

BUREAU OF MUNICIPAL RESEARCH

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

137 WELLINGTON ST. W.
TELEPHONE EL. 1904



TORONTO
CANADA

White Paper No. 206

June 11, 1935

CITY OF TORONTO

1935 Budget Story No. 2

In order to give a complete picture of the estimated current expenditures during 1935 and at the same time make them comparable with the figures for 1932 and previous years, the total current expenditures on direct unemployment relief have been included and the debt charges on direct relief debentures of 1933, 1934 and 1935 deducted, as such debt charges did not, of course, appear in estimates previous to 1933, the City's share of net direct unemployment relief being paid out of taxes directly in 1932 and previously.

On this basis, the estimated current expenditures out of net general taxation, general revenues, educational credits*, reserves for deferred expenditures* and estimated proceeds of sale of direct relief debentures, less direct relief debt charges, for 1935 are

\$38,750,524.

The estimated revenues out of which to make appropriations to meet this expenditure are

\$36,507,648.

The budget is therefore unbalanced to the extent of

\$2,242,876

which is the amount by which the Direct Relief Debentures to be issued for 1935 exceeds the amount of Direct Relief Debenture Debt Charges provided for in the 1935 estimates.

*Not included in Story No. 1.

Estimated Current Expenditures for the Years 1930-1935 (both inclusive) Analyzed by Cost of Main Function to be Met out of Taxation, Revenue Other than Taxation and in 1933, 1934 and 1935 the Actual or Estimated Proceeds of Debentures Issued to Meet the Net Cost of Direct Unemployment Relief

COMMUNITY SERVICES BY MAIN FUNCTIONS	TOTAL						PER CAPITA					
	1935	1934	1933	1932	1931	1930	1935†	1934*	1933**	1932	1931	1930
General Government.....	\$ 4,535,174	\$ 4,940,483	\$ 4,800,260	\$4,156,319	\$4,543,338	\$3,637,223	\$7.20	\$7.85	\$7.70	\$6.63	\$7.24	\$5.85
Protection of Persons and Property.....	5,752,584	5,753,640	5,730,269	6,152,768	6,016,129	6,218,191	9.13	9.14	9.19	9.82	9.59	10.00
Health and Sanitation.....	3,924,359	3,898,599	3,773,605	4,240,838	4,229,809	4,011,583	6.23	6.20	6.05	6.77	6.74	6.45
Highways.....	2,404,625	2,390,878	2,497,217	3,094,780	3,631,504	3,530,684	3.82	3.80	4.00	4.94	5.79	5.68
Education†.....	12,391,099	12,525,388	12,316,402	12,513,049	12,491,296	11,865,987	19.67	19.90	19.75	19.96	19.92	19.09
Recreation.....	1,576,106	1,556,567	1,576,220	1,918,150	2,020,748	1,923,013	2.50	2.47	2.53	3.06	3.22	3.10
Welfare, Charities and Correction.....	6,245,275	5,653,869	4,994,243	2,730,662	2,890,183	2,442,814	9.91	8.99	8.02	4.36	4.61	3.93
To be met out of Revenue (Less D.C. on Unemployment Relief Debentures).....	2,985,275	2,803,974	2,400,791	2,730,662	2,890,183	2,442,814	4.74	4.46	4.17	4.36	4.61	3.93
To be met out of Proceeds of Debenture Issues.....	3,260,000	2,849,895	2,400,791	Nil	Nil	Nil	5.17	4.53	3.85	Nil	Nil	Nil
Special Grants.....	71,481	64,900	31,968	36,750	38,050	35,950	.11	.10	.05	.06	.06	.06
Combined Deficits on Public Utilities and Special Services... ..	1,723,549	1,742,958	1,916,739	1,848,998	1,625,368	1,541,332	2.74	2.77	3.07	2.95	2.59	2.48
General Deficit Brought Forward from Previous Year.....	126,272	186,634	1,258,328	880,288	(Surplus)	(Surplus)	.20	.30	2.02	1.40	(Surplus)	(Surplus)
Total Expenditure (not including debt charges on unemployment relief debentures for 1933, '34 and '35).....	\$38,750,524	\$38,713,916	\$38,895,251	\$37,572,602	\$37,486,425	\$35,206,777	\$61.51	\$61.52	\$62.38	\$59.95	\$59.76	\$56.64
Less to be met out of proceeds of sales of debentures.....	3,260,000	2,849,895	2,400,791	Nil	Nil	Nil	5.17	4.53	3.85	Nil	Nil	Nil
Current Expenditures to be met out of Taxation, General Revenue, educational credits, surpluses, etc. (not including d.c. on unemployment relief debentures).....	\$35,490,524	\$35,864,021	\$36,494,460	\$37,572,602	\$37,486,425	\$35,206,777	\$56.34	\$56.99	\$58.53	\$59.95	\$59.76	\$56.64
Plus current debt charges on unemployment relief debentures.....	1,017,124	320,266††	12,239	Nil	Nil	Nil	1.61	.51	.02	Nil	Nil	Nil
Total current expenditure to be met out of current funds.....	\$36,507,648	\$36,184,287	\$36,506,699	\$37,572,602	\$37,486,425	\$35,206,777	\$57.95	\$57.50	\$58.55	\$59.95	\$59.76	\$56.64

