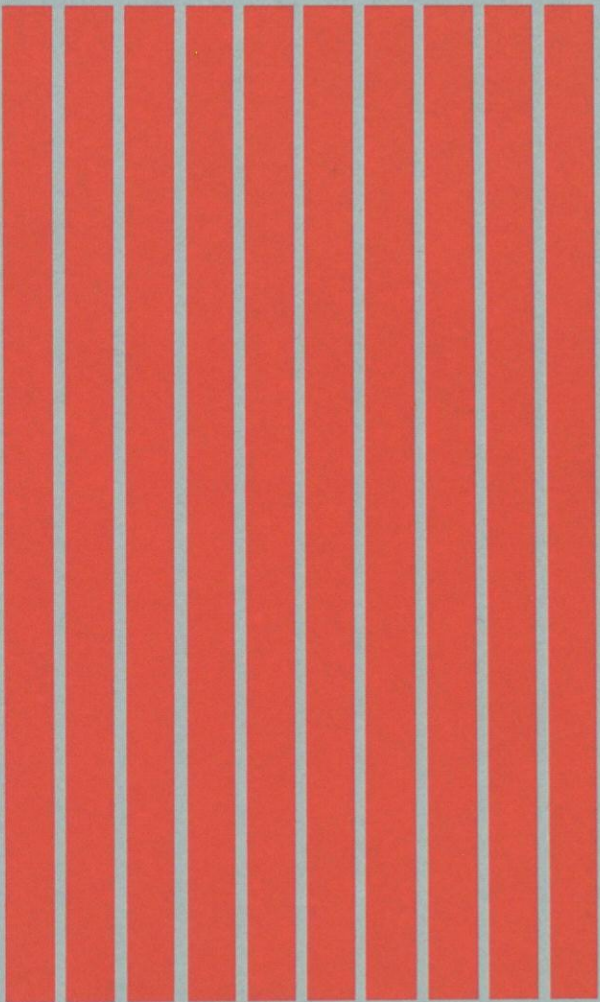


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METRO TORONTO: A DECADE LATER



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The views expressed in this publication are those of the author and not of the Bureau of Municipal Research.

FOREWORD

This study is designed to provide a summary appraisal of Toronto's metropolitan government at the end of its first full decade of operations.

At the outset it is necessary to make a brief explanation regarding the study's aims, scope and limitations. The study attempts to identify and analyse the most crucial strengths and weaknesses that have become apparent in the Metro program to date. In keeping with this broad objective, it does not provide a detailed evaluation of all phases of this program. Certain key services, such as police administration, and parks and recreation, are only touched upon in a very incidental fashion, and no attempt is made to produce any comprehensive analysis of electoral or group response to the Metro operation. This is so, not because these considerations are unimportant, but rather because the study is restricted to a general performance appraisal. In short, it is designed for those who are interested in gaining a broad picture of the overall record of this first North American experiment in modern metropolitan government.

The study was financed by a Dartmouth College Faculty Fellowship and a research grant from the Canada Council. Many persons, both inside and outside the Metro organization, were extremely helpful in providing statistical and other information on which the study is based. While responsibility for all final conclusions is, of course, mine alone, I hope the study will prove to be useful to those who are interested in the future success of Toronto's metropolitan government. In this way, it may perhaps serve as a partial repayment for the many kindnesses that were shown to me and to my family during our visit in the Toronto area.

Frank Smallwood

Hanover, New Hampshire
October, 1963

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Metro Toronto: A Decade Later

On April 15, 1953, when the Municipality of Metropolitan Toronto held its first council meeting in the red-carpeted chamber of Ontario's Provincial Parliament building, one crucial question monopolized its agenda: "Will it work: And can it be made to produce results that the evidence system did not produce?"¹ Some ten years later enough evidence has accumulated to subject this question to the acid realities of the test of time.*

