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Is Canada Solvent?

by Bonnie Bowerman

The recent downgrading of the Federal Governmen rating has unleashed a torrent of news articles focus Canada's debt woes. To gain a valid perspective on debt, it has to be compared to our annual productivi net assets. This article examines net government de those two key perspectives. How big a problem is it

- what our country earns or produces annually
- what we own as a nation — our equity

How you define net government debt aff the size of the problem

Net government debt is defined as the gross debt o levels of government — federal provincial and mu pal — less their financial assets (mainly cash and securities).

There are three different approaches to defining what our governments owe:

- Public Accounts
- Federal Management System (FMS)
- System of National Accounts (SNA)

The Public Accounts method is compromised by changing category definitions between various jurisdictions. The end total it produces is the highest of all three methods, but the variability in accounting allows for duplication.

The main difference between the Financial Management System and the System of Accounts method is that FMS includes $77 billion in unfunded liability to government employee pension plans and the SNA does not. Naturally, the SNA approach provides the lowest estimate of net government debt, but it does so by ignoring a sizeable liability. While there is a valid argument for each, the FMS total appears to be closer to reality, particularly when examined in light of the total interest paid in 1994.

The FMS approach shows total debt at March 1994 equal to 93 per cent of Gross Domestic Product (GDP), while the SNA calculation amounts to only 63 per cent of GDP.

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Net government debt compared to what we earn or produce as a nation

According to Statistics Canada FMS calculations as of March 1994, our government owed a whopping $661.2 billion, up 11.7 per cent or $66 billion from the year before. Canada's debt to GDP ratio is very close to twice the average 50 per cent experienced by other G7 nations. Per capita, it equates to $23,065: $17,657 of federal government debt and $5,408 of provincial debt.

If we add the projected $37.9 billion deficit for the 1994-95 budget year, total net government debt in March 1995 was probably in excess of $700 billion — approximately 100 per cent of the GDP (see Figure 1).

The current federal government was applauded for introducing a 1995 budget which projects only a $32.7 billion deficit, with talk of balancing the budget in five years.

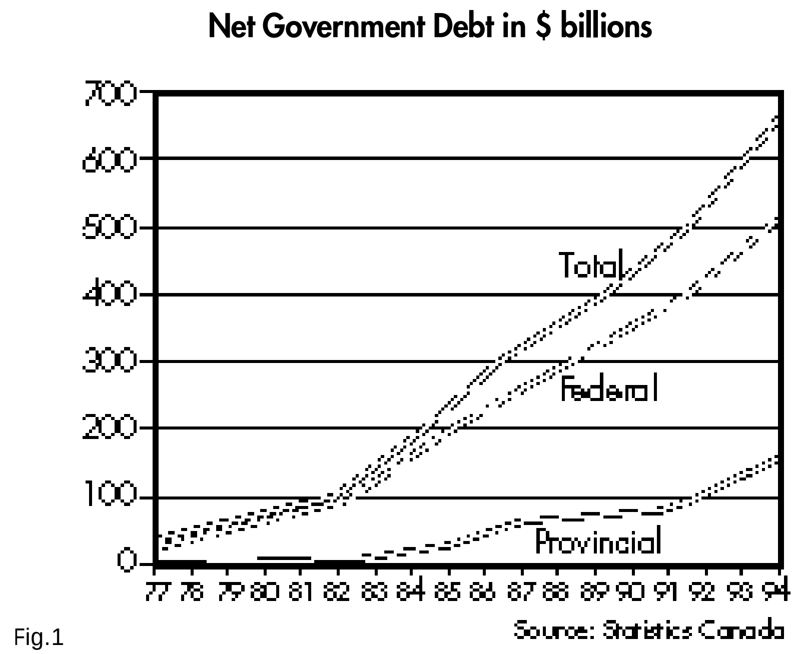


Fig.1

Our debt problem is a short term phenomenon fuelled by borrowing costs

While a portion of the debt dates from much earlier periods (for example, we have not paid off the costs incurred from World War 11), our fiscal crunch is really a short term phenomenon. In 1974, net government debt represented less than five per cent of the country's GDP. By 1982, it had climbed to 30.5 per cent — a five fold increase over eight years. However, the bulk of our debt problem — some 65 per cent — has been incurred over the last 13 years. (See Figure 2)

