

# Citizen Control of the Citizen's Business

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

ISSUED BY THE

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## The City's Credit

is one of the most valued possessions of the Corporation of the City of Toronto. Without good credit either the City would have to pay more for the use of money and thus increase the annual tax burden or it would not be able to borrow at all and thus destroy all possibility of growth or even of maintaining its present position. This being so, the citizens should scrutinize carefully every proposal which involves the use of the City's credit at the present time either by the sale of the City's own debentures, or by the lending of the City's credit, directly or indirectly, to any Board Commission or person over whose actions the City has not complete control. Recent proposals along these lines are now quiescent. Experience show that every decade brings forth a new crop. Informed vigilance on the part of taxpayers is the only effective safeguard against any dangerous proposals involving the increase of the City's capital liabilities, actual and contingent.



## EVERY CITIZEN IS A STOCKHOLDER

in the Municipal Corporation. The stockholder's liability is not limited to his investment or even to twice his investment in the Corporation, as represented by the per capita and per family debt, but practically to his total investment in the community and his ability to earn any taxable income.

Below are some facts as to the City's debt as of December 31st, 1924:

Nature of Debt	Gross	Net (Gross less Sinking Funds)	Net Per Capita
PUBLIC UTILITY .....	\$88,207,579	\$79,441,739	\$146.46
LOCAL IMPROVEMENTS (Owner's Share).....	15,001,164	10,398,001	19.17
GENERAL (not including schools) .....	46,785,284	33,098,902	61.02
Local Improvements (City's share)	10,595,057	6,861,431	12.65
All other General Debt .....	36,190,227	26,237,471	48.37
SCHOOLS .....	25,352,493	21,310,926	39.29
Public, High and Technical .....	23,301,688	19,683,777	36.29
Industrial.....	46,207	9,848	.02
Separate .....	2,004,598†	1,617,301	2.98
<b>TOTAL - - - -</b>	<b>\$175,346,520</b>	<b>\$144,249,568</b>	<b>\$265.94</b>
A charge on Special Revenues	103,208,743	89,839,740	165.63
A charge on General Taxation	72,137,777	54,409,828	100.31

The City has also certain contingent liabilities as follows:

Toronto Harbour Commission	-	\$21,493,000
Radials - - - - -	-	7,215,196*
Toronto Housing Co., Ltd.	-	684,000
Industrial Schools Association	-	57,000**
<b>TOTAL - - - -</b>	-	<b>\$29,449,196</b>

\*Of this amount \$4,240,196—Port Credit Division (deposited with Hydro Commission but returnable.)

1,100,000—Mimico Division.  
1,875,000—Metropolitan Division.

\*\*Secured by Mortgage.

†Of this amount \$1,972,299 is issued by the Separate School Board against which is a sinking fund of \$355,941.

## From the Finance Commissioner's Introduction to the Estimates, 1925:

"While the capital proposals contained in these estimates are less than those of the past few years, it must be constantly borne in mind that in the immediate future the debt of the City will increase by leaps and bounds when the full effect of the following large undertakings is felt:- The Viaduct, North-West Grade Separation, Duplicate Waterworks System, North Toronto Drainage System, Local Improvements, etc."

## From the Finance Commissioner's Statement to the final meeting of the year of the 1924 Council:

"As already pointed out, only \$20,000,000 of debt matures in the same period (1925-1928) so that the gross debt will be in the neighborhood of \$233,000,000 by 1928."

Can the City afford to make itself liable for burdens of unknown amount, while carrying its present huge debt and while faced with a still more huge debt in 1928?

If the following had been standing questions on the order paper of many Ontario Municipalities in the past would they not have been saved from many blunders?

1. Should any City ever directly or indirectly supply credit to a private undertaking which cannot obtain the necessary credit through regular channels, and, if any private undertaking can finance itself, should the City finance it?
2. Is it just to bonus newcomers by guaranteeing their bonds when there are numerous companies and individuals who have paid taxes for years and have helped to build up the community, but who in these hard times need to borrow from the banks, if possible, on their own credit?
3. If a City Council or a Board or a Commission makes a bad guess in loaning the City's credit, who pays for the mistake?



4. Granted that the existing personnel of a City Council or of its various outside boards can be counted upon always to use with discretion and success any additional powers which may be granted, who can guarantee the taxpayers against their resignations, death or failures to be re-elected or re-appointed?
5. Finally, in view of the fact that a municipal debt is equivalent to a mortgage and that bonds guaranteed by a City or Outside Board are contingent liabilities, which constitute a provisional mortgage of indefinite amount on every piece of real property in a City including the homes of its citizens, is it not time that any tendency toward the too free use of municipal credit should be decisively curbed by the people who will ultimately have to pay the bills?

*The small vote on January first was not a notice that the taxpayers do not care how their money is spent or business conducted, although it may seem so at first blush. Recent occurrences have gone far to make those who do not vote or participate in nominations realize their serious mistake.*