behalf of a collective goal or the extension of governmental legitimacy to collective activities".
Traditionally, the study of interest groups has focused upon voluntary associations, but the field now includes corporate groups, conflict groups and social movements.\textsuperscript{12}

According to these broad definitions, the developers' actions can be analysed as consistent with interest groups' politics. Certainly, as a corporate group; the developers organized to influence the "authoritative allocation of values" and they also sought "the extension of governmental legitimacy to their collective activities,"--a continuity of their powerful role in the City's politics.

Kornhauser points out that interest groups perform an important function assuring the accessibility of elites in pluralist or mass societies.\textsuperscript{13} Ehrmann says that interest groups can become powerful and that governments try to "integrate them directly into the decision-making process". Certainly, the developers were very fully integrated into the decision-making process until 1972. Interest group politics implies participation in political life through making representations, manipulating the 'system' behind the scenes, and using tactics which require a thorough knowledge of the system. These tactics are contrary to the approaches of a social movement which uses confrontation and challenge to the system from the outside. By and large, "the so-called group politics is a version of analytical pluralism and empirical group studies".\textsuperscript{14} According to Ehrmann, the field needs better definitions and a more elaborate conceptual framework.\textsuperscript{15}
URBAN SOCIAL MOVEMENT AND PROTEST

What is an urban social movement? Manuel Castells suggests that "The term social movement may now be defined as an organization of the system of actors (conjuncture of class relations) leading to the production of a qualitatively new effect on the social structure (pertinent effect)." He defines an URBAN SOCIAL MOVEMENT as the system of practices resulting from the articulation of a conjuncture of the system of urban actors and other social practices, such that its development tends objectively towards the structural transformation of the urban system or towards a substantial change in the balance of forces within the social system as a whole. What does this mean in terms of the Quebec-Gothic case? Can the citizens' groups be considered part of a protest movement or an urban social movement? Rudolf Heberle suggests that the term 'social movement' "is being used to denote a wide variety of collective attempts to bring about a change in certain social institutions or to create an entirely new order". But the term 'social movement' is often identified with the labour movement and "in its classical conception refers to the creation of an entirely new socio-economic and political order especially as concerns the institutions of property and distribution of power". On the other hand, Heberle says "protest movements" are, as a rule, limited in spatial expansion, being mostly of local, regional or national character, for example many of the 'radical' farmers' and peasants' movements. A formally organized protest movement represents
one kind of 'pressure group'. Transformation of a 'protest movement' into a genuine 'social movement' is possible, for example the early labour movement. But are conflicts such as the Quebec-Gothic case isolated incidents? Donald Gutstein summarized the primary issue of the urban conflict in Vancouver by saying:

"The choice is clear: to continue on the mindless drive toward a high density prestige 'executive city'--a Manhattan with mountains; or to redirect itself towards providing adequate housing and a decent environment for all classes of people. The first route is being promoted by those who currently control Vancouver's development. The second route will require drastic changes in the priorities of decision makers."

In Luttes Urbaines et Pouvoir Politique, Castells points out that citizens have opposed redevelopment proposals in cities as diverse as Brussels, New York, Barcelona, Bogota, Milan and Stockholm. He says:

"En tout état de cause; quand de jour en jour, dans tous les pays, en voit augmenter le nombre, la dimension et l'intensité de ces mobilisations populaires portant sur le 'cadre de vie' sur les formes et les rythmes de la vie quotidienne, il semble logique de conclure à l'émergence d'une nouvelle organisation collective du mode de vie."

The fact that the Quebec-Gothic case is just one of hundreds of similar examples of actions taking place in most western metropolitan areas indicates that it was international, exceeding the geographical conditions of the term 'protest movement'. The citizens were seeking more than the representation of their interests in the political process; their goal was a structural transformation which exceeded the jurisdiction of the urban municipality and challenged the state's collective consumption patterns. In terms of goals, ideas
and strategies, the citizens' groups involved in the Quebec-Gothic case exhibited characteristics contributing toward an urban social movement.

THE DEVELOPERS

Gothic Developments was a consortium of the Cadillac Development Corporation (hereafter Cadillac) and the Greenwin Development Corporation (Greenwin). During the dispute, Cadillac was one of the most prominent developers in Metropolitan Toronto. Greenwin enjoyed good working relations with the Ontario Housing Development Corporation and had built a good deal of high rise public housing in Toronto with subsidies from that organization. But Cadillac wielded considerable power in Canadian urban housing markets. Shortly after the negotiations, Cadillac merged with the Fairview Corporation to become the Cadillac Fairview Corporation, largest developer in Canada, and directed its resources away from housing and into the development of shopping centres. It has become a multi-national corporation with the power to influence housing costs in major metropolitan areas. If companies such as Cadillac Fairview do not consider the return upon investment satisfactory, they will not undertake residential development in a specific city. Through land banking they can tie up large suburban properties until a housing shortage develops to force housing prices upwards. Apart from economic power, the Cadillac's ability to communicate with the provincial government was unmistakable because
Eddie Goodman, one of the principals of the law firm of Goodman and Goodman which Cadillac used during the negotiations, had been a fund-raiser for the Progressive Conservative Party of Ontario.24

The developers' main objective for investing in high density residential development is to make a profit quickly. But A.E. Diamond, the President of Cadillac Development Corporation, had a second objective for participating in the Quebec-Gothic negotiations—he felt that the principles of free enterprise and the right to make a profit should be continued and he hoped to make this point clearly to the citizens and to City Hall.25

The developers assembled the Quebec-Gothic properties in the late 60's and early 70's with the intention of redeveloping the site at a substantial profit. Because the developers were unable to muster public support and the press was siding with the citizens' groups, the developers could only resort to legislation and planning regulations to justify their positions. They used their power at City Hall to resist change and demand that the rules of the development game not be changed in mid-stream. They hired lawyers to present their cases to the politicians and they undertook expensive litigation. They made no attempt to understand the citizens' objections, and they deliberately stone-walled the citizens by ignoring their responsibilities as landlords to the extent that the City had applied several work orders to the sites.26

The interests of the citizens and the developers during the
first years of the conflict were antithetical. The developers as capitalists were seeking to maintain or increase their economic power and control over land development and housing, while the citizens sought to combat this influence. The developers demonstrated many of the characteristics of an interest group working with politicians and the bureaucracy. As a corporate group, they were well informed about the functioning of the political system and they enjoyed some legitimacy as contributors to the decision-making process at City Hall in the 1960's. The legitimacy of the developers as an interest group was threatened in the early 1970's following the election of a stronger reform wing to the City Council. Nevertheless, the developers used the techniques of an interest group to try to maintain their legitimacy, through hiring of lawyers to represent them, and through the constant pressure put upon the planning department for the furthering of their interests.

Toward the City, the developers adopted interventions in the political process which were consistent with interest group behavior. But toward the citizens, they behaved as a dominant social class, making it very clear to the non-capitalists that they had no control over their housing, and that their physical safety was at risk. Tenants were moved from apartments which became uninhabitable into other accommodation which was in marginally better condition to avoid rehabilitation costs. This was disrupting and demoralizing for the tenants and carried out frequently. The management refused to
carry out work orders required by the City and houses were vandalized by the developers' employees.

The developers can be considered a fraction of a capitalist class because they owned property and were able to increase the value of the property by redeveloping it. They controlled 93 of 106 of the lots on the Quebec-Gothic site. Legal ownership of the houses allowed the developers a landlord relationship with the tenants (mainly members of the Quebec-Gothic Residents and Tenants Association). Through access to capital markets, and possession of the technical and organizational skills, the developers had the power to redevelop the site. The developers competed for economic power by consistently trying to expand their economic control through (a) merger with the Fairview Corporation to expand development activities and access to capital; (b) willingness to participate in negotiations with the City and citizens' groups to protect their economic interests from incursions by the government. Certainly the developers exhibit evidence of class consciousness through a shared ideology. Developers advocate minimum government interference in the regulation of the construction industry, and oppose competition policies. Indicative of a collective ideology is the activity of the Urban Development Institute, an association of developers which represents their interests to the public and government.
THE CITIZENS' GROUPS

In the Quebec-Gothic case, the unifying force among the citizens was a perception that they were losing control of the form and future of their homes and their community to the developers. They felt that the usurpation of economic and political power was unacceptable. The citizens perceived themselves as being in a position of weakness—unrecognized and unrepresented (in 1971) in City Hall, unrecognized in the legal system, they began to demonstrate their objections by working outside the urban municipal institutions. The citizens' objections were directed to both the developers and to the urban municipality, but in different ways.

Of the three citizens' groups involved in the Quebec-Gothic dispute—the Quebec-Gothic Residents and Tenants Association (hereafter referred to as Quebec-Gothic); the Humberside Ratepayers Association (Humberside); and the Bloor-High Park Residents Association (Bloor-High Park)—the Quebec-Gothic Association formed the social movement which opposed the developers and effectively confronted City Hall. Humberside added to the credibility of Quebec-Gothic, while Bloor-High Park was anomalous in terms of a political movement.

The Quebec-Gothic Residents and Tenants Association

Who were the members of the Quebec-Gothic Residents and Tenants Association? The absence of good demographic information, a consequence of rapid change in the neighbourhood, makes an accurate,
methodologically sound estimate difficult.

