

BUREAU OF MUNICIPAL RESEARCH

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

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TORONTO
CANADA

White Paper No. 218

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IN 1936, FOR 1936,

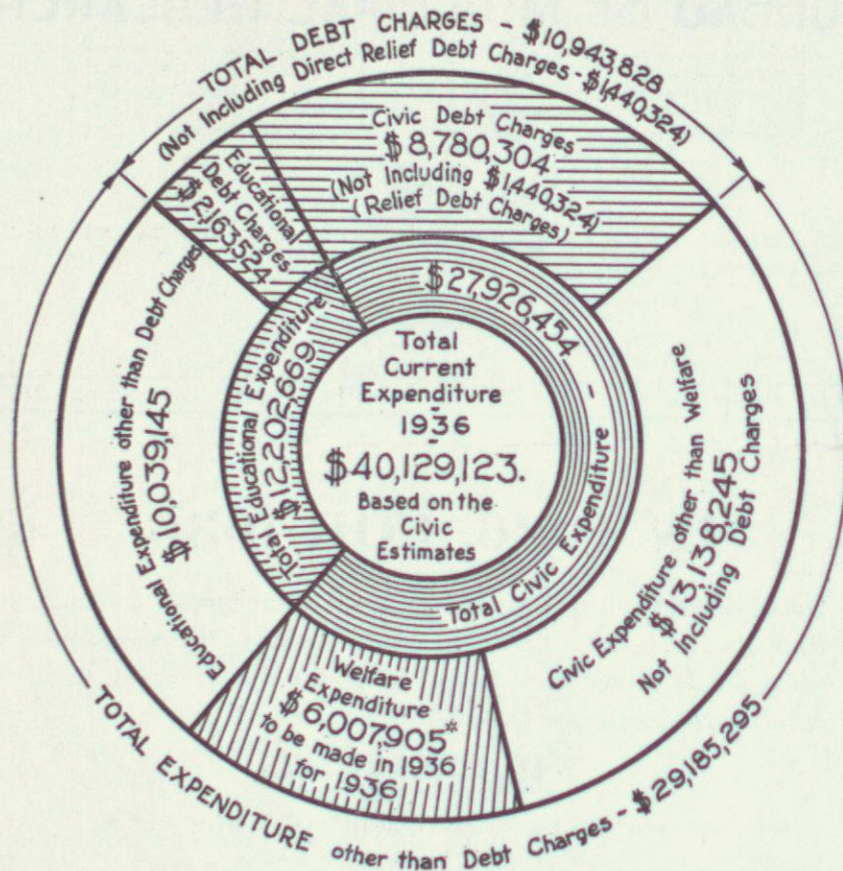
out of general and special taxes and incidental current revenues, the Corporation of the City of Toronto, outside of the expenditure of its public utility subsidiaries except for deficits where these occur, purposes to spend—

\$40,129,123.72

in the way indicated by the statistical "pie" shown within.

This total is made up of (1) \$38,132,690 general estimated expenditures chargeable to general taxation and revenues, as set forth in White Papers 215 and 216, (2) \$1,996,434 being the net amount of the ratepayers' share of local improvement costs to be met out of local improvement taxation. The debt charges on funded direct relief costs are not included in the total, as the whole first cost of 1936 direct unemployment relief is included. This total, therefore, represents not estimated payments to be made out of estimated revenue, but the amount of estimated current expenditures for 1936 properly chargeable against current revenues of 1936, on the basis of a balanced budget for 1936.

WHERE THE MONEY GOES TO



In this connection it is to be noted that proposals for an air harbour and port at the Island are being revived. Two questions naturally suggest themselves:

1. Is no private capital offering for the project under conditions adequately safeguarding the City's interest?
2. Is not air transportation in the Federal field rather than in the local field?

