

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 and the Deferred Payment Plan

A Personal Example

A young couple decided to own a home of their own. They hadn't enough money to buy one, but they did not have to wait until they did. They obtained a house and occupied it at once on an agreement by which they paid so much down and so much each year for a term of ten years. The amount to be paid each year was \$600. They set aside \$50 a month for this. They had some furniture, but not enough to furnish a drawing room properly, so they bought furniture for this purpose, paying \$20 a month for a year. Then, as the wife was a skilled musician who did not want to lose all her skill through disuse, they purchased a piano, paying \$20 a month for two years. By this time the summer was at hand and a week of hot weather wilted them so they bought a car and obligated themselves to pay \$50 a month for twelve months. Then they woke up to the fact that they had obligated themselves to the payment per month of \$140 out of an income of \$250 per month. This was brought to their attention by their inability one month to lay by \$50 towards their annual payment on the house. Then they held a council of war, at which it was decided, not to go without what they needed for their comfort and happiness, but to plan their instalment buying five years ahead, as well as to pay for a considerable portion of their new household equipment as it was purchased. They drew up a capital budget on this basis extending over five years. They added a postscript to this plan, that as the family was increasing in size, any deferred payment buying on a greater scale in future would have to depend on increases in the family income.

The Civic Parallel

The City may be regarded as a large household and the City's business as simply municipal housekeeping. Its revenue is expended on:

1. Current expense, paid at once.
2. Capital outlay, paid on the deferred payment plan.

The current expense and instalments on capital outlay are provided for in the annual civic budget, which is primarily a plan for financing current expenditures; but there is no true deferred payment budget over a term of, say, ten years presenting a picture of the capital expenditure programme for that period. It is true that, owing to the watchful care and continuous anxiety of permanent officials, our somewhat unco-ordinated instalment purchases have never got us into serious trouble, although it has sometimes resulted in considerable inconvenience.* It is also true that the City's accounts with its creditors cannot in practice and need not be closed and its assets seized for failure to pay instalments, because the City has taxing powers by which it can levy on its stockholders, the citizens, for the amount of any possible deficiency to the extent of the available assets of the taxpayers. But that is no reason why the City should not have a budget of capital expenditures over a term of ten years. Then everyone would know where we were going; there would be no unpleasant surprises; and it would be difficult either to over-expend or under-expend on capital account. For a method of unplanned growth of a spotty, sporadic and uneven character would be substituted a system of planned expansion, taking cognizance at one glance of all municipal needs and providing for their satisfaction in the order of their importance, all with due reference to the taxpaying ability of citizens in the various parts of the City.

*The City since 1919 has extinguished before maturity debts aggregating \$17,189,627. The City never renews or refunds a debt. This is an example of what careful administration will do. It should be supported by as careful planning of policies.

The Basic Importance of the Work of the Advisory City Planning Commission

The City in 1928 appointed an Advisory City Planning Commission, which is to advise the Board of Control and City Council on all improvements demanding capital expenditures. Among others the following problems will naturally fall within the purview of the Commission in co-operation with the civic departments, boards and commissions:

1. A physical plan of improvements covering the whole city looking into the future as far as practically possible.
2. The determination of the order of necessity or desirability of these improvements.
3. The zoning of the city so as to preserve the amenities and conveniences which already exist, to restore values in decadent areas by reallocation of uses or otherwise, and to provide for the ordered development of areas as yet undeveloped.
4. The drawing up of a plan for facilitating traffic circulation within the city, entrance into the city and egress from the city, involving street widenings, street extensions, new streets, bridges, viaducts and various administrative devices for the better use of existing traffic facilities.

The work of the Commission, with the co-operation of civic departments and other boards and commissions, will provide the basis for a long term capital budget, which may be altered in detail by each successive civic administration, but which will serve as a guide for all and tend to preserve continuity of policy. When this time comes, no proposal involving capital expenditure will be considered in isolation, but only as a unit of a thoroughly prepared and co-ordinated plan of improvement from the city-wide viewpoint.