During the 1980s and early 1990s, federal and provincial governments paid out much more than they collected in revenue — not just overspending, but spending borrowed money. The interest cost of the debt now dwarfs normal budget items. In 1994, we paid approximately $68.3 billion to service our debt — or $1,751 per capita in annual interest charges.

In December of 1994, foreign debt owed by all levels of government amounted to $234.6 billion, of which $115.4 billion is federal and $113.4 is provincial. The remainder relates to municipal borrowing. In addition, government enterprises owed $62 billion abroad.

The sheer size of the debt means that a growing portion of it — currently 45 per cent — must be borrowed abroad and on terms dictated by foreign lenders and outside bodies. For example, more and more of our foreign debt is now denominated in the currency of the lender, so as to avoid exposure to a falling Canadian dollar. However, from the borrower's perspective the fluctuations in currency values can inflate the cost of the loan enormously.

The recent downgrading of the federal government's debt rating by Moody's has caused higher interest rates. Higher rates mean an unavoidable acceleration in total debt. Fundamentally, if we don't take adequate measures to control our debt, foreign lenders will increasingly dictate our economic fate.

Net government debt compared to our net worth as a nation

Statistics Canada provides estimates of the value of the country's assets and our net worth as a nation. These estimates are made on a cost basis, except for the land portion of settled areas. Our natural resource reserves (i.e., oil, gas, minerals, timber, fish, unsettled land and water) are not included in the estimate of net worth because only recently has Statistics Canada attempted to measure the value of these resources.

If we look only at the government sector balance sheet (all levels), total liabilities exceeded total assets by $221 billion at the end of 1993. The shortfall in the federal sector resulted in a negative net worth of $341 billion. Provincial governments had a negative net worth of $10 billion. Municipal governments had a positive net worth of $122.5 billion. These 1993 figures do not include the $77 billion in unfunded liability of government employee pension plans not shown in the national balance sheet accounts.

Totalling all domestic sectors' balance sheets (private, public and personal, but not natural resources) produced just over $6.5 trillion at the end of 1993: about nine times the GDP. National wealth (defined as the value of the country's tangible assets net of debt) was $2.6 trillion: about 3.7 times GDP. Of that $2.6 trillion in net tangible assets, reproducible assets such as buildings, roads, dams, machinery and equipment accounted for $2.1 trillion and land accounted for the remainder.

Since $0.3 trillion related to non-resident claims, Canada's net worth added up to $2.3 trillion. The increase in net worth from 1992 to 1993 was $100 billion.

Our current net government debt equates to approximately 29 per cent of our national worth or equity. However, this compares our debt to an estimate of our net worth which excludes a key fact — our natural resources.