During the land assembly, the socio-economic groupings within the Quebec-Gothic community changed completely. The Eastern European home-owners were replaced by young, single persons and people beginning families. Occupationallly, the tenants were students, musicians, artists, office workers, persons employed on government programmes such as the Local Initiatives Project or Opportunities for Youth. Apart from a significant number of rock musicians and entertainers, several religious sects also leased homes as spiritual communes. 27

Members of the Quebec-Gothic Residents and Tenants Association were tenants and several hold-outs who refused to sell their homes for personal, as opposed to pecuniary interests. The tenants were subject to the developers' as landlords and as they were without leases, could be required to relocate in 90 days. They were without economic power vis-a-vis the City's economic requirements because they did not own real estate. They had no access to capital markets; nor the organizational or technical skills required to compete with the developers in the construction of new housing.

Many of the residents were politically sophisticated and they did not feel that decisions based upon the values and the economics of the early 1960's should necessarily hold in the 1970's under very different social and economic conditions. The principal objective of the Quebec-Gothic Residents and Tenants Association was to prevent
the redevelopment of the neighbourhood. Secondary objectives included reforming the urban planning process to allow more citizens participation and to include social, architectural and environmental criteria in planning decision making.

The Bloor-High Park Residents Committee

The Bloor-High Park Residents Committee was founded and dominated by Ib Amonson, who organized the group largely as a springboard for his own political aspirations to become alderman in the November 1972 elections. The objectives of the Bloor-High Park Residents Committee were entirely concerned with the protection of the property interests of residents who owned and occupied older houses and apartment buildings on Bloor Street and High Park Avenue adjacent to the Quebec-Gothic site. Amonson was interested in obtaining parking space for tenants in older buildings and in improving local school and community services facilities.

The owners' investment in real estate could be hurt by insensitive development and strain upon local infrastructure. This is a good example of a small businessman joining with other citizens' groups to oppose the developers' economic interests, even though ideologically Amonson had more in common with the developers.

It is unlikely that Amonson enjoyed strong political backing. Two kind and elderly women who wore stimulated but bewildered expressions accompanied him silently to meetings. Amonson did not
object to redevelopment and had, as a real estate broker, worked for the developers in carrying out the property assembly. For this reason, he was distrusted by and often isolated from the Humberside and Quebec-Gothic groups.

The Humberside Ratepayers Association

The Humberside Ratepayers Association, as the term ratepayers indicates, was a mature and well-established association of homeowners with broad civic interests. It represented citizens in the middle class neighbourhood adjacent to the Quebec-Gothic site who had local concerns about the overshadowing of their homes, disruptions of sewage and drainage systems, and possible depreciation of their homes through the proximity of an unattractive high rise development. Furthermore, the vagueness of the City's official plan, compounded by preliminary land assembly in the surrounding neighbourhoods, threatened the investments of individual homeowners because the developers might build in their neighbourhoods also. Without organizing to present their views at the political level, where as individual homeowners they were perceived as legitimate, their economic power would be negligible before the developers.

As well as participating in the dispute to prevent any damage to the Humberside neighbourhood as a consequence of the Quebec-Gothic redevelopment, Humberside Ratepayers were also anxious to prevent redevelopment of the Humberside area. For these reasons, Humberside
fully allied itself with the Quebec-Gothic Residents and Tenants Association and provided that organization with a solid, middle-class credibility.

The three citizens' groups were unified in their objection to high rise development. The Quebec-Gothic residents had the greatest stake in the dispute because its members would lose their low rent attractive homes. The Humberside and Bloor-High Park groups' involvement was conditioned by the ancillary effects of the development, and the political trends which it portended. Bloor-High Park anticipated that the urban municipality would try to placate the community by improving community facilities for parking, recreation, while the Humberside group foresaw that the neighbourhood it represented could be subjected to the developers' destructive land assembly tactics next.

Because the members of the Quebec-Gothic Tenants and Residents Association would lose their homes in the case of redevelopment, it was the ideas and interests of this group which provided the thrust of the movement. The two other groups, whose interests were largely oriented towards maintenance of their property values, supported the Quebec-Gothic group.

The citizens' groups can be described as having the characteristics of a social class fraction because they were:

1. unified in that their economic position was threatened by the developer, i.e. their control over housing tenure and land control
was threatened;

2. they expressed the will to compete for political power by organizing citizens' associations, raising money to hire lawyers to defend them at City Hall and the Ontario Municipal Board, as well as organizing letter-writing campaigns, among other activities to oppose the developers;

3. they exhibited ideological awareness of their class position through new left ideologies which included sensitivity to natural and built environments, tenants' rights, responsive City government, and opposition to monopoly capital.

The citizens appealed to the City as a democratic institution, requesting its intervention on behalf of the citizens. At that time, the citizens chose not to negotiate with the developers, to appeal to them for a redress of power; they used confrontation and delaying tactics with the developers. They went to the press and presented their case to the media. The strategy of the social movement in a democratic society is usually to take the case to the general public and stimulate public controversy over the issues. While the movement used demonstrations and the press to make its interests known to the public, it also continued to participate through the City—the legal route of approaching the City for planning and zoning controls through the City Planning Board.
THE CITY OF TORONTO

The City's role in the conflict was primarily that of attempted conflict resolution. The introduction and Chapter 1 describe the contradictory role of the urban municipality in the conflict, i.e. the City must preserve the developer's capital accumulation (profit-making) prerogative while regulating the development process so as to concede to citizens' demands for environmentally sensitive housing. We describe how the election of a larger "reform" element in City Council frustrated the developers' attempts to re-develop the site according to their proposals, but during attempts to develop a compromise, the City lost credibility with both sides and hired a consultant to resolve the conflict.

The City's role in the case was full of contradictions. At the beginning of the conflict, the City was dominated by a "pro-development" council. This changed in the 1972 elections when a "reform council" was elected to City Hall. The reform council election was largely a re-assertion of democratic values by the general public which generally opposed the developer-urban government alliance. When the new administration was elected, it became involved in trying to resolve the conflict. But its attempts were clumsy. The City became involved in complex litigation and several series of discussions with the citizens and the developers. City politicians and planners were discredited in the eyes of both groups, hence the appointment of Klein and Sears as an extension of the government. Among the problems
of the urban municipality in resolving the conflict before 1974 was the comparatively limited room for manoeuvre. The land was too costly to be purchased by the federal or provincial states for public housing. An initiative by the citizens to purchase the dwellings for a co-operative housing venture failed for similar reasons. The City's official plan was very general on paper and the citizens were able to argue that development could not be authorized without a more thorough review of the community services (a Part II study).

Until the November 1972 elections, Toronto City Hall was "pro-developer". City policies encouraged high-rise development in order to increase tax revenues and provide rental accommodation for large numbers of single person households inhabiting the City.

A combination of events probably encouraged the election of the "reform" city council in November 1972.

1. High-rise development of older city neighbourhoods was creating an unattractive urban environment, i.e. St. Jamestown, Trefann Court.

2. The development business had become more concentrated and seemed to be uncontrolled by City Hall. The developers were taking advantage of late 60's inflation in housing costs to the detriment of the general public.

3. The "urban crisis" in the U.S. appeared to be in part attributable to redevelopment of inner city housing districts for high-rise
commercial buildings, leaving the urban areas empty of people and making the urban cores prime targets for vandalism.

4. Evidence of City aldermen taking kickbacks from developers.

Early in 1973 the City passed a motion to repeal Bylaw 239-71 to permit high-rise development, setting in motion extended litigation among lawyers representing the City, the developers, the OMB and the citizens. The City was unable to develop agreement among the citizens and the developers despite personal meetings with Mayor Crombie and several committees of aldermen and representatives of the developers and the citizens. The litigation lumbered on until the OMB announced the 2X coverage guideline for the island and required the City, citizens and the developer to begin new negotiations. Some of the difficulties in developing a solution to the development can be attributed to a lack of confidence in the City felt by both citizens' groups and the developers.

Elizabeth Eayrs, Alderman for Ward 1, which included the Quebec-Gothic site, had been elected on a pro-citizens' group/anti-developer platform in 1972. But Frank Martin, the City of Toronto planner assigned to the ward, was clearly indisposed to the entire concept of citizen participation. Through changing and inconsistent positions, a consequence of economic change, the City had lost credibility as a negotiator.

The City's role in the conflict is best understood as floundering through the transition from a pro-developer to pro-citizens
administration. It tried to be democratic, representative and objective during the early stages of the case, but failed to fulfil its functions effectively for either the developers or the citizens. It was indeed in crisis. The failure of the state to carry out its democratic functions meant that the citizens and the developers were locked in a confrontation, with neither side communicating constructively with the other, but resolving to other tools--litigation and physical repression of tenants by the developer--and demonstrations and the mobilization of media and public support outside the political institutional structure by the citizens.

KLEIN AND SEARS--THE NEGOTIATORS

When the City's objectivity became questionable, and the abilities of the City Planner and local aldermen proved inadequate to resolve the Quebec-Gothic case, the City decided to seek a consultant who would represent the municipality's democratic objectives (apparent neutrality in dealing with both groups) coupled with sufficient political sensitivity to resolve the conflict within the bound of existing structures. The Working Committee report was to recommend means of fine-tuning the system and the committee members were permitted to disregard minor regulations which might inhibit the development of a design solution.

Toronto Executive Committee on January 8 generally agreed: "That an architectural consultant with particular expertise in the housing field would be of benefit to the Committee in providing independent opinion on the feasibility of various alternative forms of
development and also to aid the Committee in resolving internal differences in terms of objectives and issues relating to the development." Klein and Sears Research/Planning/Architecture was selected as the architectural consultant after a series of interviews with four architectural firms. This firm was chosen because it had done satisfactory work for both the developers and the City of Toronto and was considered politically neutral in the issue. Its principal architect, Jack Klein, was President of the Housing Design Council during the negotiations. Over the years, Klein and Sears had designed public housing projects (Alexandra Park, Toronto) and undertaken a number of single family and high density projects for the developers. As the firm also undertook work for individuals and small businesses, the firm was considered neutral and unbiased towards any particular group. Klein and Sears did enjoy a close relationship with Michael Dennis, who was soon to become the Commissioner of Housing. Jack Klein's instructions from the City were to negotiate a solution to the Quebec-Gothic dispute as the reform Council did not wish to fight the 1974 elections with it unresolved.

