

Citizen Control of the Citizen's Business

TORONTO'S CITIZENS CAN CONTROL TORONTO'S AFFAIRS ONLY
THROUGH FREQUENT, PROMPT, ACCURATE AND PERTINENT INFOR-
MATION WITH REGARD TO TORONTO'S BUSINESS.

ISSUED BY THE
BUREAU OF MUNICIPAL RESEARCH

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THE CIVIC CAR LINES

Is it true
that the taxpayers pay part of the fare
of every passenger
who rides on the Civic Cars

?

THE FIRST CIVIC CAR LINE IN TORONTO

was put into operation in 1912, on Gerrard Street East, the city having found it necessary to supplement the service given by the Toronto Street Railway in outlying districts. Since that time others have been constructed in various sections of the city, and the civic car lines now have a total mileage of 10.25. This is made up of five stub lines, varying in length from .615 to 3.39 miles.

In 1918 there were 19,755,172 revenue passengers carried on civic car lines, and, of this number, 14,388,219 were carried on the two lines having a length of over three miles each.

The bonded indebtedness as at December 31st, 1918, (being money expended for construction, equipment, etc.) was \$2,370,237.

THE FINANCIAL RESULTS OF OPERATING THE CIVIC CAR LINES

Year.	Expenditure.	Receipts.	Deficit.
1911	\$ 39,016.98	\$	\$ 39,016.98
1912	88,168.43	1,073.00	87,095.43
1913	144,219.12	59,556.87	84,662.25
1914	251,644.93	166,999.88	84,645.05
1915	304,257.30	199,288.90	104,968.40
1916	305,802.80	224,994.69	80,808.11
1917	396,471.54	278,345.86	118,125.68
1918	464,185.97	333,881.79	130,304.18
1919 (Estimated)	629,678.00	340,000.00	289,678.00.
	<u>\$2,623,445.07</u>	<u>\$1,604,140.99</u>	<u>\$1,019,304.08*</u>

The Commissioner of Finance, in his introduction to the 1919 City Budget, estimates that, by September 1921, the accumulated deficits will amount to \$1,750,000 if the present rates of fare continue.

*It should be borne in mind that the city levies no taxes on the civic car system.

WHAT EFFORTS HAVE BEEN MADE TO INCREASE THE FARES SUFFICIENTLY TO ELIMINATE DEFICITS?

1912 The Commissioner of Works made strong and insistent representations to the Board of Control that the rate of fares charged by the Toronto Street Railway should apply to the civic car lines.
No result.

1914 Alderman Whetter, seconded by Alderman Hiltz, moved that the Board of Control be requested to consider the advisability of increasing the fares.

The Board of Control recommended that this be not approved, but the City Council referred the motion back for further consideration.

1915 Alderman McBride, seconded by Alderman Spence, moved that the Commissioner of Works report to the Committee on Works on a schedule of fares for the civic car lines sufficient to make revenue coincide with expenditure.

The Commissioner's report recommended the following fares:

Cash	3c
Tickets	9 for 25c
Children	1c
Night Fare (Adult)	5c

This report was accepted by the Committee on Works, but the Board of Control recommended that it be struck out, and this action was concurred in by the City Council.

1916 Alderman Nesbitt, seconded by Alderman Hiltz, moved that fares on the civic car lines hereafter be as follows:

Cash	Adults 3c	Children 2c
Tickets	Adults 10 for 25c	Children 6 for 10c

A resolution protesting against the increase was received from a citizen organization.

No action to increase the fares was taken by the Council.

1917 The Commissioners of Works and Finance made strong recommendation to the Board of Control for an increase of fares, but their report was rejected.

1918 The Commissioners of Works and Finance handed down a report with the annual estimates, recommending to the City Council that the fares be increased sufficiently to make the expenditure and revenue of the civic car lines more nearly coincide.

Board of Control reported against recommendation. Concurred in by City Council.