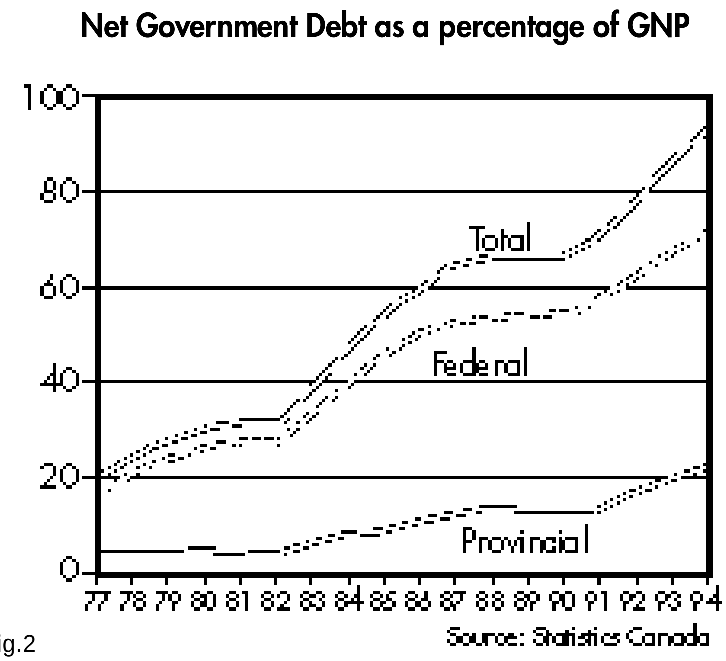


Fig.2

Why Canada has been able to borrow so much relative to the size of its population directly relates to the abundance of its natural wealth. Calculating the value of raw resources is a "best guess" process of discounting the annual production of these reserves over long time horizons — an evaluation process which has just begun.

In accounting terms, the bulk of these assets carry very low book values until they are actually needed by the economy. For example, the oil and gas reserves we know about were valued in 1989 at between $36 and $50 billion. The Alberta tar sands were not included in this estimate because of the high cost of extraction. However, as the supply of oil dwindles and technology advances, at some point the tar sands will have value.

There isn't information yet on our mineral or timber reserves. It is unlikely that Statistics Canada will even attempt to calculate a value for Canada's enormous fresh water supplies: yet they can provide both potable water and hydro-electricity.

From an accounting standpoint, it is possible that the present value of these resources will offset current public sector liabilities and effectively return the government sector to a positive net worth. But unfortunately long term natural resources reserves are only converted into cash when there is sufficient demand to utilize them. They are "illiquid" riches.

Higher taxes alone don't work

Often in government circles, our debt is referred to as "deferred taxes". The assumption is that the government can always raise taxes to collect what is necessary. Yet C.D. Howe Institute research suggests that beyond certain tolerance levels raising taxes merely lowers overall productivity — which means lower government revenue. This could become a Catch 22 situation, so that for every extra dollar the government tries to collect it may lose 40 cents to reduced productivity and to evasion.

Canadians already view themselves as being at the threshold of tax tolerance. Casual estimates suggest that the average Canadian works until June of every year to earn the money required to pay all the various taxes. So, while higher taxes are inevitable in our situation, they can't provide the solution alone.

The bottom line

The kindest conclusion to be made is that over the past 13 years we have substantially reduced the efficiency of our tax dollars, for now a disproportionate amount of Canadian tax revenue is spent on interest rather than directly on governing the country.

A more difficult concept is the possibility that we have borrowed more than we can hope to repay if we can't stop the cycle. For example, if our debt were to continue to expand at the 1993/94 pace of 11.7 per cent per annum, and the GDP continued to expand at a rate of 2.7 per cent per annum, within a decade it would take 22 per cent of GDP simply to keep pace with the interest charges.

Finally, given the age structure of our population, we have a relatively narrow time horizon in which to fix the situation. There are only 16 years before the largest generation in Canada's history begins to move into retirement.

In review, we know:

- Relative to the size and age of our population we owe too much. This must be brought under control within a short time period.
- Paying up will be difficult. For example, at a rate of 9.25 per cent, we would have to make 12 monthly payments of $6 billion each over the course of 25 years simply to pay off the existing debt. Every quarter point rise in rates increases the monthly payment required by roughly $100 million. At the end of 25 years, over $1 trillion (one thousand billion dollars) in interest would have been paid — almost one half of our current net worth.
- The foreign hands that hold our debt will increasingly dictate our economic future. Ultimately, we will have to pay on their terms.
- We can't fix the problem just by raising taxes. There is no choice but to cut government services steeply.
- Time is of the essence. A balanced budget next year rather than in five years, combined with a real world debt repayment schedule, could within a decade allow us to achieve debt to GDP ratios currently experienced by the other G7 nations: i.e., approximately 50 per cent.

Our only alternative will be to pass on a much bigger problem to our children.