The consultant's role was to act as an extension of the City planning department, unencumbered with the procedural red tape and requirements that conventional planning procedures be applied. Jack Klein had only to develop a consensus among his committee members as to the process and decisions which were to be undertaken in the negotiation process, and develop a design plan which was consistent with the decision-making process and considered the issues relevant to the committee members.
The Ontario Municipal Board's January 3, 1974 ruling to redesignate the "island" bounded by Quebec Avenue and Gothic Avenue for redevelopment at 2X coverage served as a frame of reference and provided incentives for negotiations among the citizens, the City of Toronto and the developers. The City of Toronto Planning Board recommended to Executive Committee that a working committee consisting of representative residents, the developers and City Hall, should negotiate a development solution for the island bounded by the east side of Gothic Avenue and the west side of Quebec Avenue.

The 2X coverage guideline for the east side of Gothic Avenue was not sufficient density for the developer to make a profit. Through participating in the working committee activities, the developer hoped to:

a) increase the density on the east side of Gothic Avenue, and
b) obtain consensus to redevelop the west side of Gothic Avenue.

The citizens' groups with opposite objectives hoped to:

a) maintain existing houses on the east side of Gothic Avenue,
b) prevent any redevelopment of the west side of Gothic Avenue, and
c) assure that any housing development would reflect the citizens' values.

The City of Toronto's objectives were inconsistent. As described in Chapter 2, the City's policies had changed from pro-development to anti-development following the 1972 municipal elections. Furthermore, a 1973 policy report entitled "Living Room", adopted by
City Council, required that all new housing developments include housing for low income people, an objective favoured by the Quebec-Gothic and Humberside groups but opposed by Bloor-High Park and the developers.
FOOTNOTES


6. Ibid., p. 25.

7. Ibid., p. 23.

8. Ibid., p. 23.


12. Ibid.

FOOTNOTES (cont.)

17. Ibid., p. 155.
19. While Heberle uses the term 'protest movement' to briefly outline the scope of communal action less broad-based than a 'social movement', it is important to remember that the term 'protest movement' as used by James Q. Wilson in "The Strategy of Protest: Problems of Negro Civic Action," Journal of Conflict Resolution, 3 (Sept. 61), pp. 291-303, and Michael Lipsky, "Protest as a Political Resource," in Edward S. Malecki and H.R. Mahood, eds., Group Politics: A New Emphasis (New York: Charles Scribner's Sons), p. 150, seems to assess the value of strategies and bargaining as opposed to issues, vested interests and social class structure in determining the outcome of social conflict: "protest is correctly conceived as a strategy used by relatively powerless groups in order to increase their bargaining ability". In short, I am using terminology which serves as a "handle" to a school of political analysis which is inconsistent with the view of social movements proposed by Manuel Castells.
20. Ibid., p. 439.
22. Conversations with Bill Hulme, Cadillac-Fairview's representative on the Working Committee.

24. Eddie Goodman, one of the senior partners in the firm, is a prominent fund-raiser for the Ontario Provincial Progressive Conservative Party. This link adds credence to the close relationships between the developers and the provincial state, in particular.

25. The implications of the high cost of the land assembly are known only to the developers and their tax lawyers. The high purchase cost may have discouraged the developers from selling the land when quick redevelopment became unlikely. But the tax advantages of taking a loss on the Quebec-Gothic site and using it as a tax discount are difficult to evaluate. I take the position that E.F. Diamond's persistence was probably the deciding factor in pursuing the negotiations and litigation.

26. Work Orders refers to City bylaws which require that the owner of a house make basic repairs which are deemed necessary for the safety of the inhabitants. Examples include provision of fire escapes, replacement of faulty wiring, replacement of decayed verandas.

27. I am aware that I am diverging from a class analysis by using occupations, a component of social stratification, but do so in order to describe more fully the citizen's groups' interests.

28. Coverage refers to one of several density measures used by city planners. In this case, 2X coverage means that the floor area of the buildings put on the site should not exceed twice the area of the site. 2X coverage is a moderate density for high rise apartments or condominiums.
CHAPTER 4
THE NEGOTIATIONS

In this chapter, I discuss the process of the negotiations and the issues which dominated them. The negotiations were divided into two parts, Phase I and Phase II. Phase I started in January and ended in March 1974. First, "issues" were identified by each of the participants in the negotiations and "criteria" for the proposed redevelopment were prepared by the committee as a whole. The main characteristics of Phase I were the breadth of the issues raised by the citizens' groups and the very different interests and philosophical approaches which the citizens, the developers and the City's representatives brought to the negotiations. Phase I was a period of developing consensus and trust. Phase II which lasted from March to June 1974 was very different. If the negotiations had proceeded without incident, it is possible that the architectural scenarios would have been presented to the committee and evaluated according to the criteria developed during Phase I. This did not happen. Some criteria such as "economic viability" became disproportionately important as Phase II continued. During the same period, the citizens living on the Quebec-Gothic site were harassed by the developer. Neither the City's representatives nor the negotiator could support the citizens. This made the citizens feel threatened and reduced the legitimacy of the citizens' groups, as economic issues came to dominate the committee's meetings.

The issues I focus upon are: 1) economic issues; 2) environ-
mental and social design issues; 3) social justice and participation issues. Certainly economic issues are those with the greatest legitimacy in the conflict among citizens and the developers and basic economic criteria were met. Some of the social design and environmental criteria were also met. While demands for consultation and participation were taken seriously, the social justice issues were almost completely ignored. The extent to which the citizens' and the developers' demands were met represents the extent to which the City's representatives and the negotiator considered them legitimate.

The Phase I discussions were intended to develop a consensus among the citizens, the developers and the City's representatives which would allow the committee to consider architectural proposals in a second phase of the negotiations. The Phase I discussions also resembled a Part II planning study in that all the relevant data which would determine the suitability of the site for redevelopment were examined thoroughly.

The Quebec-Gothic Working Committee commenced the work of Phase I on January 11, 1974. At this time, the Working Committee included representatives of three residents' groups in the community, the developers, Frank Martin of the City of Toronto Planning Board staff and Alderman Eayrs. During Phase I the Working Committee met to explore problems and issues relating to the area and to develop criteria which would be useful in evaluating alternatives for development.

Members agreed at the outset that the work of the Committee
would proceed "without prejudice" to ongoing litigation and other activities of members of the Committee with respect to the Quebec-Gothic case. It was further agreed that decisions would be made by consensus and that the report would be a report of the Quebec-Gothic Working Committee rather than a consultant's report. The Working Committee's activities began with the approval of an eight-meeting work plan which required the Working Committee to identify their perceived issues with the proposed development. City Planning Board identified: a) overshadowing of residential areas; b) shopping facilities as limited and expensive. These issues, which concerned effects of the development upon the neighbouring community and a concern for the convenience of future residents, were surprisingly narrow and reflected the limited role of the City in the negotiation process.

The developer's issues were: a) the carrying costs on the assembled properties were high; b) the density of the development be consistent with the expenditures made in land assembly and carrying costs; c) future development of the Quebec-Gothic site must be designed so that there is a good relationship between it and the existing apartment structures on Quebec Avenue. Points a) and b) reflected the developer's desire to proceed with the development as rapidly as possible and at a high density in order to maximize the profits from the redevelopment. Point c) reflected a desire to maintain the value of the new highrise apartment buildings on the west side of Quebec Avenue and implied that further highrise development would be an appro-
appropriate design solution.

Mr. Gallius, a Ukrainian homeowner on Quebec Avenue, had different problems. As one of the "holdouts" or individuals who decided not to sell his home, he felt that none of the citizens' committees represented his interests. Mr. Gallius wanted to negotiate a price for his home which reflected costs for his personal inconvenience or minimization of the impact of redevelopment upon his home and its resale value. Mr. Gallius identified insufficient surface parking as a problem. Commuters parking at the subway entrance led to congestion on Quebec Avenue outside his house.

Bloor-High Park Residents' Association's problems were:
a) 115 units on Bloor Street had no parking space; b) users of High Park need parking space in the summer; c) subway riders add to the surface parking problem in the area through "kiss and ride",—wives drive their husbands to the subway entrance, stop to kiss their husbands goodbye and drive away, congesting an already busy intersection.

These problems were immediate inconveniences to the residents who lived along Bloor Street, and reflected no concern for future residents in the area, or any quality of life factors beyond the mitigation of an inconvenience which lowered the members' property values.

Humberside Residents' Association and the Quebec-Gothic Residents and Tenants Association identified the following problems:
a) destruction of 100 year old trees; b) rights of holdouts on the site; c) rights of residents in triplexes on the east side of Quebec Avenue;
d) pollution (dirt and noise) and damage to private property as a result of construction; e) shadows cast by highrise on the area north and west of the site, also visual impact of the buildings; f) future of an historic nursing home and the relocation of its residents; g) deterioration of the condition of houses on the site; h) future of the TTC land, including the lower subway land; i) absence of sufficient elevator services in many highrise buildings; j) definition of the boundaries of the site at the north end; k) dispute about site boundaries; l) congested parking situation in the area.

The Quebec-Gothic Residents and Tenants Association and the Humberside Residents Association identified environmental consequences of construction of highrises (destruction of trees, noise and dirt pollution), rights of the holdouts and the nursing home residents to have their property values respected, i.e. that their homes would not be overshadowed and that reasonable consideration of the inconvenience and health of elderly persons be given.