COMMENT

1. The total estimated current expenditure on the 1932 basis increased every year until 1934 and is again on the increase.
2. Even that part of the total estimated current expenditure to be paid out of current funds increased in 1935 over 1934, is at least equal to that of 1933, and is greater by \$1,300,000 than that of 1930, the year after the depression started.
3. The estimates of educational expenditures out of revenues from all sources, are, with one exception, the lowest since 1930, but are higher than in that year by over half a million dollars.
4. The total deficit on Public Utilities and Special Services is further reduced and is the lowest in four years.
5. Both the total estimated current expenditure, less direct unemployment relief debt charges and that part of estimated total current expenditure to be met out of current funds have remained practically stationary for three years, but both are larger than in 1930, the former by over three millions and the latter by over one and one-quarter millions.
6. The overhead and miscellaneous undistributed items (estimates) which are grouped under the head of "general government" have again declined and are about the same as those of 1931.

QUERIES

1. What evidence is there that the increased taxation, increased expenditures and increased tax-rate parallel an increased ability on the part of citizens and taxpayers to pay taxes?
2. How can the failure to amalgamate related departments when opportunity offered be justified?
3. How can the continued operation of the deficit-producing civic abattoir be defended?
4. Does the depression still continue or are we experiencing a delayed advance?
5. If the latter, has increased taxation helped to delay the advance?
6. How much of the shrinkage in real estate equities of Toronto citizens is due to increased tax levies on real property?

"In England councillors are elected for three year terms and one-third retire (and are elected) annually . . . American city councillors are now elected in almost all cases for two, three and four years, with provision for a partial renewal of Council each year. This enables a combination of longer terms with continuity. It is hard to understand why the one year term should be retained in Canadian cities when it is not found (except sporadically) anywhere else, the world over".

William Bennett Munro
Marfleet Lectures, 1929

*On actual population of 629,285.

†Current expenditures out of revenue from all sources, as with all main functions. Includes Public Schools, Separate Schools, Collegiate Institutes, Public Library, etc.

**Difference in per capita from those of 1933 White Paper due to use of actual population, 623,562 instead of estimated population 627,000.

D.C. = debt charges.

††Actual \$315,818.

‡On population estimated at 630,000.

¶ White Paper No. 199 used the \$2,000,000 Estimated Unemployment Relief total mentioned in the introduction to the 1934 Estimates, but not included in the Estimates proper. In order that one year might be more comparable with the others, the approx. actual figures are now used i.e. \$3,201,548, of which \$351,653, represents administrative charges, finally met out of current funds, and the remainder, \$2,849,895, met out of proceeds of debenture sales.

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