In making an appraisal of Metro's first decade, it is necessary to recognize that the original framework of this first, full-scale North American experiment in metropolitan integration was never regarded as providing the final answer to all of Toronto's pressing problems. Instead, Toronto's new government was an interim product of conflict and compromise, between the central city demanding full-scale amalgamation of all neighboring communities and its adjacent suburbs insisting upon retaining their local autonomy. The Metro organization, as finally conceived, represented an attempt to bridge the gap between these two extremes, with the "Cumming Report" (i.e. the report of the Ontario Municipal Board, under the chairmanship of Lorne R. Cumming, which recommended the creation of the new governmental body) displaying a pragmatic awareness of the art of the possible under the then-prevailing circumstances. The Ontario Municipal Board "quite frankly attempted to prepare a plan . . . acceptable and practicable and not too far in advance of the existing level of public opinion . . ."²

The result was a federation of local municipalities, which particularly accommodated local demands in two areas: (1) the division of powers between the new Metropolitan Council and the existing local municipalities; and (2) the system of representation of these municipalities upon this new Council.

THE ORIGINAL SETTING

At the time of its inception, the Metropolitan Council was given exclusive jurisdiction over only a limited number of basic services, most notably assessment, borrowing and major arterial highways.

The thirteen local municipalities were also given exclusive jurisdiction over only a limited number of services such as police, licensing, fire protection, libraries and local tax collection.

* Only three days after Metro celebrated its tenth anniversary, Ontario's Premier, John Robarts, announced that a Royal Commission would make just such an inquiry to determine what changes, if any, should be made to strengthen the Council in the future. In June, 1963, Premier Robarts advised that this inquiry would be headed by H. Carl Goldenberg, a lawyer-economist from Montreal.

The great majority of major services were shared between the Metropolitan Council and the local municipalities, or between a number of quasi-independent boards and the local municipalities. Services shared between Metro and the local municipalities included planning, parks and recreation, water supply, sewage disposal and welfare. Responsibility for public housing was divided between a number of special housing boards and the thirteen municipalities, while the educational services were shared between a new Metropolitan School Board and a group of locally elected school boards.

Finally, another new quasi-independent group, the Toronto Transit Commission, was given exclusive control over all forms of public transportation, exclusive of railroads and taxis.

The essence of this original scheme was that Metro was to perform a "wholesaler" role in such service fields as water supply, sewage disposal and the like, while the local municipalities were to perform a "retailer" role in these same fields. Above all else, through its exclusive control over borrowing for all local government agencies (i.e. itself, the thirteen local municipalities, the quasi-independent boards, and the Toronto Transit Commission), Metro was designated to serve as the central capital works agency for the entire Greater Toronto complex. In effect, it was expected to provide the means, both financially and jurisdictionally, to carry out the major public works projects which were so badly needed throughout the Toronto metropolitan area.

The basic allocation of powers has remained essentially intact during the past ten years, although three significant changes were made following a Provincial review of Metro's operations in 1957. At that time Metro was given exclusive jurisdiction over the police and air pollution services, while licensing was moved up into the "shared" services category.

While the initial allocation of responsibilities between the two tiers of government involved some difficult problems of accommodation, the representative arrangements that went into the making of the new Metropolitan Council presented an issue of even more controversial political overtones.

The 240 square mile Toronto metropolitan area contains thirteen local municipalities that fan out from the north shore of Lake Ontario in three concentric rings. At the very center of the area is the City of Toronto, which although by far the largest of the thirteen local governments, was experiencing a slight population decline during the immediate post-war period.

A second "inner ring" consists of nine suburban municipalities adjacent to, and encircling, the central city. While each of these nine municipalities had experienced some population growth during the post-war period, this growth was relatively small in absolute numbers, since all nine were reasonably well developed by the time of Metro's inception.

Finally, there is a third, "outer ring" of three large suburban communities: Etobicoke to the west, North York to the north, and Scarborough to the east. These three units, which were largely undeveloped in 1953, occupy a huge land area, and as Table I illustrates, they were already experiencing a massive population boom:

TABLE 1 — POPULATION GROWTH: 1945-53³

| | 1945 | 1953 | % Increase |
|-------------------------|---------|-----------|------------|
| City of Toronto | | | |
| 35.1 square miles | 681,802 | 665,502 | - 2% |
| "Inner Ring" | | | |
| 23.0 square miles | | | |
| York | 81,652 | 100,463 | +23% |
| East York | 43,266 | 65,736 | +51% |
| Forest Hill | 13,960 | 17,719 | +27% |
| Leaside | 9,227 | 15,910 | +72% |
| Mimico | 8,785 | 12,301 | +40% |
| New Toronto | 8,498 | 11,190 | +30% |
| Swansea | 7,142 | 8,344 | +17% |
| Weston | 6,214 | 8,374 | +35% |
| Long Branch | 5,049 | 9,140 | +81% |
| "Outer Ring" | | | |
| 182.0 square miles | | | |
| North York | 25,100 | 110,311 | +339% |
| Scarborough | 24,140 | 78,803 | +226% |
| Etobicoke | 21,274 | 70,209 | +230% |
| Totals | 936,109 | 1,174,002 | 25% |

In devising a formula to provide for the representation of these thirteen municipalities on the new Metropolitan Council, the major problem related to the realization of an equitable balance between the central city and the twelve suburbs taken as a whole. Since the City of Toronto contained approximately half the metropolitan area population, the "Cumming Report" concluded that there should be an equal division of seats between (1) the city and (2) the twelve suburbs, and it recommended that each of these two groups should have four representatives on a nine-member council (with the ninth member, the chairman, being appointed by the Province). In the words of the Report, "there is at the present time a serious cleavage of interest between the city . . . and the suburbs . . . and until a better spirit of metropolitan unity is achieved, this cleavage must be recognized by giving equal representation to the two major divisions of the metropolitan population, notwithstanding the theoretical advantages of representation by population." However, in "Bill 80" (the final legislation actually establishing Metro), the Ontario Provincial Legislature rejected this formula, and instead provided for a twenty five man council: twelve representatives from the City; one representative from

each of the twelve suburbs; and an independent chairman, to be designated for the first two years by the Province, and elected annually thereafter by the Metropolitan Council.⁴

The effect of this new formula was not so much to distort the representative balance between the City and the twelve suburbs taken as a whole, as it was to produce gross inequalities in representation between individual suburban municipalities. Swansea, for example, with 8,300 population was given one Council member, while North York, with 110,000 population, also received one representative on the Council. These initial inequalities were destined to increase dramatically during the ensuing decade.

The above division of powers and representative arrangements were the major influences shaping the initial organization of Toronto's new metropolitan government. In appraising this government's performance during the past ten years, a certain degree of speculation is inevitable, due to the fact that while relevant comparisons can be made between the pre-Metro years before 1953 and the current Metro performance in 1963, it is impossible to make the most meaningful comparison of all. This is, of course, an analysis of Metro Toronto as it actually exists in 1963 with its established metropolitan government, and Toronto as it would be in 1963 if this government had never been created.

The lack of any such comparative data poses especially difficult problems when one attempts to compile the debit side of Metro's ledger. Some of the problems noted in the ensuing analysis are as much an outgrowth of the environmental pressures which have accompanied Toronto's growing pains during the past ten years as they are the result of any actions, or lack of actions, on the part of Metro itself. While objectivity requires repeated emphasis of this fact, enough data is now available to provide a meaningful base for an analysis of Metro's major achievements, and limitations, in an effort to determine how well this governmental organization has fulfilled its original expectations.

METRO'S MAJOR ACHIEVEMENTS

Although Toronto's Metropolitan Council can point to a wide variety of accomplishments since 1953, three particular achievements stand out as being especially significant in terms of the challenges that Metro was designed to meet, and the environmental considerations that surrounded its original creation. These are: the realization of a strong base of public and political support for the metropolitan government concept; the resolution of a series of specific service crises; and the provision of a capital financial capability that has helped the Toronto metropolitan area meet the demands of its burgeoning population growth.

1. *Securing Its Political Base*

The first, and in many aspects the foremost, accomplishment of the Metropolitan Council has been the realization of a solid expression of support for the general concept of metropolitan government in the Toronto area.

This is not to assert that the current Metropolitan Council is without critics, nor that suggestions are not being advanced for the total amalgamation of all local municipalities into one metropolitan city or for other basic changes in the status quo. It is to assert, however, that six months of interviews failed to produce a single individual who argued that Toronto should drop the concept of metropolitan government entirely, and revert to the independent governmental arrangements that had existed prior to Metro's creation in 1953. While some might hold that mere self-perpetuation can hardly be classified as a major achievement, the political tensions that surrounded Metro's birth argue otherwise.