All individuals and groups with the exception of the City Planning Staff and the developer specifically identified the surface parking problem. City Planning Board did not wish to undertake changes in parking regulations and possible public works activity required to alleviate these problems, while the developer avoided pointing out problems which might jeopardize the development. All of the above issues were discussed by the Working Committee and accepted by all members as valid. The Working Committee then began to evolve criteria
for the evaluation of a future development which were accepted as valid by all members. The process of evolving the criteria was often arduous and involved compromise and assumptions on the part of both the developers and citizens' groups that highly controversial criteria should be left deliberately vague to avoid conflict.

Both citizens and developers announced their criteria orally in the weekly committee meetings. Simultaneously with the establishment of the criteria for the development, the consultant collected data on the "existing conditions" on the site. During the OMB hearings, the citizens' groups and the developers both prepared planning briefs which often provided conflicting descriptions and analyses of the site for redevelopment. For instance the developer cited the proximity of the subway stop as one of the strongest points in favour of the redevelopment. The increased population would use the subway to go to the offices downtown. However the citizens claimed that the subway platforms were frequently overloaded and crowded. The consultant was able to defuse small tension producing controversies such as these which reduced conflict. For instance a proposal to provide a parking bay at the subway stop on Quebec Avenue was submitted to the City Works Department and if it had been constructed, it would have relieved some of the automobile traffic congestion at the corner of Quebec Avenue and Bloor Street.

Phase I passed relatively uneventfully with a gradual reduction of tension. By the end of Phase I a consensus was reached requesting
City Hall to provide additional funds to begin Phase II of the negotiations.

Phase II

The purpose of the Phase II discussions was to decide upon the architectural and urban design characteristics of the new site, based upon the criteria hammered out in the Phase I.

The consultant proposed several alternatives for the Phase II process. The first alternative suggested that a fee be paid to Klein and Sears to continue negotiations but that another architectural firm be hired to do the architectural designs according to the committee's desires. It was proposed that the City foot the bill for this alternative and its cost was the prohibitive factor. The architects' fees were estimated to be in the range of $150,000 to $200,000.

The second proposal was for the developers to pay to have an outside architect do the design work. The developers refused on the grounds that they had their own design staff which they felt to be more than adequate to the task as well as considerably cheaper. The consultant and the citizens' groups were somewhat skeptical of the design talents of the developer's staff but knew that they had little alternative but to use the developer's architect.

The upshot of this decision was that the consultant was granted a $30,000 fee for negotiations with the understanding that one of the firm's architects would remain in close contact with the developer and
assure that the proposed designs would meet the criteria of the committee. However, the precise role of the consultant with regard to architectural work was never defined in written terms of reference and was open to interpretation.

The Phase II Quebec-Gothic negotiations reflected an innovative and far from satisfactory approach to an architectural design. The problems can be described very simply. The professional architect is trained to design for an individual client, while the complexity of situations typified by the Quebec-Gothic negotiations makes this impossible. Instead of the classic professional-client relationship, the role of the architect in the Quebec-Gothic situation was that of negotiator and arbiter of taste while the developer/builder/financier dictated the cost parameters. And the citizens’ committees, none of whom were likely to live in the development, played the client role in terms of the functional and environmental requirements. This was an adaptation of the traditional roles played by architect and client to the requirements of mass society. The Phase II process was doubtless an improvement over the impractical traditional professional-client roles and the now common but dictatorial relationship of developer to the public (where the developer, using marketing studies, decides what is most appropriate for the public), but was far from perfect.

The process lacked legitimacy in the eyes of the architects, the City Planners and the developers, while the citizens' groups who understood the intent of the negotiation process, would have found the process more
rewarding if a neutral party controlled the actual design process. The consequences of this "participant architectural design process" were mixed. In terms of process, the negotiator resorted to the traditional role of architectural critic, while the citizens' groups became more concerned with the design characteristics, security and the needs of children. The developers were quite cooperative about the design process. An expensive model was built to help citizens understand the forms of the various proposals. Considerable expense was undertaken to provide blue prints to each committee member. In the conceptual state, the developers were responsive to criticisms relating to form and structure.

The degree of adherence to City bylaws and policies--among them a housing study entitled "Living Room" which recommended that 20% of any development project be set aside for low income housing--was never clearly specified in the terms of reference. The one term of reference that Jack Klein was very sensitive toward was the desire on the part of City Council members to have the Quebec-Gothic problem settled before the municipal elections in November 1974. The development had been one of the key issues on a city-wide basis in the 1971 elections and helped the reform group gain a number of seats on council. Alderman Grys lost his seat in Ward II to Alderman Elizabeth Eayrs, a reform candidate, over Quebec-Gothic.

Throughout Phase II of the negotiations, Alderman Eayrs seemed preoccupied and harassed by issues other than Quebec-Gothic. Members
of the citizens' groups pointed out that she failed to keep other aldermen and the City Planning Board up to date with the activities of the committee. Certainly throughout Phases I and II it appeared to the consultant and his staff that a solution was what City Hall demanded--and that they trusted Jack Klein to deliver it.

The City Planner made few statements with respect to City policy and while he attended each meeting, his effective contribution was limited to outlining the requirements stipulated in the "Living Room" report. This lack of involvement of the City greatly exacerbated the conflict between the citizens' groups and the developer by polarizing the two groups. As a consequence of the City's uninvolve-

ment which could either have acted in an intermediary compromising role or joined either the developers or citizens' groups on specific issues, the meetings frequently boiled down to differences between the citizens and the developers.

The consultant tried to avoid confrontation as much as he could by rephrasing the citizens' groups' specific proposals and rewording them as generalities, and by consistently postponing crucial issues. Another tool used by the consultant to avoid controversy was the "action minutes". Unlike traditional minute-keeping techniques which involve scrupulously noting all the events of the meeting, the consultant avoided having to document extensive disagreements by only minuting items which stated that a specific, positive action had been taken on an immediate issue. This technique was highly successful in
keeping meetings constructive, for the most part, but it also hid a number of conflicts which arose after the end of the negotiations.

Some of the most crucial criteria concerned density and the profit the developer expected to make on the site. Jack Klein refused to accept any criteria limiting the density of the site on the grounds that density is frequently an arbitrary measure which does not necessarily determine the quality of the environment of the site. The other criteria which suggested that the project be economically viable were never clearly defined. Did economic viability refer to making a profit on the site (if so, what level of profit) or did it refer to merely reducing the loss, or breaking even on the project? The fact that the criteria were never clearly defined was both their initial strength and their subsequent weakness at the later stages of the discussions.

The consultant and the developers were also concerned about the legitimacy of the citizens' groups. Jack Klein felt very uncomfortable pressuring the developer to accept demands towards which he felt personally sympathetic, in part because he could not satisfactorily answer questions such as, "Who do the citizens represent?". He was dissatisfied with the nature of the negotiations and did not feel that they were the appropriate place for demanding concessions from the developer which might cost the latter millions of dollars. The citizens' groups had maintained in Phase I that the profit-making interest was not an issue to them and that if the developer met their demands for
socially and aesthetically desirable architecture, it could make as much money as possible.

However, the developer's architect did not produce designs which met a minimum of the established criteria and therefore the designs were not considered desirable by the committee. The consultant refused to do any design work himself, arguing that this was not in his terms of reference and also buckled under when it came time to criticize the developer's site plan designs (scenarios). When the scenarios did not meet committee demands, the consultant concentrated on making verbal descriptions to the committee emphasizing the potential of the scenarios, rather than on criticizing their faults. The citizens were irate. The City's representatives contributed little to the discussions and, without the consultant backing them in their demands for socially desirable housing, they were left with no other bargaining position than to demand a low level of density which would force the developer to accept a financial loss. The criterion of "economic viability" was never defined either as a break-even point, or the expected return on investment of 8-10% expected in 1972 or the 15-20% return expected in 1974. The committee was deadlocked over the definition of "economic viability". During a very tense meeting at which confrontation was uppermost in the minds of the citizens' groups and the developers, the consultant announced that the definition of "economic viability" would be the "break-even" point financially.
ECONOMIC ISSUES

Apart from the strategic importance of economic viability as the ultimate bargaining point in the negotiation, the citizens and the developers had very different philosophies about the economics of housing. The citizens anticipated forthcoming market trends much more aptly than the developers. They recognized that the cost of new housing was rising so rapidly that rehabilitation of existing homes might well become economically feasible. Secondly, they had a better understanding of the economic relationships of redevelopment in the context of the local urban economy. It was the citizens who raised points about potential overloading of the schools, the subway, community centres and recreational facilities. They also recognized the added stimulus that redevelopment could give to older inner city neighbourhoods. The citizens were interested in economics as the way in which society uses its economic resources to benefit the public, while to the developer, economics of the development meant return on investment. The primary economic goal of the developers was to make a profit. The citizens' economic goal was to maintain as many houses on the site as possible, and to provide access to those houses for working class families.

Economic concerns were a major source of contention in the negotiation procedure. The Quebec-Gothic site was worth $3.7 mm. in May 1974, but the developer had paid over $6 mm. to assemble the land and carrying costs of $3 mm. over the years ($3,000 interest per day)
brought the total costs of the land to $9.3 mm. in the spring of 1974. The cost of the land meant that the developer could not sell the land at market prices and rid himself of the controversy. Similarly, the land costs prevented the City from buying the property for its redevelopment. The citizens were also aware that they had contributed toward the delays in the redevelopment process which added to the density of the development (by building more units, the overwhelming cost of the land could be shared among a larger number of units, thus reducing proportion of land cost absorbed by each unit).