Bonnie Bowerman is a senior consultant and analyst with Drivers Jonas, a multi-disciplinary consulting practice which specializes in objective advice on real estate issues.

Barbara Hall on the

by C. Y. Nell MA
and D. G. Powell AACI, PLE

On the evening of Thursday, March 2, 1995, the membership of the Association of Ontario Land Economists was addressed by the Mayor of the City of Toronto, Her Worship Barbara Hall.

Mayor Hall discussed the current economic climate in the Greater Toronto Area (GTA), and the extent to which taxation issues are negatively affecting the ability of municipal governments to service their respective communities.

At present, Mayor Hall said, the vitality of the whole GTA is endangered by a general decline in economic activity in Toronto. A Task Force of Mayors of GTA municipalities is endeavouring to alleviate these problems by advocating a more collective, regional approach to enhance the economic and financial viability of the Greater Toronto Area. The emphasis is being taken off promoting the interests of individual municipalities because the revitalization of the GTA will depend on the extent to which the region can be marketed as a cohesive unit.

"We need to work together to make the whole of the GTA more competitive ..." Mayor Hall said, "to encourage business and commerce to locate in the GTA. If this can be accomplished, then the entire region will reap the benefits."

"Tax reform is critical"

In addition to this challenge, taxation problems must also be effectively managed in order to reduce the considerable financial stress that is being placed on area municipalities. The ability of municipalities to provide services within their communities is being seriously threatened by the successful appeal of both property and business taxes by individual ratepayers. This has led to a constant decline in the amount of tax revenue available to municipalities.

Although they are aware of the problems inherent within the existing assessment system that perpetuate this downward spiral, municipal governments do not have the power to reform the tax process. How
Mayor Hall said she firmly believes th
these negative trends may be reversed
and identified taxation issues as being
forefront of her political agenda.

To avoid deterioration of the GTA's in
tructure, and protect the ability of mur
governments to provide services withi
region, tax reform is critical, she contended — not only in Toronto and the GTA, but also at the Provincial and Federal levels.

Much of the assessment appeal activity in the City of Toronto has emerged because of the significant dis
parities and inequities that currently e
between the municipality's comparatively low residential property taxes and high commercial realty and business taxes. This situation is further exacerbated by the fact that residential tenants living in multi-unit buildings also are responsible to pay a disproportionately large share of property taxes
These taxation issues must be address
any proposed form of change.

While a Market Value Assessment (MVA) might help to quell the ever-increasing numbers of assessment appeals in the City of Toronto, a myriad of other negative impacts could result. For example, taxes in the City's Central Business District (CBD), where companies are struggling already, would increase significantly. Enticed by lower property and business taxes in the suburbs and surrounding municipalities, those businesses which remain viable would relocate.

As a consequence, Toronto would effectively become much like a number of its U.S. counterparts: the CBD would become a "donut hole", with few people actually residing or working in the downtown core. Thus, the idea of MVA was vehemently opposed by the City of Toronto and has been taken off the bargaining table. The search for effective alternatives continues.

Pointing out that when Toronto is plagued by difficulties, the entire GTA is in a position to be adversely affected, Mayor Hall said governance may be a key factor in resolving the taxation dilemma. She posited that, in addition to tax reform, "we need to

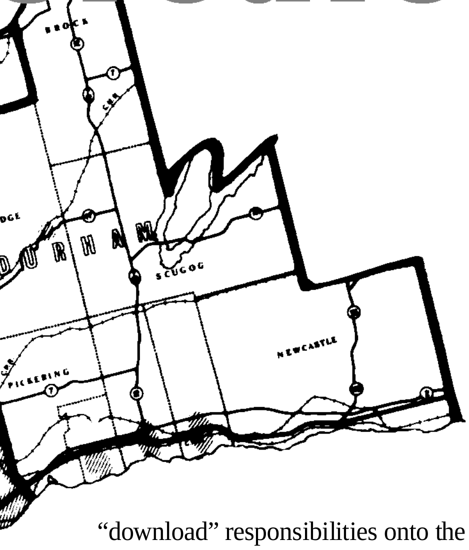
offered in the GTA and determine which level of government should be responsible for each. The delivery of services should be based on who is best equipped to provide those services, and most equitably."