The first and most crucial difficulty the new Council had to face was the widespread suspicion, if not acrimony, with which the existing municipalities greeted its initial establishment. Neither the central city nor the twelve suburban communities had realized their basic objectives in the final Metro compromise, and in 1953 it was by no means certain that they would not attempt to gang up on the new metropolitan government in an attempt to undermine its very survival.

In addition, since the Toronto program represented the first major experiment in metropolitan federation on the North American continent, there was little in the way of precedent, and the Council faced the necessity of improvising, and proving itself in the harsh glare of widespread publicity.

Three factors have enabled Metro to meet this challenge — the force of personality; the political significance of the representative formula utilized in determining the Metro Council membership; and the specific nature of the program priorities that Metro has elected to push the hardest.

The first of these three factors — the force of personality — highlights the crucial role of Metro's original chairman (1953 to 1961), Frederick Goldwin Gardiner.

To say that Gardiner — a highly successful, tough and dynamic Toronto corporation lawyer — ran a taut ship during his crucial tenure as Metro's chairman would classify as the understatement of this, or any other, year. Locally known as "Big Daddy" after the domineering character in Tennessee Williams' "Cat On a Hot Tin Roof", Chairman Gardiner provided a number of key ingredients that went into the making of Metro's initial success.

First, as a former Reeve (i.e. Mayor) of wealthy, suburban Forest Hill Village and as a successful lawyer of considerable personal means,

Gardiner provided the Metro program with a symbolic aura of prestige, integrity and honesty. In addition, he transferred to this program his tremendous sense of personal drive, self-confidence and determination to "get things done". Third, as the former Vice-President of the Ontario Conservative Association, he was on very close terms with the then-Provincial Premier, Leslie Frost, and the personal liaison he established between Metro and the Provincial government was so close as to be characterized as a "Family Compact". Finally, and of most telling significance, Gardiner possessed an understanding of, and a willingness to utilize, his personal prestige and power to keep his potentially explosive Council from flying apart.

All four of the above elements are evident in Gardiner's terse explanation as to why he accepted the Metro chairmanship at Premier Frost's personal urging: "Hell, I knew what it was all about. I didn't want the job, but I knew someone would have to head it up — someone with the qualifications and who could afford it."⁵

Despite more than occasional grumblings within Metro that Gardiner ran the organization as a tyrant, he was re-elected Chairman by the Metro Councillors for seven successive years, from 1955 through 1961. His tough, abrasive, pragmatic approach to the Council's problems attracted widespread support throughout the Toronto area. He provided the dramatic flair, and the symbolic sense of 'no-nonsense' accomplishment that created a favorable image for the Metro operation.

It is important to observe, however, that Metro has paid a price for Chairman Gardiner's forceful approach to leadership. In essence, Gardiner became so closely identified with the entire Metro operation that it was often difficult to determine where he left off and where Metro began. The perspective of hindsight now indicates quite conclusively that much of Metro's original sense of purpose was actually embodied in the dynamic personage of its first chairman, rather than in any independently-conceived central philosophy. This fact has become increasingly obvious in the past two years, now that Gardiner has left the Council. Paradoxically, Gardiner's forceful brand of leadership played a crucial role in the successful launching of the Metro enterprise during the Council's formative years, yet once he had stepped down from his chairmanship post, he left a void that has threatened to undermine the subsequent success of the Metro operation during more recent years.

The second consideration contributing to Metro's successful political inauguration was also another paradoxical mixture of strength and potential weakness. This was the representative formula that went into the formation of the new Metropolitan Council.

The advantages of this formula were to be found in the fact that the mayors and other local political leaders in the area were automatic members of this new Council by virtue of their constituency positions in their local municipalities. As Council "insiders", they helped to form-

ulate the new Metro program. Such an arrangement had the practical effect of diverting potential political attacks away from a wide-open, external assault against the basic concept of the new metropolitan governmental program. Instead, Metro's initial controversies were limited to a more restricted display of political in-fighting within the confines of Metro's council chambers. While the area's local political leaders may not have been in agreement with all of the Council's policies, they were hesitant to undermine the entire Metro operation, and in the process, do themselves out of a new job which carried considerable prestige and importance.