1919 The Commissioner of Finance in his introduction to the annual estimates again points to the deficits being incurred yearly in the operation of the civic car lines.

SOME CITIZEN OPINION.

"When the city goes into business, that is, establishes undertakings to be supported like most businesses by revenues arising from the undertakings themselves, and not out of taxation, it does not and should not expect profits, as profits mean that consumers are bearing an additional burden in order that the taxpayer may have a lighter load. On the other hand, the city does, and ought to, expect that such undertakings should carry themselves, otherwise the consumer or user of the publicly-owned utilities is getting his service at less than cost at the expense of the taxpayer, who must pay the deficits. . . ."

"As a general proposition, the running of publicly-owned utilities on other than a self-supporting basis is liable to do untold harm to the principle of public ownership."—Extract from "City Budget Facts, 1916," issued by the Bureau of Municipal Research.

"A determined effort should be made immediately to place all the city enterprises which are supposed to be financially self-supporting on an absolutely self-supporting basis. . . . There is no greater foe to municipal ownership than the record of civic enterprises which have failed on the financial side. These enterprises should not be carried on with the object of making profit, but, inasmuch as they give special service, they should unquestionably be made to produce the revenue which is required to carry them on."—Extract from Mayor Church's Inaugural Address, 1918.

"By running Civic Car Lines at a loss you are providing an argument against public ownership that is unanswerable."—Extract from an Open Letter to the Mayor and Board of Control, from a citizen. Star, January 24th, 1919.

"City should charge sufficient fares on Civic Car Lines to make the proposition pay after setting aside sufficient reserve to meet repairs and renewals and after paying a proper price for power and overhead."—Extract from letter received by the Bureau from a citizen, March 24, 1919.

"Loss of Revenue Rouses Taxpayers.

Demand That All Public Utilities Be Made Self Sustaining.

"The delegates were greatly perturbed over the heavy loss that has been incurred through the operation of the civic car lines at ridiculously low fares, and demanded that the fares be increased forthwith."—Extract from the Mail and Empire's report of a meeting of the Central Council of Ratepayers, April 4, 1919.

WHY THE DEFICITS ?

In 1918

the average car fare on the civic car lines was
1.68 cents.

The proportion used to pay for wages and power was
1.30 cents.

This left .38 of a cent as the proportion for general maintenance and debt charges and, since the proportion for debt charges alone amounted to .86 of a cent, the only possible financial result was a deficit.

Since debt charges are uncontrollable, there are only two means by which the civic car lines can be put on a paying basis:

One would be to reduce the cost for wages and power. A comparison with the figures of the Toronto Street Railway, however, would seem to show that these are now on a very economical basis. The average car fare on the Toronto Street Railway, in 1918, is said to have been 3.86 cents, the proportion used to pay carmen's wages and power being 1.46 cents.

The other means would be to increase the fares sufficiently to make revenue and expenditure coincide.

? ? ?

1. Should the citizens at large be compelled to make good annually, through the tax-rate, the deficit created by the operation of city-owned utilities?
2. What percentage of the passengers carried on the civic car lines reside outside the city limits?
3. Why should the citizens of Toronto furnish transportation at a loss to these people who are not even taxpayers?
4. If the basis of Municipal Ownership is service at cost, why not charge the cost of service to those who receive same?
5. Should not the civic car lines be put on a better revenue-producing basis so that our civic officials may have a fair chance to demonstrate their ability to handle civic transportation?
6. Does not the annual deficit from the operation of the civic car lines provide one of the most potent and damaging arguments urged against municipal ownership? Is not this argument being used to-day?
7. If the city were to charge the present rate of fares on the proposed North Yonge Street and Mount Pleasant lines, by what amount would the annual deficit be increased?
8. Are the real advantages to the community of encouraging people to live outside the area served by the Toronto Street Railway of importance enough at this critical time to counterbalance the dangers of operation by deficit (to be made up from general taxation)?
9. Do the citizens wish the present policy of fares below cost continued?