

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
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TORONTO'S CIVIC BUDGET FOR 1922 Story No. 2

At the beginning of 1922, the total civic debt, in round
numbers, was

\$130,000,000

At the end of 1922, the total civic debt bids fair to be

\$147,643,000

The general civic debt will, unless some works are
postponed, go up from

\$63,000,000 to \$71,507,000

and the Special and Public Utility debt from

\$67,010,000 to \$76,136,000

A SUMMARY OF DEBT STATEMENT, 1922* (Eliminating fractions of a dollar)

Nature of Debt*	Gross Existing Debt Jan. 1922	Unnegotiated Debentures Dec. 31, 1921	Proposed New Debenture Issues authorized in 1921	Additional Proposed New Debenture issues in 1922	Possible total at end of 1922, without deducting payments on principal during year.	Total at end of 1922, less payments on principal during year.
Debt charges paid out of general revenues.						
Education	\$19,969,412	\$343,000	\$1,146,000	\$ 2,679,000	\$22,648,412	\$22,461,137
General	43,029,921			5,944,549	50,463,470	49,045,772
Total	\$62,999,333	\$343,000	\$1,146,000	\$ 8,623,549	\$73,111,882	\$71,506,909
Debt charges (supposed to be) paid out of special revenues	\$67,009,621		\$ 102,000	\$10,695,842	\$78,033,463	\$76,136,084
Grand Total	\$130,009,954	\$569,000	\$1,248,000	\$19,319,391	\$151,145,345	\$147,642,993

DEBENTURE DEBT LESS ACCUMULATED SINKING FUNDS

Nature of Debt	Beginning of 1922	End of 1922
Education	\$16,740,038	\$18,917,081
General	30,132,388	35,408,028
Special	55,033,577	63,845,869
Total	\$101,906,003	\$118,170,978

*This analysis is based on the Civic Estimates, classified with the Public Utility Debt.

We understand that the Funded Debt Report will give a different arrangement, the Exhibition Building Debt, for example, being

Some of the special debts are on undertakings which do not carry all their own debt charges. To the extent that they do not carry their own debt charges, they should be included in the general debt in order to arrive at the debt burden on general revenues. The 1922 estimates indicate that possibly the debt charges on over \$500,000 of the special debt may be a burden on the general revenues.

SOME CONSIDERATIONS

The borrowing power of the City of Toronto depends on the total taxable assessment. It is allowed to incur debenture debt amounting to 12½% of the first \$100,000,000 of the assessment plus 8% of all over \$100,000,000. Moreover, the debts on the Waterworks, the Hydro Electric System, the Toronto Transportation System and Housing as well as the War Debt, are exempted by statute in fixing the margin of borrowing power. The exemption of the debts on municipally owned public utilities is on the ground that they should carry their own costs, including debt charges, and should, therefore, not affect taxation.

Also local improvement debts are excluded, both the City's share paid out of general taxation, and the property owners' share paid by the property owners directly.

Also the income assessment is included in the total assessment for the purpose of fixing the legal debt limit, although personal incomes move about with the earners of the incomes as their residences change, and therefore, are not properly a basis for city credit.

Also business assessment is included, although this is based on certain percentages of the assessed value of the real property occupied. The assessed value of real property, having already been included once as a basis for the City's credit, can hardly form a basis of civic credit twice. If in theory, the business assessment is meant as a substitute for assessment on personal property located in the buildings assessed, it cannot be a suitable basis for civic credit as personal property may be as movable as personal income.

QUERIES

1. Why should the City's share of the local improvement debt be exempted in fixing the margin of borrowing power?
2. Why should income assessment be used as a part of the basis on which the City's borrowing power is calculated?
3. Why should business assessment be so used?
4. Would it not be better to fix a per capita debt limit, the total borrowing power of the City being arrived at by multiplying such per capita by the total population, rather than by taking certain percentages of the assessment even real property assessment?

Does not the table below show a burden of debt sufficiently large to satisfy the most sanguine citizen?

Nature of Debt	January 1922		December 1922	
	Gross	Less Sinking Fund	Gross	Less Sinking Fund
Per Capita				
School Debt.....	\$ 37.33	\$ 31.29	\$ 40.84	\$ 34.40
General Debt.....	80.43	56.32	89.17	64.38
Special Debt	125.25	102.87	138.43	116.08
Total.....	\$ 243.01	\$ 190.48	\$ 268.44	\$ 214.86
Per Family of Five				
School Debt.....	\$ 186.65	\$ 156.45	\$ 204.20	\$ 172.00
General Debt.....	402.15	281.60	445.85	321.90
Special Debt	626.25	514.35	692.15	580.40
Total.....	\$1,215.05	\$ 952.40	\$1,342.20	\$1,074.30