The Working Committee agreed in Phase I that the finalized development should be economically "viable". At the outset, the citizens' committees expressed little interest in the economics of the development. The citizens felt that if the developers could propose an environmentally and socially sensitive development and make a profit, they had no objection to the developers making a profit. In proposing the "economic viability" criterion, the developers were not overly specific about the desirable profit level or the loss they were prepared to live with.

During the discussions of economic return on the building it became clear that 372 units at 1200 sq. ft. sold at current market prices, as suggested by the OMB, would produce a revenue of $5.6 mm. Both the citizens and the developers agreed that this was not "economically viable" because the developer would lose substantial amounts of money. The low density proposals were eventually ruled out by consensus.
But later in the negotiations, a decision had to be taken over the definition of economic viability. The developer stressed that his calculations were based upon a 17-18% profit on his investment because of the risk involved in the project but that the firm expected a profit at least comparable to the bank rate (then 8½%). The citizens questioned the validity of including the carrying costs in the definition of economic viability. The citizens argued that if the developer could not propose environmentally and socially desirable housing in time to prevent the necessity of paying interest charges, he should accept the loss as a price of doing business.

Because the working committee failed to arrive at a consensus definition of economic viability, the negotiator decided that a break-even point on land purchase costs and carrying costs would determine the density of the development. Neither group was pleased by the decision. The citizens felt the density would be unacceptably high and the developer was dissatisfied by the profit margin. All groups orally agreed to abide by the "break-even" definition of economic viability.

Economic viability became important because it was clear that neither the City nor the developers were strongly committed to the environmental objectives. The City was unconcerned with the urban design of the project, as long as it met planning regulations. The developer was unconvinced that the Toronto market was interested in paying for security features and design innovation which spelt risk to
the developer.

ENVIRONMENTAL CONCERNS

The Quebec-Gothic and Humberside groups were vitally concerned with the preservation and enhancement of the environment, while the developer was interested in a desirable environment insofar as it affected the marketing of the units. The City's representatives were concerned that the development conformed to spatial planning regulations and displayed surprisingly little interest in urban design or environmental protection.

When I talk about environmental concerns I am using the term environment very broadly to discuss the majority of the issues discussed during the negotiations. These issues included: the relationship of the development to the surrounding community; the construction of an attractive, socially successful development; automobile parking; preservation of trees; housing for families with young children and recreational facilities; density; social mix; preservation of the existing housing; and confirmation of the nursing home as an historic site.

The relationship between the development and the surrounding neighbourhood was one of the few issues for which there was a consensus in the committee. The citizens, developers and the City all agreed to criteria to "minimize shadowing of the development on holdouts, neighbourhoods north and west of the site and housing retained on the site. The height of the development should be limited by a height envelope
determined by the site line from the top of existing housing on the west side of Gothic Avenue to the top of the apartment buildings on the east side of Quebec Avenue. Because the Quebec-Gothic site is on the crest of an escarpment overlooking a residential community in the valley below, the height of the development on the site might visually exaggerate the height of the escarpment." Secondly, criteria to optimize the views of residents in the existing highrises was agreed upon. The reason for the consensus was that the height envelope permitted a highrise tower of about 13 stories. The criteria made no comment about the area the building should cover, so other economic and design trade-offs did not enter into the discussion. Recreation and parking criteria were as important to the relationship of the proposed development as the development of a workable housing development.

RECREATION

Attitudes to recreation facilities were probably the most varied. The City of Toronto pointed out that High Park offered the best outdoor public recreation area in the City while pointing out that facilities for virtually every sport were within a few minutes by public transportation to nearby community centres, the YMCA, church halls, and so on. The developers saw recreation facilities as a marketing ploy which helped to sell the units, but were rarely used by the inhabitants. The developers pointed out that residents would often include a stop-off at the recreation facilities as part of the tour of the
building to impress relatives or friends. The developers argued that providing large, well-designed facilities was a waste of money if a small "show place" served the same function.

The citizens' groups pointed out that the recreation facilities were poorly designed and too small to be actively used for exercise or for diversified recreational activities. The citizens' major point was that persons in high-rise apartments tended to remain isolated in their units and did not have convenient access to recreational programs which would improve their mental and physical well-being. The citizens rejected the City's arguments that this portion of the City was better served than average on the grounds that just because it was better than average did not mean it was optimum.

The citizens were also concerned that the development did not become overly isolated from the surrounding neighbourhood and suggested that public provision of recreation facilities would ease the tendency for the neighbourhood to become isolated.

1. Adequate recreation facilities should be provided for residents of the new development and for residents of housing retained on the site, whether leased or sold as a condominium. The new development should not create burdens on existing recreation facilities in the area.

2. If possible, facilities large enough to accommodate people from the adjacent neighbourhood should be provided. It was suggested that the developers might provide the site for the facilities if
the City paid for their provision and operation.

AUTOMOBILE USE AND PARKING

The automobile created several environmental problems. First of all, it has to be parked when it is not in use, and the cheapest but unsightliest location is a surface parking lot. The citizens opposed large surface parking lots because of their ugliness, the danger they sometimes present for children who play on them, and the fact that large areas of asphalt conflicted with the citizens' objectives for retaining the trees and providing garden and recreational space for the inhabitants. The developers were most interested in the trade-off between saving money by providing large surface parking lots or agreeing with the citizens that the asphalt landscape would not sell apartment units. The City was ambivalent about parking. Its regulations required that 1.2 parking spaces be provided per apartment unit, but experience with the neighbouring developments showed that this ratio was too high. The City Planner did not work to have an exception made to this rule, despite commitments by the aldermen that this would be done.

The Quebec-Gothic neighbourhood was developed near the turn of the century when few people could afford automobiles and the Bloor Street streetcar was the major form of transportation. The apartment buildings on Bloor Street, represented by Bloor-Hyde Park's I. M. Amonson, were almost entirely without parking. Some houses on Gothic Avenue
lacked driveways and "on the street" parking was a continuing problem. The extension of the Bloor Street Subway with its "High Park" stop at Quebec Avenue exacerbated a surface parking problem because local commuters would drive to the subway stop, park, take the subway downtown. Alternately wives would drop their husbands off at the subway entrance, creating dangerous stop-and-go traffic (nicknamed "kiss and ride" by the working committee). The result was a chronic surface traffic problem.

Underground, the parking situation was very different; the developers had 500 empty spaces in the developments on the east side of Quebec Avenue. City planning bylaws required that 1.2 parking spaces must be provided for each apartment unit. The convenience of the subway apparently discouraged the high-rise dwellers from purchasing cars. The developers were not uninterested in leasing spaces to the public, but found that it created security problems. The City indicated interest in modifying the 1.2 parking spaces rule but had not done so by the end of the negotiations. The resulting parking criteria were as follows:

1. The development should not add substantially to parking problems in the area. Parking for residents, guests, services and any development amenities should be provided on the site;
2. Parking for guests should be clearly identified and easily accessible;
3. The extent and nature of the development should not be determined by the Bloor Street parking problems. However, some attempt should
be made to provide parking for the 115 units on Bloor Street;
4. Development alternatives should deal with the congestion created by passenger pick-ups at the subway station. This problem should be resolved at the present subway station if possible but on the site if necessary.

PRESERVATION OF TREES

The citizens were very sensitive about the preservation of the trees on the Quebec-Gothic site. Unquestionably, the large number of enormous trees made the area a pleasant place to live. During the redevelopment of the sites between Keele Street and Quebec Avenue, most of the trees had been lost and not replaced. The consequence was, particularly in winter, a barren inhospitable environment. The developers agreed that preserving trees was a desirable objective but made no guarantees about their retention.

PHYSICAL SECURITY

No criteria were stipulated about the physical security of the high-rise dwellers, or the needs of children in the future development. Both became important unofficial criteria for the evaluation of the development. The publication of Oscar Newman's Defensible Space, a discussion of architectural and urban design features which discourage vandalism and opportunities for informal surveillance of communal spaces, stimulated discussions in the working committee about
the adoption of design features to improve the likelihood of safety in very dense neighbourhoods. The developers were largely skeptical of security needs, but the citizens pursued this issue with vigour.

CHILDREN AND FAMILIES

The negotiator was extremely concerned about children having access to play areas and the need of very small children to have ground level access to the outdoors. It was agreed upon in the committee that no family-sized units would be built above three stories from the ground level.

SOCIAL JUSTICE AND PARTICIPATION ISSUES

The social justice and participation issues were among the most difficult to understand and the most difficult to resolve. They emerged most prominently in Phase II of the negotiations. The participation issues revolved around several problems. The first was the process of the negotiations and the role expectations which members of the working committee placed upon the negotiators. The second was the commitment of the working committee to the negotiations. Though the negotiations were required by the OMB, the process was unorthodox and the City and the developers did not always take it seriously.

The citizens' groups proposed criteria requiring that residents of the Quebec-Gothic site would be fully informed of decisions taken by the Quebec-Gothic Working Committee. This criterion was met
by the committee. Observers were able to attend working committee meetings. Also the major public meetings were called regularly; the first was held at the end of Phase I. Two further public meetings were held in late June to discuss the proposed development. The social justice issues were simpler and included the maintenance of existing houses on Quebec-Gothic, the proposals for relocating citizens and the harassment tactics used by the developers.

During Phase II of the negotiations, the developer was generally cooperative about the design aspects of the negotiation process. But the behaviour of the developers' employees on the Quebec-Gothic site stimulated questions about the developers' sincerity in participating in the negotiations. Firstly, the developers refused to maintain properties. If major breakdowns in the heating, plumbing or electrical systems occurred in a house, the developers moved residents into another house. This refusal to maintain homes confirmed residents' convictions that the developer was intending to raze the homes and also convinced residents that the developer was not adverse to inconveniencing and occasionally harassing the tenants. Citizens also learned that Greenwin's employees were permitted to steal bathroom and other fixtures from the homes. At another sensitive point in the negotiations, the house of one of the citizens' leading representatives was rendered uninhabitable by fire. Rumours circulated that the fire was caused by arson. It is more likely that failure to repair the house's electrical system, despite many requests by the residents,
caused the fire.

