

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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Civic Financial Control

STORY No. 4

The results of operation of the City as a single business operated in the interests of the stockholders—i.e., the taxpayers and citizens from 1917 to 1926—compiled from previous numbers in this series.

These operations are:—

1. The operation of the regular civic and educational services.
2. The operation of the municipally owned public service enterprises not operated under separate appointive Commissions or Boards.
3. The operation of municipally owned public service enterprises operated by appointive Commissions or Boards.

Below are presented the results of the operation of the three types of service for the decade 1917-1926.

In the first column is shown the difference between the cost of ordinary public welfare services and the revenues available to meet it from taxation and incidental revenue other than taxation, but not including surplus revenue from public service enterprises. (See page 4, Story No. 2.) The apparent deficiencies are due to the exclusion from ordinary revenue of the surpluses from waterworks operation, etc.

The second column shows the combined results of the operation from the standpoint of the City of the Civic Abattoir, the Civic Waterworks, the Toronto Housing Commission, the Canadian National Exhibition, the Livestock Arena, and during the first of the decade, the former Civic Car Lines, as all of these undertakings have figured in the annual estimates and have affected taxation. (See page 2, Story No. 2.)

The third column gives the results of the operations of the Toronto Hydro-Electric Commission, the Toronto Transportation Commission, the Board of Harbour Commissioners, all appointive bodies, and of the Radials operated until recently for the City by the Ontario Hydro-Electric Power Commission. None of these up to the end of 1926 affected taxation either by reducing or increasing it. In succeeding years the estimates made provision for deficits on the Harbour and Radials as well as the Ferries, a step which in the interest of the taxpayers and citizens should have been taken long ago. At the present time, however, the City of Toronto, as a going concern, including all its activities, is operating on a balanced budget, so that no longer can interest pile up on unpaid deficits and so that the citizens and taxpayers can get from the civic estimates and annual financial statement a fair idea of the City's actual current condition.

Total Surpluses or Deficits on the operations of the city as a whole in all its activities under the City Council and the various elective and appointive Boards and Commissions.

Year	Net surplus or deficit which would have been shown on regular civic services but for the public utilities not under appointive Commissions. (See Col. 4, P. 4, Story No. 2.)	Surplus or deficit on public utilities not under appointive Commissions. (See Col. 8, P. 2, Story No. 2.)	Surplus or deficit on public utilities under Appointive Commissions.*	Total deficit or surplus on all operations for which the taxpayers and electors of the city are directly or indirectly responsible.
1917	S. \$ 699,261	S. \$ 88,888	D. \$ 188,732	S. \$ 599,417
1918	D. 260,599	S. 352,949	D. 147,422	D. 55,072
1919	S. 410,844	S. 463,635	D. 374,594	S. 499,885
1920	D. 1,125,292	S. 40,641	D. 373,567	D. 1,458,218
1921	S. 80,185	D. 57,460	D. 476,989	D. 454,264
1922	S. 155,797	S. 471,979	D. 465,048	S. 162,728
1923	D. 945,129	S. 636,520	D. 952,280	D. 1,260,889
1924	D. 1,233,086	S. 628,209	D. 1,154,588	D. 1,759,465
1925	D. 675,678	S. 752,654	D. 1,105,349	D. 1,028,373
1926	D. 284,468**	S. 747,470**	D. 1,207,840	D. 744,838

S.—Surplus. D.—Deficit. *Not including sinking fund charges on Harbour. **Slight revision.

In order to show the contrast between these years and the present era of balanced budgets, the Bureau presents below approximate figures for 1927 and estimated figures for 1928. The Ferries are included in both years and the Hydro and Transportation System in 1927.

1927 (Approx.)	S. \$1,169,597	S. \$647,941	D. \$1,152,520	S. \$665,016
1928 (Est.)	S. 1,027,003	S. 683,484	D. 1,353,344	S. 357,143

The 1929 estimates present a balanced budget, including all utilities except the Hydro and T.T.C., which do not affect taxation.

It will be noticed

1. That there was a surplus on total operations as late as 1922.
2. That the average deficit for 1923-1926 was \$1,198,391, and that therefore the City, as a joint business enterprise, was running behind that much per year.
3. That part of this deficit was made up by borrowing money through harbour bonds and another part by deferring payments to the Ontario Hydro-Electric Power Commission.
4. That the net deficit has decreased for four years and at the end of 1926 was about \$745,000, or only 42% of the 1924 deficit.
5. That in the 1927 estimates for the first time provision was made for deficits on the Harbour and Radials. This provision amounts to \$1,193,125, a sum approximately equal to the average net deficit on total operations for the last four years, and about \$450,000 in excess of the deficit on total operations in 1926.
6. In 1927 and 1928 there were surpluses over all, and the estimates for 1929 present a balanced budget for the year, which may, and probably will, end with a conservative surplus.

The City, therefore, has established the principle for all civic operations which it has followed since 1914 in all operations under the City Council and elective Boards, viz. :—

That each year shall, so far as possible, take care of its own costs ;

That when deficits on current operations occur, they shall be taken care of out of current general revenues, and

That the net assets of the City shall not be allowed to be eaten into by the accumulation of floating debt or the issue of debentures to meet current deficits.

The City, which has had a balanced budget of what have been regarded as regular general expenditures for over a decade, has now established a balanced budget for all expenditures, including deficits on all municipally owned public service enterprises when and if such deficits occur.