By focusing on the function of each municipality, rather than their jurisdiction or "turf", the duplication of community services could be eliminated and tax increases avoided. This would, however, require conscientious, strategic planning.

"Other governments must resist the urge to download"

The GTA's future needs will have to be prioritized, and the way that services are delivered must be restructured to ensure that the quality of services is maintained. This reorganizing must also be accompanied by a commitment at the other two levels of government to resist the urge to

Greater Toronto Area



"download" responsibilities onto the municipalities. Essentially, by working co-operatively, and consolidating municipal resources, Mayor Hall says, the region could be managed more effectively.

We would like to add that, in addition to the aforementioned solutions, assessment review service (ARS) assistance may be a viable alternative worth exploring. Independent ARS provides a means to challenge and reverse the erosion of the municipal assessment base. Moreover, ARS offers an opportunity for municipalities and school boards to refamiliarize themselves with assessment matters, and to participate actively in the preservation and enhancement of their assessment base. By identifying assessment inaccuracies, keeping up with changes and objecting to incorrect assessments, subsequent increases in tax revenue can be achieved. Thus, property and business tax revenue is optimized, the municipal assessment base is more efficiently managed, and equity is promoted within the municipal tax system.

Choosing appropriate and feasible options for both the City of Toronto and the whole of the GTA will require that difficult decisions be made. To assist in the development of an appropriate tax reform strategy, Mayor Hall has been actively seeking input from the "symphony of voices" within the community. She has also been consulting members of the business sector to discuss the benefits of staying in Toronto, and to listen to their concerns.

Mayor Hall said she is confident that, despite the problems facing the GTA, there are many positive things happening in the City that will provide the energy necessary to remedy the current situation.

To begin, she cited Toronto's growing design and medical research industries as positive indicators of the City's vitality. The expansion of Toronto's convention centre, the construction of a home for the Raptors basketball team and a new trade centre will also provide the impetus for change. Beginning in the spring, additional construction and infrastructure improvements in Toronto, particularly along the Lakeshore, will create new jobs for area residents.

Also, City officials have been diligently working with the Provincial government to bring about the rehabilitation of the "impaired" real estate in the waterfront vicinity. Their goal is to see that the port lands are developed for the benefit of all people in Toronto and the GTA. Ideally, this will attract new business to the Toronto Harbour and generate new employment opportunities.

She recommended that citizens in Toronto and the GTA focus on these positive developments, and others within their respective communities.

"Many exciting things are going on"

To successfully alleviate the financial pressure that is being placed on the region, tremendous co-operation will be required not only from the GTA's municipalities, but also from various senior levels of government. Taxation inequities that are pervasive throughout the GTA must be removed, and the ability of the region to attract new economic activity must be ensured.

Mayor Hall summed up by stating that great collective efforts on behalf of the entire area's consolidated interests will ensure that the GTA "will once again be the most popular place for people to live, work and be entertained in Canada."

D. G. Powell is president and C. Y. Nell is director of administration of Municipal Tax Equity Consultants Inc., a firm which offers a full range of assessment review and support services to municipalities and school boards.

What's Behind the Tax Crisis?

Prior to 1970, municipalities in Ontario retained complete jurisdiction over their respective assessment bases. However, there was considerable variation in the procedures and processes utilized by municipalities throughout the Province. Thus, in January of 1970, the then Ministry of Revenue proceeded to take control of assessment affairs. It was believed that this action would ensure consistency in assessment matters and thus help to eliminate the assessment value inequities that had developed across the Province. Unfortunately, this did not in fact happen. In those areas where a more current system of assessment (e.g. market value) has not been implemented, the assessment situation continues to degenerate.