The site maintenance was carried out by Greenwin Developers, one of the two partners (Cadillac Developers was the other) in Gothic Developments. Greenwin Developers was unsympathetic to the Quebec-Gothic negotiations and was represented by Cadillac during the entire negotiation process. It is plausible that Cadillac found that it could not (as Cadillac's representatives insisted) control its unruly partner. The interesting point about the physical impact (repressive action) on the part of the developer is the neutrality of the urban municipality. At no time were the police involved because the thefts took place on the developer's private property by Greenwin employees. The urban municipality was legally unable to intervene. The toleration of this activity by the urban municipality represents an informal alliance between the developer and the urban municipality.

The final and most controversial social justice issue concerned the relocation rights of the citizens. As indicated by Castells, this is easily the most controversial issue in urban politics because people dislike moving. In the case of redevelopments such as Quebec-Gothic, they have little choice but to move, frequently to less attractive surroundings, on short notice. Relocation was an especially sensitive topic, as all residents could be given 30 days notice to leave their homes and 90 days notice before a demolition order could be effected. The citizens originally demanded that the developers relocate all the residents to other rental units owned by the developers.
throughout the city. The developers refused on practical grounds:

a) they felt it was impossible to find suitable housing for all the citizens;
b) the developers did not feel they were obliged to do so; and
c) the developers did not care to have Quebec-Gothic residents as tenants in other areas slated for redevelopment, as the Quebec-Gothic residents had already caused the developers enough trouble. The result was a criterion which proposed that relocation should be considered where possible.

THE ALTERNATIVE DEVELOPMENT SCENARIOS

During Phase II, nine development scenarios outlined below were used as a basis for discussion of the various design options for the site. Two meetings were spent discussing the scenarios with the economic proformas. By the end of the second meeting, it was clear that most of the criteria could be met with variations of the number 4 alternative development scenario. This scenario was economically viable according to the negotiator's definition (break even, or no profit or loss to the developer), but also met a number of other environmental criteria which were important to the citizens' groups. These included retention of homes, larger open spaces behind the homes, respect for the height envelope, and retention of more of the existing trees. The nine scenarios are outlined as follows:
1) Retention of All the Existing Houses
   - retention of all houses on both sides of Gothic Avenue and the Quebec Avenue frontage
   - renovation, remodelling and conversion to condominium units

2) Retention of Houses plus In-fill - Low Profile
   - retention of all houses on both sides of Gothic Avenue and the Quebec Avenue frontage
   - in-fill behind the houses on the island
   - in-fill on buildable portions of subway lands
   - compatibility of building forms with height and scale of existing houses

3) Retention of Houses plus In-fill - Medium Profile
   - retention of all houses on both sides of Gothic Avenue and the Quebec Avenue frontage
   - in-fill behind houses on island
   - retention of some open space
   - retention of treed areas
   - higher buildings set behind the houses, related at the ground level to the scale of existing houses

4) Retention of Houses plus In-fill - Higher Profile
   - retention of all houses on both sides of Gothic Avenue and the Quebec Avenue frontage
   - increasing height, allowing for larger open spaces behind existing houses
   - inclusion of useful landscaped open space
   - respect for height envelope criteria
   - retention of more of the existing trees

5) Retention of Selected Houses plus In-fill
   - retention of houses on the west side of Gothic Avenue
   - clearance of some houses on the island
   - in-fill behind the existing houses and on the cleared portions with as low profile buildings as possible

6) Retention of Houses on West Side of Gothic and Clearance of Island Lands - Natural Landscape Approach
   - retention of as many trees as possible on the island
   - adherence to step-down nature of height envelope
7) Retention of Houses on West Side - Low Profile
- clearance of island lands
- maximize ground coverage on the island lands to reduce
  the height of the buildings
- architectural scale related to housing on the west side

8) Retention of Houses on West Side - Low Profile
Penetration of Height Envelope
- clearance of island lands
- maximize ground coverage, reducing height
- free-up the low profile massing by the penetration of the
  height envelope with one building

9) Retention of Houses on West Side - Maximization of
Usable Open Space on the Island
- clearance of island lands
- simplification of massing with possible penetrations of
  height envelope

The economics of the scenario 4A is a good example of the
economics of the final proposal.

a) Number of suites 604

b) Land cost per suite (based on 9,330,000
   as per June 30, 1974 less proceeds of sale
   of remaining houses) $9,173

c) Fringe cost per suite (refers to costs
   for hallways, elevators, foyers, etc.) $9,964

d) Construction cost per suite (based on
   1250 sq. ft. per suite @ $22.00 per sq. ft.) $27,500

e) Cost of recreation centre/suite (assuming
   total cost of $350,000) $509

f) Total cost per suite (b - c - d - e) $47,146

g) Total cost of project $28,476,184

h) Average selling price per suite $48,000
i) Total sales revenue (a x h) $28,992,000
j) Profit (loss) $515,816

The 4A gives an example of the thorough economic analysis carried out by the working committee in its deliberations. A discussion of the proposed development follows.

THE PROPOSED DEVELOPMENT AND PUBLIC MEETING

The proposed development called for the retention of 28 homes on Gothic Avenue and the construction of 708 "stacked townhouses" for sale as condominiums. The proposal necessitated the removal of 36 houses on Quebec Avenue and the northern and southern sections of the east side of Gothic Avenue. Objectives for provision of a landscaped environment were met, which partially compensated for the destruction of almost all the trees on the site. The "stacked townhouse" concept was designed to permit family units on the first four floors of the building, in order to provide access to a small patio behind each unit. It was intended that no children would live in units without access to the ground.

The purpose of the public meeting was to permit all interested persons, as well as the residents on the site, to understand the working committee's activities and to approve a design proposal. In fact, the first meeting, held on June 14, 1974 at Humberside Collegiate Institute, was spent discussing the process used by the working committee to develop criteria which were in turn used to evaluate the 9 design
proposals. All the members of the working committee took turns at introducing the various design proposals, explaining why each was accepted or rejected by the committee. The thorough and animated discussion gave the public a sense of "information overload" so it was agreed that a second meeting would be called on June 26 to fully examine the merits of the final proposal.

The review of all materials prior to the second public meeting presented an unpleasant surprise to the negotiator. Three hours before the public meeting of June 26, the negotiator became aware that the developer had reduced the size of the units from 1,200 to 800 sq. ft. each, thereby increasing the number of units at the agreed upon density. The developer argued when confronted with this behaviour that he had to increase the number of units in order to allow City Hall to reduce the density by 10 to 20%. The negotiator did not expose the developer's misdemeanor at the public meeting but did subsequently point out to the City officials the discrepancy between the proposed design and the design approved by the working committee because he felt that the design could easily be altered to revert to the negotiated agreement.

The second meeting was largely spent discussing the proposal, but one-third of the time was spent discussing tenants' rights and relocation. The proposal was considered to be the most acceptable solution to an unpleasant problem, and the fact that the crisis was nearly resolved brought home to the residents the fact that it was
very unlikely that they could remain living on the site or afford to purchase one of the new units. The failure of the City or the developer to accommodate these needs for housing and the social identity which a home provides created considerable distress for the citizens, but the negotiated solution, prepared by the Quebec-Gothic Working Committee, was considered to be an acceptable compromise under the circumstances.

The negotiations 1) exposed the problems of developing design solutions when the traditional professional-client relationship is obsolete; 2) reflected the repressive character of the developer when he perceived himself to be under pressure and tolerance of this behaviour as expressed by the City's non-intervention in the negotiations; 3) the emergence of the economic criteria over social and environmental concerns.

In summary, the economic issues were the deciding factors in the negotiations because the commitment of the developers and the citizens to the environmental and social design issues was comparatively limited. The working committee agreed that the density of the project should be determined by the coverage which would permit the developer to break even economically. The citizens felt that if their social and environmental criteria were ignored, the developers should not be allowed to make a profit.

The conclusions examine the working committee's recommendations and show that the built development showed significant environmental
improvements over the neighbouring developments (though it did not
totally meet the citizens' demands), while the development proposal
did acknowledge that the development would make a profit.
FOOTNOTES


3. The "Living Room" report, published by the City of Toronto required that 20% of dwellings in new housing developments should be affordable by low income tenants.

4. Refer to "Goals and Objectives of the Quebec-Gothic Working Committee" (undated) in the Report of the Quebec-Gothic Working Committee.

5. Memorandum dated February 14, 1974 from Bill Hulme, Developer's representative to the Quebec-Gothic Working Committee, re "Cost of Quebec-Gothic Site to December 31, 1973."


7. City of Toronto Executive Committee Report No. 35, Appendix 'A' Quebec-Gothic Area--Amendments to Zoning Bylaw and official plan.

8. Memorandum to Jack Klein from Humberside Residents Association, Quebec-Gothic Residents and Tenants Association re Vandalism and Pilfering on the Quebec-Gothic Site, April 19, 1974.


10. See minutes in the Report of the Quebec-Gothic Working Committee.
CHAPTER 5
CONCLUSIONS

In the conclusions, I compare the Working Committee's recommendations and the redevelopment proposal. Then I review the role of the state and social classes, as well as the effect of time upon the compromise solution. The long time lags between the stages of the approval process turned what appeared to be a compromise into a redevelopment which was clearly a decisive victory for the developers. But significant initiatives were taken to meet some of the citizens' objectives. This indicates that the urban municipality does make democratic concessions, but in a way that the interests of capital (the developers) are not seriously hurt. Lastly, I assess the value of the political economy approach using Manuel Castells' suggestions for the analysis of an urban conflict.

