

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.

137 WELLINGTON ST. W.
TELEPHONE EL. 1904



TORONTO
CANADA

White Paper No. 240

May 12, 1939

1939 CITY BUDGET STORY No. 2

The estimated amount to be spent out of current revenue,
including government subventions and educa-
tional grants, is

\$36,525,617

A reduction from last year's estimates of

\$520,583

On account of the change in charges for water to the Fire Department in the 1938 budget, accurate comparison with former years is impossible, but it is probable that the 1939 budget is considerably less than that of 1937 and somewhat more than that of 1936. This fact is due partly to a reduction in appropriations, especially in 1939. In 1936 the City spent on Old Age Pensions and Mothers' Allowances \$723,518. There is no provision for these items (except for administration) in the 1939 budget. The city's position as to cost of tubercular patients was also improved. On the other hand the government subvention of 1 mill on the assessment of \$895,512,159 in 1939 is \$311,640 less than the actual 1936 government subvention of \$1,207,152 in lieu of the municipal income tax abolished by the province. The former municipal income tax was in most years more productive than the provincial grant on either basis. Any net advantage to the city of increased subventions or transferred costs should be a corresponding advantage to real property.

The extent of the present advantage to the City of recent changes in Provincial-Municipal financial relations is difficult to estimate. The final result remains to be seen.

Estimated Current Expenditures out of Taxation, Grants, Surpluses, Credits, Other General Revenues, and Proceeds from the Sale of Short Term Debentures Issued to Meet the Net Cost of Direct Unemployment Relief for the Years 1929 to 1939 (both inclusive)

Analyzed according to the Objects of Expenditure entering into the Cost of the General Functions of the Municipal Government.

OBJECT OF EXPENDITURE	TOTAL											PER CAPITA**										
	1939	1938	1937	1936	1935	1934*	1933	1932	1931z	1930	1929	1939	1938	1937	1936	1935	1934	1933	1932	1931z	1930	1929
Salaries and Wages and Other Payments for Personal Services..	\$18,837,148	\$18,978,635	\$19,056,344	\$18,191,790	\$18,410,901	\$18,261,816	\$18,025,079	\$18,852,387	\$18,659,092	\$18,076,871	\$17,043,319	\$29.07	\$29.30	\$29.39	\$28.18	\$28.84	\$29.02	\$28.91	\$30.08	\$29.75	\$29.08	\$28.11
Other Expenses, including Unclassified Welfare Expenses, minus																						
Direct Relief Debt Charges.....	6,557,441	7,562,143	9,126,739	11,171,128	11,926,606	12,666,439	13,405,430	11,181,919	11,295,324	9,976,278	9,172,765	11.12	11.67	14.08	17.30	18.68	20.13	21.50	17.85	18.01	16.05	15.13
Debt Service.....	9,949,490	9,900,240	9,486,991	8,769,772	8,413,017	7,785,661	7,464,742	7,355,757	7,318,606	6,662,214	6,048,920	15.35	15.28	14.63	13.60	13.19	12.37	11.97	11.74	11.66	10.72	9.98
(a) Interest.....	3,477,654	3,690,381	3,918,436	4,067,275	4,211,955	4,236,447	4,244,444	4,139,629	4,029,695	3,888,667	3,492,750	5.36	5.70	6.04	6.30	6.59	6.73	6.81	6.61	6.42	6.26	5.76
(b) Debt Retirement.....	6,471,836	6,209,859	5,568,555	4,702,497	4,201,062	3,549,214	3,220,298	3,216,128	3,288,911	2,773,547	2,556,170	9.99	9.58	8.59	7.30	6.60	5.64	5.16	5.13	5.24	4.46	4.22
Capital Outlay.....								182,539	213,403	491,414	744,073								.29	.34	.79	1.22
TOTAL.....	\$35,344,079	\$36,441,018	\$37,670,074	\$38,132,690	\$38,750,524	\$38,713,916	\$38,895,251	\$37,572,602	\$37,486,425	\$35,206,777	\$33,009,077	\$54.54	\$56.25	\$58.10	\$59.08	\$60.71	\$61.52	\$62.38	\$59.96	\$59.76	\$56.64	\$54.44
Difference between current costs and current payments for Direct Unemployment Relief, being difference between annual amounts funded for Direct Unemployment Relief and amount of debt charges for Direct Unemployment Relief.....	1,181,538†	605,182†	219,005†	901,036	2,242,876	2,529,629	2,388,552	Nil	Nil	Nil	Nil	1.82	.93	.34	1.40	3.51	4.02	3.83	Nil	Nil	Nil	Nil
Proceeds of Debentures.....	1,400,000	1,890,000	1,792,500	2,341,360	3,260,000	2,849,895	2,400,791	Nil	Nil	Nil	Nil	2.16	2.92	2.76	3.63	5.11	4.53	3.85	Nil	Nil	Nil	Nil
Debt Charges on Direct Unemployment Relief Debentures.....	-2,581,538	-2,495,182	-2,011,505	-1,440,324	-1,017,124	-320,266	-12,239	Nil	Nil	Nil	Nil	3.98	3.85	3.10	2.23	1.60	.51	.02	Nil	Nil	Nil	Nil
Current Expenditure to be met out of Current Revenue.....	\$36,525,617	\$37,046,200†	\$37,889,079	\$37,231,654	\$36,507,648	\$36,184,287	\$36,506,099	\$37,572,602	\$37,486,425	\$35,206,777	\$33,009,077	\$56.36	\$57.18	\$58.44	\$57.68	\$57.20	\$57.50	\$58.55	\$59.96	\$59.76	\$56.64	\$54.44
Population(actual).....	648,000**	647,803	648,309	645,462	638,271	629,285	623,562	626,674	627,231	621,596	606,370											