A variety of forces have led to the erosion of the municipal tax base:

1) **Human Resources Deficits**
Unfortunately, the Ministry of Finance does not have the human resources necessary to deal adequately with assessment issues on a province-wide basis. Budget austerity has led to reductions in staff and cutbacks continue to decrease the amount of time available to deal with assessment matters.

2) **Increases in the Number of Assessment Appeals**
Taxpayers are increasingly appealing allegedly unfair assessments. Defending these appeals places considerable demands on the assessor's already limited time, so regular assessment duties suffer and inaccuracies increase. This leads to further assessment appeals.

3) **Tax Agents Representing the Taxpayer**
All this has resulted in a proliferation of independent tax agents who are more than prepared to represent the individual rate payer aggressively in assessment appeals. Their success has led to a constant decline in the amount of tax revenue received by municipalities and school boards.

4) **Economic Decline**
In addition to the threats inherent in the system itself, economic decline further decreases the amount of available tax revenue, because of lost business assessment.

Ontario's New Planning Act

by Andy Morpurgo MCIP, PLE

The omnibus Bill 163 contains major changes to the Planning Act, the Planning and Development Act, and some changes to the Municipal Act. It is partly an implementation of the report of the Sewell Commission of two years ago.

The legislation has been proclaimed in stages:

- January 1 - the part dealing with "open council" meetings
- March 28 - most of the planning content including the Parkway Belt West
- April 15 - the provisions dealing with "conflict of interest" of elected municipal officials.

The new legislation consists of comprehensive policy statements (a first) and administrative changes. Themes are:

- streamlining
- environmental protection
- local empowerment

Basically, the local government level (Municipal and County) will have more power for decision making; this, it is hoped, will speed the planning process and make it more responsive to the local level. It should stimulate planning in areas where little has been done, like in many Counties. Once they have their policies and an Official Plan approved by the Minister of Municipal Affairs, the County will have authority to approve plans of subdivisions. The Ministry is hopeful that most Counties will have an Official Plan within three years. Powers are assigned to Regions and Cities and delegated to others (Metro, Counties with an Official Plan). The Minister may remove these powers.

Among other new things:

- Development permits which are similar to site plans and rezoning permits
- Municipal Planning Authorities: two or more municipalities in Counties not interested in planning can prepare an Official Plan
- Mandatory time frames in processing applications
- Preconsulting as a means of speeding application processes

All planning, be it by the Minister, Municipalities, Planning Boards, Ontario Municipal Board, etc., must be "consistent with" provincial policy statements, (not just "have regard for").

Information

The Ministry of Municipal Affairs is producing a whole series of publications. Titles available at the Government book store include:

- Comprehensive Set of Policy Statements — $ free
- Ontario's New Planning System — free
- Summary of Amendments to the Planning Act and Related Legislation — 5.00
- Comprehensive Policy Statements: Implementation Guidelines — 40.00
- Bulletins: — each 5.00
  - Official Plans and Amendments
  - Plans of Subdivision
  - Consents
  - Zoning and Minor Variances
  - Transition to the New Planning System
  - Planning in Northern Ontario
  - A Guide to the Ontario Planning and Development Act (not yet available)
- A Guide to Planning Applications (not yet available) — 35.00

Meanwhile, the Ministry of Municipal Affairs, in conjunction with other Ministries and professional organizations, has held seminars throughout the province for a total of more than 4,000 professionals from all walks of life, to explain the legislation and its implications.

I would recommend the one-day seminars on Bill 163, which the Ministry has been running in collaboration with the Ontario Professional Planners' Institute. For registration information contact Ron Shishido, Chair, Public Policy Committee, OPPI. c/o M M Dillon Ltd. at (416) 229-4646 or fax 229-4692.

What Does It All Mean?

It has been noted that many areas saw a flurry of applications before the March 28 deadline: the devil you know is better than the one you don't know?

Your scribe's forecast? The initial result will be a pause, as private sector and administrative bodies have to become acquainted with the new procedures, by-laws have to be put in place, new Official Plans must be prepared (and paid for, in the face of declining transfer payments from the Province).