COMPARISON OF THE NEGOTIATED SOLUTION AND THE REDEVELOPMENT

Since the negotiations were completed in June 1974 and final approval for the proposed development was given in June 1975, the first part of the redevelopment has been completed and a majority of the houses have been refurbished for sale (refer to Appendix B). The redevelopment, so far, is in many respects similar to the negotiated solution developed by the Quebec-Gothic Working Committee. The period between the submission of the working committee report was apparently spent resolving minor problems with the proposal before it could be
submitted to City Planning Board for approval and the passage of the necessary bylaws.

Which of the negotiated criteria have been met? The major economic criteria for both the developer and the citizens have been met. Sixty-four of the 97 houses have been preserved on the site, while the developers were permitted to build a development which would enable Greenwin Development Ltd. to make a profit.

The final City of Toronto Planning Board studies indicate the thorough analysis given to the final development proposal. The economic criteria for both the citizens (to keep density to a minimum and to prevent the razing of the west side of Gothic Avenue) and the developer (to make a profit) were both met. But almost all other citizen demands were only partially met or ignored. For instance, the developers paid some attention to better surface landscaping and recreational facilities. But the citizens' requests for aesthetically attractive architecture was ignored and not mentioned in the planning briefs as a criterion for evaluating the development. While the City recognized that relocation of the residents was a problem, it could propose no solution within the current planning law.

"The present proposal (Map 2, see Appendices) would provide for 531 suites (421 two-bedroom and 112 three-bedroom) in a 25-storey and a 19-storey and a 9-storey building and six townhouses. The total gross floor area would not exceed a density of 3.0 or 700,092 square feet." 2

For comparison, the proposal approved by the Working Committee included 708 units. The developers found that a smaller number of
larger suites would maximize the profits; and the City was interested in keeping the density to a minimum to prevent development on the west side of Gothic Avenue. Economically, the two proposals were alike, in that returns to the developer would have been similar but the larger units would be sold to higher income groups, rendering relocation for inhabitants necessary and socially assisted housing impossible.

"The total density calculated on the basis of all lands owned by the developer would be about 1.6, but calculated on the basis of the island only, the density would be 3.0. On the west side of Gothic Avenue, buildings having floor areas in excess of 0.6 times the lot area would not be permitted under the Official Plan Amendment." 3

The proposed development did exceed the height envelope recommended by the working committee. The effect of this would be to reduce the construction costs to the developer. But it would cause considerable shadowing and be visually unattractive from the Humber Valley view.

The Commissioner of Planning is quoted as saying that:

"The trade-off between local design requirements and the developer's economic requirements has been achieved, but the outcome is a unit of substantial cost." 4

"At the request of Council, I have met with the developer to negotiate the possibility of an assisted component within the development. Although current estimated costs were not made available, we have obtained reasonably accurate estimates of the total land cost from the planning board staff. Combining this information with what we estimate to be the range of costs for construction of this type, it is apparent that the final development costs far exceed the funding limits under the Federal Assisted Home Ownership Program or the Provincial Home Ownership Made Easy Program." 5
The important thing to note here is the inability of the City to provide housing for lower income persons because it is financially dependent upon senior levels of government which provide strict limits on the cost of units. The consequence is that any attempt by the urban municipality to provide inexpensive housing for low income persons in expensive residential areas is thwarted. The federal and provincial states thereby have inordinate influence upon social stratification by forbidding housing developments in higher cost neighbourhoods. Though one of Toronto's housing policy objectives was the allocation of 20% of units in any new development for assisted housing, the objective was ineffectual. It can be seen that the various levels of the Canadian state are not serious about mixed housing developments and by refusing to intervene effectively, the state generally maintains the status quo, intervening on behalf of minority groups quite selectively as Castells points out.

Parking was a controversial issue in the committee, because all members considered it to be a problem, but solutions were costly to the City. The citizens' groups recognized that the automobile was a convenience and often a necessity to most Torontonians. No clear political positions were made about the limitations to automobile use; though the citizens emphasized continued improvements to public transportation to local shopping areas.

The Public Works Commissioner noted that:

"The amount of space being provided is deficient by about 82 spaces in relation to bylaw requirements."
The Commissioner recommended that:

"Gothic Developments Limited be required to control car ownership of tenants with a view to ensuring that car ownership together with visitor needs do not exceed available parking spaces." 7

"In the event tenant and visitor parking demand exceeds the number of spaces available, Gothic Developments Limited should be obligated to arrange, in the immediate area, for additional off-street parking facilities." 8

The deficiency in parking spaces was permitted because more than usual underground parking (at considerable expense) had been built in order to provide as much landscaped surface space as possible. The exception to the parking space requirement bylaws also upheld working committee recommendations that proximity to the Bloor Street subway lowered the desirability of car ownership. The consensus over parking requirements reflects the accessibility and necessity of the automobile to all social classes, particularly as the conflict preceded the energy crisis.

With respect to the environmental criteria, the developer probably gained through citizens' increased pressure for improved landscaping and recreational facilities. Though neither might be considered as meeting the citizens' standards, the developer's standard was raised. Aesthetically, the building is a "slab" construction which ignores the citizens' demands for a more pleasing, inviting structure. In this criterion, the developer's goals for an economical building clearly won. Interestingly there are no comments about aesthetic characteristics in the Planning Commissioner's report.
Clearly attractive architecture is not yet a compulsory criterion in Toronto. Lastly, while many of the trees in the interior of the island have been removed, trees on the west side of Gothic Avenue were retained because redevelopment did not take place. Though the trees were extraordinarily lovely for an urban neighbourhood, the decision to redevelop rendered their preservation impossible.

The criterion respecting the rights of tenants in the neighbourhood is the single most ignored criterion. In a capitalist democracy with common law systems, property rights receive much greater attention than the social rights of individuals. Quebec-Gothic provided an excellent example of the landlord's complete authority over the houses on the assembled site. Residents could not require repairs to housing if the developers chose to, relocate them to another unit which did not require repairs. Residents were given no compensation or assistance for the disruption and incalculable social costs of moving and losing a psychologically necessary network of friendships and relationships. Except for enforcement of basic safety standards, the urban government was powerless to intervene upon the developers' private property.

What is the significance of the Quebec-Gothic case? Who won and lost and what actions did the City take to legitimize the final development proposal?

It is important to note that the Quebec-Gothic conflict continued over a number of years. Citizens formed a part of an urban
social movement in 1970-71 to oppose the developers. They did not receive support from City Hall until early 1973 and the negotiations did not start until 1974. Final approvals for the redevelopment proposal were not given until 1975 and the first phase of the high rise development went on sale in 1977. During this 6-7 year time lapse, economic conditions changed substantially so that apparent concessions by the developers were no longer concessions. Renovating houses, which in 1974 was economically risky, was definitely profitable by 1976. This meant that the preservation of homes was no longer a real compromise for the developers, and should not be seen as a complete victory for the citizens.

Secondly, conflicts such as Quebec-Gothic made the City much more aware of its powerlessness with respect to interventions from federal and provincial authorities. In response to this, the municipality appointed a highly respected and dynamic Commissioner of Housing to revive a Housing Department whose activities had been limited to the provision of senior citizens' apartments. Michael Dennis was given authority to develop a core area housing policy and to develop plans to provide social housing and employment in the inner city. The announcement of the St. Lawrence project with its large social housing component in the inner city significantly reduced pressures from citizens for social housing in the Quebec-Gothic area. As long as the City was taking action in this area, the citizens were appeased.
Another response by the City was to enlarge the City of Toronto Planning Department, to decentralize its planning functions to neighbourhood planning offices, thereby increasing the sensitivity of the City Planning Department and making it more accessible to citizens. It also helped City Hall to keep a closer eye on the land assembly activities of the developers.

The developers' responses to the Quebec-Gothic case were several. First of all, housing renovations became economically feasible by 1975 and the developers preserved more houses than they planned in their earlier proposals. The developers did pay much more attention to landscaping and the Quebec-Gothic site is much more attractive than adjacent apartment building sites. But the costs of fighting social movements and the litigation associated with the redevelopment proposals discouraged the developers from assembling further residential sites in downtown Toronto. The next high profile controversial project by the Cadillac Fairview Corporation was the enormous Eaton Centre which has transformed Toronto's downtown shopping districts.

The report of the Quebec-Gothic Working Committee led to recommendations to reduce the ratio of parking spaces to apartment units—a benefit to both the developer and the consumer.

It is difficult to assess the success of the citizens' groups. Certainly the changes made by the City and the developers can be attributed to the Toronto citizens' movement, of which Quebec-Gothic
was a high profile component. No doubt there were some significant changes in policy which will benefit other citizens, but did the Quebec-Gothic citizens gain any concessions for themselves? Very few. A majority of the homes were renovated and sold, but at a cost which put them beyond the means of the Quebec-Gothic residents. None of the new housing units were within the lower and middle cost range that the residents could afford, and they did not reflect the range of housing needs of the public. All of the tenants will eventually be forced to leave their homes and they will not be given assistance for relocation by either the City or the developers. For the citizens' groups' leaders who donated thousands of volunteer hours to the conflict, there was no compensation and no recognition by the City of the political contribution they made to resolving the conflict. The legitimacy of the social movement was still questioned, despite the very substantial public support and interest which the conflict received. At the final public meetings, well over 100 people showed up to review the proposal.