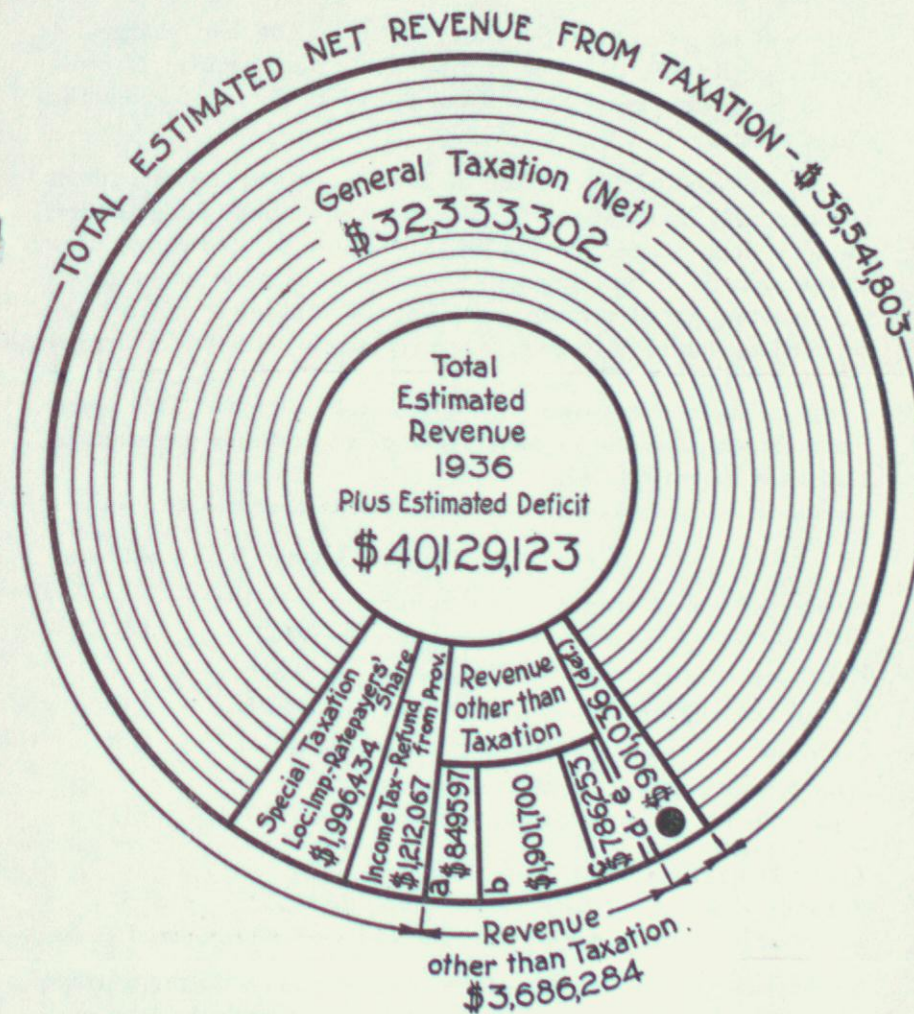
At present the City is paying deficits, mostly debt charges, aggregating annually over \$1,600,000. Can it afford to run the risk of swelling the amount?

Why not ask all City Council candidates at the approaching civic elections how they stand on—

1. Balancing the budget,
2. Initiating a pay-as-you-go policy,
3. Undertaking capital commitments for non-essential services or for services which can be financed otherwise?

* To obtain the total Welfare Expenditure add \$142,663 debt charges on Hospitals and Industrial Farms (included under Civic Debt Charges) to the \$6,007,905 shown above, making a total of \$6,150,568.

WHERE IT COMES FROM



a—Waterworks Surplus.

b—Miscellaneous General Civic Revenues.

c—Governmental Subventions to Courts, Education, etc.

d—General Surplus from 1935—\$116,196.

e—Reserve for Deferred Expenditures—\$32,538.

●—\$901,036 Deficiency in Revenue.

DEBT CHARGES

It will be noted that the total of \$10,943,828 debt charges is payable out of \$40,129,124 or 27.27% of the total, or over 27 cents out of each expense dollar. This, however, does not show the actual picture.

On the basis of the method of financing direct unemployment relief **actually in use** and of the 1936 revenue **actually budgeted for**, the total debt charges are **\$12,384,152**. The estimated expenditure on the same basis, including expenditures out of government grants for education, etc., the ratepayers' share of local improvements and deferred expenditures, is \$39,228,088. Thus the actual debt charges are 31.57% of the total current expenditures which will be paid out of this year's tax levy and other incidental revenues. This represents almost 32 cents on each dollar of expenditure payments in 1936 as is shown below.

	Amount	Per Cent of Total Current Expenditure
General Civic Debt Charges.....	\$5,220,629	13.31%
Relief Debenture Debt Charges.....	1,440,324	3.67
School Debt Charges.....	2,108,819	5.38
Local Imp. D.C. Ratepayers' share.....	1,996,434	5.09
Debt Charges in public utility deficits payable out of General Revenues.....	1,617,946	4.12
Total Debt Charges payable out of Taxes and General Revenue.....	\$12,384,152	31.57%

One should consider these facts in connection with the warning of the City Commissioner of Finance as to the gradual adoption of a pay-as-you-go policy (p. 11 Annual Report for 1935). If the adoption of this policy is long delayed, how can we face with any reasonable equanimity the financing, at a possible cost of twenty-five million or more dollars, of

- a. The New Sewage Disposal Plant,
- b. Proposed Housing and Slum Clearance projects,
- c. Other capital expenditures necessary in a large and growing city.