I suspect that two years from now, we will engage in some tinkering with details again. The more things change, the more they remain the same?

And, above all, never underestimate the initiative of people to find ways of making unworkable things work.

Andy Morpurgo is a consultant in commercial/industrial development, market research and joint venturing in Canada and abroad.

The Legislative Beat

by Andy Morpurgo MCIP, PLE

OMB — New approach to retailing?

Something may be changing, if Ontario Municipal Board decisions on cases in Etobicoke and Brampton (Costco/Price Club) are any indication. The Board's traditional concerns were:

- whether the approval of large commercial development would result in blight (large scale closing of stores)
- whether there was any potential threat to level of service enjoyed by the public

The onus of proving market need and absence of impact on existing development rested with the developer. But now, in the Etobicoke and Brampton retail warehouse cases, the onus of proving adverse impact seems to have shifted from the proponent to the objectors: has the Board established a new standard of proof on the issue of impact? It may be: the Board seems unwilling to speculate on potential impact; it expects objectors to provide actual numbers for stores claimed to be put out of business. Detailed financial information from proposed new retail operations are also needed.

Essentially, the Board has said it is not going to restrict the operation of large format retailing to protect some traditional stores. Market share and regulation of commerce are not objectives of the Planning Act.

Pearson International Airport

The federal Minister of Transport has signed a letter of intent to negotiate the transfer of the airport to the newly formed GTAA (Greater Toronto Airport Authority). This is the result of co-operation of five levels of government and should augur well for a smooth transition. Meanwhile, you may have noted that the old Consortium that had signed an agreement for Pearson Airport expansion in the last weeks before the election in 1993 seems set to win the legal battle for compensation against the federal government.

Housing – Condo starts up

CMHC statistics show a one per cent drop in new starts in urban Ontario for the January/February/ March 1995 period (5,706 starts, down from 5,774 in the corresponding period of 1994). The good news is that condominium starts are almost five and a half times higher than in the first quarter of 1994 — the bad news is the effect was wiped out by plummeting rental starts.

Program notes

The 20,000 unit JobsOntario housing program, announced in 1992, is proceeding — but slowly, because community groups have experienced difficulties in getting organized and working through land acquisitions, planning approvals, architectural design, tenders, etc.

The Innovative Housing Pilot Project, announced on May 5, a year ago, provided mortgage guarantees for low and moderate income households, allowing a down payment of as little as five per cent. The Ministry has a proposal for townhomes in Shelbourne; the old Gooderham property in downtown Toronto near the Bayview extension is also being looked at for various uses.

Furnace vent replacement

And do we have problems with plastic furnace vents on mid-efficiency gas furnaces! Certain vent pipes have been known to crack or separate at the joints, allowing carbon monoxide in flue gases to escape into the house. Trouble is — more than 10,000 dwellings have the vent piping! Until they're fixed, they need frequent inspections and a CO monitor.

Solutions are not easy: the furnaces may be vented with a conventional B-vent chimney if there is room — but usually the old vents went out the side wall, so this isn't feasible. Owners can switch to a new high efficiency furnace, which has a lower temperature and flue gases are more plastic friendly — but that costs at least $1,000. Or they can use new, improved plastic vents, but those haven't been fully tested yet. For new homes, there is a replacement program, where the Ontario New Home Warranty Program, furnace manufacturers, home builders, gas utilities and home owners share the cost: call 1 - 800 - 785-6588.

Garden suites

Remember the Residents Rights Act last year, permitting a self-contained apartment in a home or a basement as of right? It also can be used for Garden Suites. But it's up to the municipality to permit them. We asked: could they be trailers? Sure can. They have to be portable, self-contained, not attached to the house and meet standards. They are only permitted for a maximum of 10 years. The Ministry of Housing has simple pamphlets on the subject. For more information, call Rob Gibson at 585-6902.

