

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. 250

June 11th, 1940

1940 City Budget Story No. 2

The estimated amount to be paid out of current City revenue, including government subsidies, educational grants, etc., in 1940 is

\$35,577,889

This amount is \$947,728 (or about a mill on the assessment) less than the corresponding amount last year. Whether or not adequate provision was made for all known expense during 1940 will appear after the end of the year or before.

If since 1932 all current expense, such as the city's share of unemployment relief cost, had been met out of current revenue, i.e., if in 1940 we had to pay only the cost of 1940 current services, the total estimated expenditure (granted that adequate provision for 1940 expense has been made) would have been \$34,163,233, or \$1,414,656 less than actually is the case. The tax levy would have been that much less, and the tax rate would have been about 33.65 mills instead of 35.15 mills.

"The fathers have eaten sour grapes and the children's* teeth are set on edge."

* And their fathers'.

35.15
33.65
1.50

CITY OF TORONTO

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 1930 to 1940 (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**										
	1940	1939	1938	1937	1936	1935	1934*	1933	1932	1931z	1930	1940	1939	1938	1937	1936	1935	1934	1933	1932	1931z	1930
Salaries and Wages and Other Payments for Personal Services	\$18,528,752	\$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	\$28.55	\$29.02	\$29.30	\$29.39	\$28.18	\$28.84	\$29.02	\$28.91	\$30.08	\$29.75	\$29.08
Other Expenses, including the total cost [§] of direct unemployment relief less direct unemployment relief debt charges	6,580,123	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	10.14	10.10	11.67	14.08	17.30	18.68	20.13	21.50	17.85	18.01	16.05
Debt Service	9,054,358	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	13.95	15.33	15.28	14.63	13.60	13.19	12.37	11.97	11.74	11.66	10.72
(a) Interest	3,267,283	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	5.03	5.36	5.70	6.04	6.30	6.59	6.73	6.81	6.61	6.42	6.26
(b) Debt Retirement	5,787,075	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	8.92	9.97	9.58	8.59	7.30	6.60	5.64	5.16	5.13	5.24	4.46
Capital Outlay									182,539	213,403	491,414									.29	.34	.79
TOTAL, if no Direct Unemployment Relief had been funded	\$34,163,233	\$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	\$52.64	\$54.45	\$56.25	\$58.10	\$59.08	\$60.71	\$61.52	\$62.38	\$59.96	\$59.76	\$56.64
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	1,414,656†	1,181,538†	605,182†	219,005†	901,036	2,242,876	2,529,629	2,388,552	Nil	Nil	Nil	2.18†	1.82†	.93†	.34†	1.40	3.51	4.02	3.83	Nil	Nil	Nil
Proceeds of Debentures	544,000	1,400,000	1,890,000	1,792,500	2,341,360	3,260,000	2,849,895	2,400,791	Nil	Nil	Nil	0.84	2.16	2.92	2.76	3.63	5.11	4.53	3.85	Nil	Nil	Nil
Debt Charges on Direct Unemployment Relief Debentures	-1,958,656	-2,581,538	-2,495,182	-2,011,505	-1,440,324	-1,017,124	-320,266	-12,239	Nil	Nil	Nil	3.02	3.98	3.85	3.10	2.23	1.60	.51	.02	Nil	Nil	Nil
Current Expenditure to be met out of Current Revenue	\$35,577,889	\$36,525,617	\$37,046,200‡	\$37,889,079	\$37,231,654	\$36,507,648	\$36,184,287	\$36,506,699	\$37,572,602	\$37,486,425	\$35,206,777	\$54.82	\$56.27	\$57.18	\$58.44	\$57.68	\$57.20	\$57.50	\$58.55	\$59.96	\$59.76	\$56.64
Population (actual)	649,000**	649,123	647,803	648,309	645,462	638,271	629,285	623,562	626,674	627,231	621,596											

* 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 203, 216, 233, 240 and this paper.

§ Of city's share.

** The 1940 population is the City's Estimate, and 1940 per capita are based thereon. In all other years the per capita 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.

‡ 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, 1939 and 1940 with those of former years.

COMMENT.

1. The estimated annual bill for salaries, wages and other personal services for which the taxpayers of Toronto are responsible, has been again decreased, this time by \$308,396, about one-third of which reduction occurred in educational and two-thirds in civic departments. There has been a reduction every year since 1937. It is still higher than in 1930 by over \$450,000. Per capita the payments for services of persons have decreased since 1937 and are lower than in 1930, though higher than in 1929.
2. Debt service costs are down from the peak in 1939 by over \$895,000 or more than a mill on the general assessment. They are still almost 36% greater than in 1930 although interest payments are less than in 1930. On a per capita basis this is the first year there has been a decrease in the decade. The 1940 per capita is still over 30% higher than in 1930.
3. Progress in economy and efficiency depends on—
 - a. The continued reduction of the burden of debt charges by a gradual adoption of the pay-as-you-go system, the continued retirement of debt before maturity, and the preservation and enhancement of the city's credit.
 - b. The reduction in "other expenses" and the salary and wage bill of the city as the result of the adoption of modern methods, the co-ordination of departments, and the adoption throughout and completely of the merit system of appointment, promotion and separation from the service.

RECOMMENDATIONS.

1. That the Board of Control and City Council institute a complete administrative and personnel survey of the city's service to be made by a qualified independent body or person.
2. That the Board of Control and City Council appoint a permanent unpaid advisory commission which could co-ordinate City Planning, Zoning and Housing. This is not another way to spend more money, but to prevent the wasting of money through lack of planning. Without planning in any human activity, waste is unavoidable. Zoning, unless based on complete civic plans, can only be superficial and of temporary value. Money spent on housing will be largely wasted without fundamental town planning and zoning. Housing does not necessarily mean the building of houses by the City. The City in recent years may have done more for housing through rehabilitation than through its past deficit-producing housing activities. These three functions cannot be separated without grave loss. They belong together.
3. That the Board of Control and City Council refer to this advisory committee the subject of traffic arteries and all other improvements which may be postponed until after the war, so that they may be planned in detail financially and physically for immediate operation as soon as hostilities cease.

For twenty-six 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.