The benefits that accrued to the new government from this representative arrangement can be seen most clearly if one contrasts the formative years of the Toronto Council with the more recent formative experience of the new Winnipeg Metropolitan Corporation. In Winnipeg, the local political leaders are not members of the metropolitan council, and many of them, most notably the central city spokesmen, have launched bitter attacks against the basic concept of the existing Winnipeg metropolitan organization. While controversy also surrounded the early years of the Toronto program, it never took on the guise of such a broad external attack, but rather confined itself to a more genteel interplay of forces inside the Metropolitan Council.

Any possibility of such an open attack in Toronto was blunted further by some backstage political accommodation between the two political heavyweights — Gardiner and Allan A. Lamport, the Mayor of the City of Toronto during the key years 1952-54.*

"Lamport originally used his own forceful personality to swing a reluctant city council behind Gardiner and the Metro idea. In return, Gardiner gave . . . Lamport the support he needed to become Vice-Chairman of the Toronto Transit Commission, and in 1955, its Chairman."⁶ Although the two men had a later falling-out, they retained a healthy respect for each other's basic political instincts.

In 1954, Lamport was succeeded as Mayor of Toronto by Nathan Phillips, who advocated total amalgamation into one large metropolitan city along the lines of the original City brief to the Ontario Municipal Board. However, Phillips was never able to sell this idea to the Metro Council. In 1962, Phillips was succeeded as Mayor by Donald Summer-ville, but Summerville has not been as insistent as Phillips in publicizing the amalgamation question.

Hence Metro has been relatively immune from external political attack largely due to the inclusion of local political leadership on its

* It should be noted that Metro Toronto follows the prevailing Canadian practice of a non-partisan approach towards local government. Political parties do not formally compete, as parties, for local council seats, nor do they play a formal role in organizing the councils. This is not to say however, that there are no informal political pressures at work. Actually, the entire subject of Canadian local politics represents a highly interesting, and largely unexplored field of inquiry, but it is one that lies beyond the scope of this present study.

Council. However, it is important to recognize that, while this representative formula may have helped initially to solidify the new government's early political base, it has not been without some very definite liabilities which, again, have become more apparent during recent years.

The third factor that has influenced the realization of a strong base for support for Toronto's metropolitan government is to be found in the Council's emphasis on public works' priorities.

To a large extent, this has been an inevitable response to a number of very serious crises, coupled with the capital financing mandate that Metro was given at its inception. Yet the observation should be made that Metro's emphasis on large physical projects has not been totally divorced from its continued political well-being.

An analysis of gross* cumulative capital and current expenditures from 1953 through December 31, 1962 (exclusive of education which is handled as a special account by the Metropolitan School Board) reveals quite clearly the nature of Metro's programmatic priorities:

TABLE II — METRO'S CUMULATIVE GROSS EXPENDITURES: 1953-1962⁷

| Program | Current Expenditures | | Total | % of Total |
|--|----------------------|--------------------------|----------------------|-------------|
| | Capital Expenditures | (Excluding Debt Charges) | | |
| Roads | \$159,311,362 | \$ 45,964,774 | \$205,276,136 | 26.3% |
| Adm. of Justice & Protection | 8,257,919 | 136,784,068 | 145,041,987 | 18.6% |
| Welfare & Housing | 24,488,228 | 91,711,586 | 116,199,814 | 14.9% |
| Sewage | 80,179,880 | 23,360,202 | 103,540,082 | 13.3% |
| Waterworks (Self-Liq.) | 59,822,745 | 41,970,482 | 101,793,227 | 13.0% |
| Misc. & Gen. Admin. | 1,028,436 | 43,488,900 | 44,517,336 | 5.7% |
| Toronto Transit Comm. (Metro Share only) | 37,835,783 | | 37,835,783 | 4.9% |
| Parks, Rec. & Conservation | 14,973,811 | 10,933,716 | 25,907,527 | 3.3% |
| TOTALS .. | \$385,898,164 | \$394,213,728 | \$780,111,892 | 100% |

It is significant to note that three services — transportation, water supply and sewage disposal — have taken up over 50% of all Metro's cumulative expenditures (capital plus current) since the Council's inception in 1953. While each of these three services required huge capital outlays to alleviate desperately inadequate conditions that were fast approaching a crisis stage, it is also worth noting that Metro's expenditure pattern had some very direct political consequences.