Environment

"Contaminated land" are two dirty words, causing no end of problems for lending institutions, owners, businesses, builders, lawyers and, not least, the Ministry of the Environment. There is a lot of huffing and puffing. Canada Mortgage and Housing Corp., the Canadian Standards Association, Canadian Home Builders' Association, Canadian Real Estate Association and Canadian Bankers' Association are all working on this thorny problem. MOE's proposed changes to its decommissioning guidelines are being amended, after an extensive consultation process just completed.

So what's the score? In a nutshell, new guidelines will set revised standards for 150 contaminants (the old list had 22). The standards differ, depending on the intended use of the land. In some cases, "stratified" cleanup to a certain depth may be acceptable. Partial cleanup must be registered on title. MOE can spot audit. There may be cases where it would be advisable to contain a contaminant, rather than remove it. Such plans will need municipal concurrence. When the site has been decontaminated to conform to the cleanliness standard, the consultant will attest to the cleanup under oath, and inform MOE.

As long as there is no detrimental effect on neighbouring properties, contaminated sites are a private matter between owners and their banks. The trigger for clean up is an application for development or change in land use. When land use changes from, say, commercial to residential, municipalities must consult with MOE about the upgrade. The costs will be borne by the developer.

Confusing? Maybe, like all new procedures. For further information, call Helle Tosine's office at 314-3920. She is the director of the Science and Technology Branch and the Environmental Bill of Rights Office of the Ministry of the Environment and Energy.

President's Message

In my last message, I outlined the objectives of your Council for this year: a broadening of the membership base coupled with a furthering of the aims and enhancement of the image of the Association. As I near the end of my term as your President, I am pleased to advise that the ground work to achieve these objectives is in place.

The Future of the Association

A subcommittee of Council was formed this winter, chaired by myself and assisted by our current Vice President, Mr. Ed Sajecki. It was asked to consider these issues and prepare recommendations for Council's consideration and ratification later in the spring. A copy of these recommendations, coupled with a proposed action plan, will be forwarded to each member for information and comments.

As an interim step in achieving these objectives, the Association hosted a reception and dinner for a select group of delegates to the American Planning Association / Canadian Institute of Planners / Ontario Professional Planners Institute (APA/CIP/OPPI) joint international conference, which was held in Toronto, April 8 to 12. This gathering introduced the Association from a membership and exposure perspective to various Planning Commissioners within Metropolitan Toronto. It also allowed us to obtain insight from APA Board members and other delegates on such matters as membership growth and Association operations. A lengthy round table discussion served to confirm the subcommittee's belief that a broad expanding membership base and increased exposure in the real estate industry — and society at large — is vital to a healthy, vibrant Association.

Trends in Land Use Planning

As a private sector delegate to the APA/CIP/OPPI conference, I learned of several interesting trends that I believe are pertinent to our Association.

1) Land use planners in the United States and Canada are increasingly being required to consider economic issues and relationships as part of their practice.
2) The role of land use planners in society is expanding to include a variety of new responsibilities including mediation and strategic planning.
3) Given the current mood of the Republican-dominated Congress, which may attempt to repeal certain environmental and other land use legislation, American planners face a threat to their practice and influence in society. By contrast, in Ontario, land use planners would appear to have had their powers enhanced via the proclamation of the new Planning Act.

Coupled with the current emphasis towards "sustainable development" and "compact urban form", these trends clearly highlight the worth of the Association of Ontario Land Economists' multi-disciplinary nature in a changing society. However, like all professions and associations, we must continually demonstrate our worth and value to society.

Time to Broaden Membership

As our Association ends its 32nd year of operation, I believe we have truly reached a crossroads. While we must maintain and enhance the level of senior full members, it is time to broaden our membership to include greater numbers of associate and student members and to bring our message of land economics to a much larger segment of the real estate industry and society. As the subcommittee completes its work, I would be most interested in receiving your views on this matter.

I look forward to seeing you at our forthcoming OLE Seminar on June 2.

Allan N. Windrem
MCIP, RRP, CLP, FRI, PLE

Call for Articles

The Land Economist welcomes input from members, if you would like to prepare an article, please contact:

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