*White Paper No. 200 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 comparable with the others, the approximate actual figures given in the 1935 Estimates for Direct Unemployment Relief were used in White Papers 208, 216, 233 and this paper.

**The 1939 population is the City's Estimate, and 1939 per capitas are based thereon. In all other years the per capitas are based on the actual population.

†To be added to total expenditure chargeable to current year—not to be subtracted therefrom as in preceding years.

z The distribution for 1931 has been slightly revised.

NOTE

‡ The 1938 apparent reduction in estimated expenditure out of current revenues was not real, but was due almost entirely to the change in estimating charges for water to the Fire Department, by which both general revenue and general expenditure were reduced by the same amounts, about \$831,000. The change makes the figures of Fire costs more comparable with those of other cities, but of course, affects the comparability of Toronto figures of 1938 and 1939 with those of former years

COMMENT

1. There is a reduction of about \$140,000 in the salary and wage bill, but the payments for services of persons in civic employ is still \$1¼ millions more than in 1929 at the height of prosperity. Out of every \$100.00 of estimated current expenditure, met from current revenues, \$51.57 goes to salaries, wages and other payments for services of persons.
2. Other expenses are down about one million dollars.
3. Debt service cost is again up and is now at the peak. The city is, however, rapidly paying off its short term debenture debt.

SUGGESTIONS

1. THAT THERE BE A THOROUGH INDEPENDENT SURVEY OF THE PERSONNEL AND DEPARTMENTAL ADMINISTRATION OF THE CITY.
2. THAT A BUDGET OF CAPITAL UNDERTAKINGS AND EXPENDITURES BE DRAWN UP FOR THE PERIOD 1939-1949, REVISABLE BY COUNCIL EACH YEAR.

"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, p. 124.

For twenty-five years the Bureau of Municipal Research has maintained a service of independent fact-telling and suggestions to the citizens and taxpayers of Toronto. Under present conditions it is impossible for an individual, unaided, to devote the time necessary to keep in touch with the actual tendencies in municipal affairs. The Bureau offers a real opportunity to citizens to co-operate effectively in civic government by helping to maintain an independent fact-finding agency of constructive criticism which is so necessary for citizen control of the citizens' business.