* The figures are gross expenditures, exclusive of Provincial grants etc., in an effort to give the clearest picture of how Metro felt it should expend its total resources.

In large measure, this pattern reflects the philosophy that Frederick Gardiner brought to the job of Metro Chairman. In his 1961 inaugural speech to the Metropolitan Council, when he announced his pending retirement and attempted to outline Metro's major achievements under his leadership, Gardiner made the telling observation that Metro's early years represented "a time when imagination had to be translated into physical accomplishments to prove that the first metropolitan government on the North American continent would work."⁸

Gardiner reiterated this philosophy when he visited Winnipeg later in 1961, and in commenting on the problems of the embattled Winnipeg government, he observed, "the main thing is to get your plans, work out a system of priorities, and then put the steam shovels into the ground."⁹

The political pay-off that comes from putting "the steam shovels into the ground" is, of course, obvious. One needs look no further in the United States than to the power positions of Robert Moses and the Port of New York Authority to see the role that tangible physical achievements can play in solidifying a position of political strength. Today, the direct evidence of many of Metro's most important accomplishments can be found throughout the metropolitan area, and this evidence ranges from a now adequate water supply system to the massive Frederick G. Gardiner expressway project taking shape on the north shore of Lake Ontario.

When Metro faces the challenge of explaining what it has been able to accomplish, there is a literal display of concrete evidence to justify its continued existence. As Professor John Grumm has noted, the policy "has been to place emphasis on tangible public works and to attack those problems where results could be immediate, concrete and apparent."¹⁰

Whether this aspect of the Metro success story has also contained corresponding elements of potential liability is a difficult question to answer. Obviously, any governmental organization is limited to a definite amount of resources, and it can emphasize one type of program only at the expense of others. Existing evidence, shown later, does indicate that Metro has tended to underplay certain key responsibilities. Yet the point remains that the nature of existing needs, and the nature of Metro's original capital financing mandate, indicated that the large public works projects would receive priority attention in the Council's new program.

In essence, Metro has been able to consolidate its base of support through the triumvirate of personality, political accommodation (in its Council representation formula), and an emphasis on physical priorities. The fact that some or all of these factors have created subsequent problems for the new government should not detract from the magnitude of this very basic initial feat.

2. Resolving Specific Service Crises

The significance of a second major Metro achievement can best be understood through reference to the widely quoted local adage that Toronto's new government was "the product of desperation, rather than inspiration".

While this desperation was becoming more obvious on a wide variety of fronts, it was particularly apparent in the water supply, water pollution control, and education services. By 1953 the rapid post-war expansion of Greater Toronto was producing unprecedented demands on all three of these services with the most extreme crisis conditions buffeting the "outer ring" communities of North York, Etobicoke and Scarborough.

The nature of the challenge has been described in considerable detail in reports issued by such groups and individuals as the Toronto and York Planning Board (1949), the Ontario Municipal Board (1953), Professor Winston Crouch (1954), Professor Keith Callard (1954), Professor John Grumm (1959), and most recently, a University of Toronto graduate student, Peter Silcox (1962).¹¹ A summary analysis of these findings indicates the magnitude of the challenge that the Toronto area faced at the time of Metro's inception.

In education, all local municipalities were staggering under increasing financial burdens, with the three "outer ring" suburbs compiling the most alarming record of all. Between 1944 and 1951, the percentage rates of increase in school taxation were 966.51% for North York, 383.25% for Etobicoke, and 213.26% for Scarborough.¹² Since the residential influx in each of these three communities was just beginning, it was obvious that this situation was destined to grow in severity in future years.