Through pressure from municipalities and conflicts such as Quebec-Gothic, the federal government introduced the Neighbourhood Improvement Program (NIP) and the Residential Rehabilitation Assistance Program (RRAP) through a package of amendments to the National Housing Act introduced in June 1972. The latter program might have assisted the original residents of the site to habilitate their homes, but for the most part they had left the site by 1970.
The loans under RRAP were too low, at $2,500 per dwelling, to permit rehabilitation of the Quebec-Gothic homes which were estimated as costing $10,000 each to rehabilitate in 1974. This high cost was due to poor maintenance of the homes during the prolonged dispute and vandalism by Greenwin employees which was tolerated by senior management. But the point is that the rehabilitation loans were too low to prevent redevelopment of the site.

The Quebec-Gothic case was not resolved until the developers concluded that they would make a profit. The City planning reports explained that the preservation of existing houses meant that new high cost housing units had to be built at the expense of a social housing component. It was quite clear that maintaining reasonable economic conditions for the developer took priority over the social housing needs of the public or the needs of the Quebec-Gothic residents. But very substantial changes made by the City showed that the City was politically sensitive to the democratic pressures of citizens for more social housing.

During the 1960's, economic conditions affecting the construction industry increased the developers' profits and the power of the developers to influence land use development patterns. The close developer-urban municipal government relationship benefitted the developer by allowing him to earn profits at each stage in the property development process through land speculation, installation of services and the actual construction of the homes. It benefitted the urban
government which lacked the finances to service land for housing by passing this function on to the developer. The urban municipality welcomed the entry of the developer into the land development business because it could no longer afford to pay the cost of land servicing. Through the developers' timely entry into land development, the urban municipality was able to postpone a crisis centered on its fiscal weakness. A series of conflicts within the urban municipality and among other levels of government was avoided because a reallocation of funds was not necessary at that time. Furthermore, the urban municipality gained the property taxes through the construction of new homes. For a time, the public enjoyed cheap housing. The developers were able to meet a high demand situation through the provision of standardized units, whose bleakness could be disguised by the large plots of land surrounding them.

The process became ineffective when space resources or cheap land became unavailable. Decreased competition in the construction industry limited moderately priced housing choices and monotonous suburban townhouses and highrise developments angered the public. Simultaneously, prices rose dramatically. The public reacted negatively to developers' non-responsiveness and dubious business methods. The urban municipality did not have the fiscal resources and political authority to provide cheap housing itself. When the public rejected housing developed by the private sector, the City developed methods of making developers more responsive to citizens' housing demands.
i.e. the Quebec-Gothic negotiations, or developing its own housing through the establishment of the City of Toronto Housing Commission.

The development of the Quebec-Gothic case can be seen as a logical consequence of an urban crisis. The developers' abuse of the political and planning systems through development of close personal relationships at City Hall and vertical control of all housing and commercial development in the City created a political reaction which led to the evolution of anti-developer social movements and election of the reform caucus to Toronto City Hall in 1972. The Crombie Administration which included reform and moderate councillors was first required to undo much of the damage of the developer supporting "old guard", but required time to develop alternative policies and programs.

The Quebec-Gothic case exposes the reactions of an urban municipality to crisis and its inability to effect successful conflict resolution. In the Quebec-Gothic case, the City withdrew and permitted the confrontation of the developers and the citizens' committees.

The negotiation period is significant because it was the watershed for almost all the issues raised in the case among the citizens, developers and City Hall. I suggest that there are a number of propositions about urban politics which can be derived from the experience.

1. Economic issues were the real basis of the negotiations. How much profit would the developer make? What benefits would accrue to the citizens?
2. Environmental issues, while they may have been the most time-consuming and may also have been the area where the negotiations had some obvious effects, do not become the prime issue in urban politics. Environmental issues, during a period of economic crisis or restraint, are concessions if they can be accommodated with little expense or inconvenience.

3. Social justice issues will remain unresolved because our common law legal system remains concerned with property rights. It is this area in which we may see significant changes in philosophical approaches.

A number of Manuel Castells' methodological suggestions about a political economy approach to urban politics have also been borne out.

THE VALUE OF THE POLITICAL ECONOMY APPROACH TO THE ANALYSIS OF URBAN CONFLICT

Manuel Castells proposed that urban social problems be studied from the standpoint of urban social movements which confront the urban municipality when the quality of life of citizens is jeopardized. He also stressed that the urban planning process was the apparatus used by the city to maintain the capitalist system of urban redevelopment. Castells also points out that housing disputes are often an important focus of class conflict and intervention for resolution of class conflict by the state.

The analysis of the citizens' groups' class position and actions as part of the urban social movement certainly demonstrates
the situations which give rise to class conflict, and the contradictions inherent in the urban municipality when it tries to resolve class conflict, especially when the social classes use very different techniques to obtain their objectives.

Urban planning is seen as the means of reconciling the demands made upon the state. The Quebec-Gothic case was centered around urban planning regulations and the subsequent appeal and adjudication process was carried out at the Ontario Municipal Board, the court of appeal for urban planning decisions.

The focus upon housing as a major area of conflict in the urban crisis: Castells suggests that because the state influences the quality of life at the most basic need level that housing is very sensitive politically. Housing provides shelter which, with food, is vital for survival. Housing quality is a major factor in determining the quality of life of its inhabitants. Depending upon the degree of subsidization for housing or lack of it, which the state chooses to provide through tax breaks and mortgage and loan schemes, a social class can evaluate its relative political importance to the state.

Castells attributes to urban planning many of the repressive functions of the urban municipality. This is true when physically repressive functions include repression in use of the physical environment and the control of space, but it perhaps fails to note the ideological role played by planners in the values which they bring to bear on matters of the physical environment. The overtly physically
repressive (coercive) functions, in the case of Quebec-Gothic, were carried out primarily by Greenwin, one of the developers. By using forms of physical disruption including negligence in housing maintenance leading to fires, possible arson and requiring families to occupy alternate houses instead of repairing the inhabited houses, the developers’ intentions to redevelop the site were expressed through overtly physical coercion, supported by property law. This physical coercion was threatening to the residents because of its unpredictability and the apparent lack of control exercised by management. As the Quebec-Gothic site was private property, the police could not intervene on behalf of the citizens if Greenwin Developments Ltd. permitted its employees to take items from unoccupied homes, although this decreased the chances for rehabilitating the houses. The urban municipality’s law enforcement institutions and legal position were as ineffectual in dealing with conflicts over property as the urban planning institutions.

Castells emphasizes the importance of the state as a conciliator of fractions of capital. As the Quebec-Gothic case takes place at the urban municipal level, the process of the negotiations can be seen as the municipality using its influence to temper the behavior of the developer without jeopardizing his hegemonic position. This was successfully achieved by forcing the developer to make improvements in the design of the building with respect to the environment. In return for this concession, the urban planning department set aside its social objectives for provision for assisted housing in order to permit the
developer his profit. Because no low income housing component was built into the Quebec-Gothic development proposal and other similar disputes, the City revived a languishing city housing department. This enabled the City to undertake its own assisted housing and renovation projects to try and diversify the class background of the inhabitants of the inner city. Through the establishment of a housing department, the City was first adding a new legitimation function to its arsenal of social programs, demonstrating a frustration with senior levels of government and their failure to re-allocate powers.

In summary, Mannell Castells' methodological suggestions which emphasize the analysis of urban social movements which develop as a response to a changing economic situation which has benefitted the developers (capital) does show that the urban planning process, as an ideological and legal institution of the urban municipality, serves to provide a framework for the resolution of urban land conflicts. The developers continue to make a profit (continuing the private sector accumulation of capital) while obtaining concessions from the developers for some citizens' demands. The urban municipality further complements the compromise by providing the legitimation programs (social housing) which partially satisfy the citizens.
FOOTNOTES


2. Ibid., p. 4558.

3. Ibid., p. 4558.

4. Ibid., p. 4566.

5. Ibid., p. 4561.

6. Ibid., p. 4562.

7. Ibid., p. 4562.

8. Ibid., p. 4562.

9. Ibid., p. 4563


13. Repressive functions are defined according to Nicos Poulantz ("The Problem of the Capitalist State", New Left Review #58, 1969, p. 77) in the classical Marxist sense of the term (government, army, police, tribunals and administration); therefore, urban planning departments, as part of the municipality's administration, are considered as repressive apparatuses.

14. Karl Mannheim defines "two distinct separable meanings of the term 'ideology'--the particular and the total". "The particular conception of ideology is implied when the term denotes that we are skeptical of the ideas and representations advanced by our opponent. They are regarded as more or less conscious disguises of the real nature of a situation, the true recognition of which would not be in accord with his interests." (pp. 55-56). The total conception of ideology refers to "ideology of an age or of a concrete historico-social group, e.g. of a class, when we are concerned with the characteristics and composition of the total structure of the mind of this époque or group." (p. 56). With respect to the urban planners we are concerned with the set of ideas and values which they bring to their positions, and the extent to which these ideas and values become embedded in the urban planning institutions.
APPENDIX A - The gray area marks the redeveloped site. The section marked "A" is referred to as the "island" or the "east side" of Gothic Avenue in the thesis. Section "B" refers to the "west side" of Gothic Avenue.
A
MAXIMUM PERMISSIBLE G.F.A.
3.0 TIMES THE AREA OF THE LOT

B
MAXIMUM PERMISSIBLE G.F.A.
0.8 TIMES THE AREA OF THE LOT

RECOMMENDED OFFICIAL PLAN
APPLICATION No. 641/11045 DRAWN BY QP
CITY OF TORONTO PLANNING BOARD
JULY, 1975

APPENDIX B - The approved redevelopment proposal
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