The sewage disposal picture was hardly more encouraging. In 1953, the Toronto metropolitan area contained a totally inadequate and overloaded system of treatment plants, with both of the local rivers — the Humber and the Don — fast turning into open sewers, and with North York, alone, struggling with the burden of some 20,000 septic tanks.

Water supply represented another crucial area of concern, with a total metropolitan area capacity of some 235 million gallons per day (and an actual distribution capacity of only 205 million gallons) versus a daily need that was soaring towards the 300 million gallon mark and beyond.¹³

Although a variety of difficult problems existed with respect to planning, traffic and a host of other services, the most desperate situations were those of education, sewage disposal and water supply. It is important to note that the challenge was a two-fold one. The first requirement was financial, especially in the capital expenditures area. In addition, however, there was a need for an overall governmental frame-

work to provide for the co-ordination and actual implementation of various service projects once the financial means for their provision was forthcoming.

The most obvious way of meeting this second need — co-operative intergovernmental arrangements — was already stretched to the breaking point. Between 1915 and 1950, no less than one hundred and sixty three agreements of various kinds were made between two or more local municipalities.¹⁴ It was the job of the new metropolitan government to provide not only the financial, but the jurisdictional and administrative means, to meet these service crises.

As was indicated in Table II, the Metropolitan Council has thrown its major energies into these crisis situations with spectacular results. During the past ten years water supply capacity has increased by 45 percent to 345 million gallons per day, while trunk distribution mains have jumped from 85 to 207 miles. A comparable record has been established in sewage disposal where total treatment capacity has risen to 192 million gallons per day, a 70 percent increase over ten years ago.¹⁵ School construction represents a third area of equally impressive accomplishments. Under the guidance of the Metropolitan School Board, an ambitious building program has been able to handle a 46% area increase in public elementary enrollment, and a 92% increase in secondary enrollment.¹⁶ Since 1954, the metropolitan area has witnessed the construction of some 175 new schools and 293 additions, at a capital cost of nearly \$225 million. The result has been an increase of 166,055 pupil spaces in school accommodations.¹⁷

This performance, especially in education, is not without its critics. Arguments are advanced that the financial burden for education falls unfairly upon specific municipalities, that local operating standards vary too widely, and even that some schools are not completed in time. While there is some merit in these charges, particularly the first two, this should not detract from the total magnitude of the construction program that has been carried out during the past decade.

In highlighting these achievements, it should be emphasized that water supply, sewage disposal and school construction do not constitute the only Metro accomplishments during the past ten years. Since 1953, the new government has established a 4,800 acre metropolitan parks system; it has pursued a highly ambitious (if again somewhat controversial) program of expressway construction and road improvements; it has provided a unified system of police administration throughout the area; and it has discharged a host of other responsibilities.

However, of all the service activities it has undertaken, water supply, sewage disposal and school construction are of primary importance. Indeed, Metro was established in the first place precisely because these services had reached the crisis stage, and the fact that

these crisis situations have been resolved represents a highly notable accomplishment on the part of the new metropolitan organization.

3. Provision of Capital Finances

Metro's third major achievement — the provision of the capital financing necessary to meet steadily expanding local demands within Greater Toronto — represented another crucial consideration that led to the original establishment of the new governmental program. The fact that the new Council was given exclusive jurisdiction for assessment and capital borrowing for itself, for the area's special boards and commissions, and for the thirteen local municipalities provides the most striking evidence of the high priority that Metro's creators placed upon this particular responsibility.

In considering Metro's capital financing record to date, one enters an area of some disagreement and controversy. To begin with the least controversial aspect of this record, there is no doubt that the new governmental organization has realized considerable savings in the interest rate charges it has paid for capital borrowing undertaken during the past decade.

Although Metro was not established with the primary objective of saving money, in the field of capital financing it has been able to do just that. It was the Metro Commissioner of Finance who first described the nature and magnitude of such savings in his presentation to the first Provincial Commission inquiring into Metro's affairs in 1957. At that time, the Commissioner estimated that the total savings in interest costs on bonds issued during the first four years of Metro's life approximated \$21,500,000.¹⁸

The basis for this claim was to be found in the presumption that with its combined area-wide credit rating, Metro was able to borrow at a lower cost than would have been the case if the local municipalities had continued to borrow separately. Although such an assertion involved a certain degree of speculation regarding the difference between interest rates actually paid by Metro, and the rates that the individual municipalities would have paid if they had continued to borrow separately the formula the Commissioner utilized in computing the estimated \$21.5 million total certainly seems safe enough.

At the outset, he discounted any potential savings on 50% of all debentures issued by Metro during the four year period on the grounds that they were for the benefit of projects within the City of Toronto, which presumably could have borrowed at the same interest rates as Metro itself. He then computed an estimated saving of 1% in interest rate charges for the remaining 50% of debentures issued by Metro on the assumption that, through its combined credit rating Metro had realized this much of a saving over the rates that would have been paid by the individual municipalities borrowing separately.

If this same formula is applied to Metro's debenture position through 1962, it indicates that the total savings on interest charges to date have exceeded \$50,000,000. If anything, this is a conservative estimate. It is conservative first, because it is now highly questionable whether it is justifiable to discount any potential savings on 50% of the total debentures issued, since this assumes that the City of Toronto can still continue to borrow at the same rate as Metro. In addition to a heavy record of borrowing during recent years, the annual rate of increase in the City's new taxable assessment has been declining to a point where it is questionable that the City's borrowing position is still comparable to that of Metro. It is also a conservative estimate because the projected 1% saving in interest charges is low when one considers the difficult borrowing position of the three "outer ring" suburbs which, along with the City, are the heaviest municipal borrowers in the metropolitan area. These outer suburbs have borrowed so heavily that it is debatable whether they could still remain within a 1% range of Metro's debenture position. Indeed, as is emphasized later, it is questionable whether a municipality such as Scarborough could even borrow at all at the present time, if it were left to its own resources.

A second, reasonably non-controversial aspect of the Metro record relates to the continued rate of growth in Metropolitan Toronto's assessment base that has supported Metro's capital borrowing program during the past ten years.

An evaluation of the value of building permits issued in the metropolitan Toronto area indicates an average annual increase of \$166,005,000 during the period 1947 to 1953.¹⁹ Subsequently, the value of such permits has jumped to an average increase of \$352,775,000 during the period 1954 to 1961.²⁰ While both inflation and the population increases accompanying a new surge of immigration help to explain this annual rise in building permit values, the figures do indicate the dramatic growth that the metropolitan Toronto area has been experiencing since the inception of Metro some ten years ago.

Once one leaves the considerations of interest rate charges and assessment growth, a number of disagreements regarding Metro's capital financing policies becomes apparent. In effect, three basic criticisms have been levelled against Metro's borrowing record.

The first relates to the retention of a 1940 evaluation base for assessment purposes. It has been argued that this base tends to distort key capital indices (such as the ratio of debt to assessment), since different dollar bases (i.e. 1940 vs. current) are utilized. In addition, the argument has been advanced that retention of this outdated base tends to increase the emphasis upon borrowing as a source of funds. This argument is based on the assumption that when assessment

* Figures not given for Swansea from 1947-1953 but included thereafter, and not reported for Mimico for 1952-53, but included thereafter.

levels remain relatively constant, any adjustments needed to offset inflation must be affected through tax increases. "Our elected representatives are then faced with an unhappy choice — abnormal increases in tax rates . . . or deletion of certain current expenditures from the budget. In consequence, they tend to finance as much as possible through borrowing in order to keep items in the current budget to a bare minimum."²¹

Both arguments appear to be strong ones and it is difficult to justify Metro's retention of the 1940 base year for assessment purposes, although it must be admitted that the Provincial Government has also been responsible for encouraging this retention.

A second criticism is that the Metropolitan Council has established an unrealistic and artificial limit on its annual debenture capacity. In 1955, Chairman Gardiner first set this limit at \$60,000,000 of capital financing each year, but in light of higher than anticipated assessment yields, this limit was raised to \$75,000,000 in 1956, and to \$100,000,000 in 1958. Since 1958, Metro has remained reasonably close to the "Hundred Million Dollar Limit" as its guidepost for annual financing.

The criticism that has been levelled against this limit is that, while it may have been acceptable as a temporary brake upon borrowing at a time of heavy capital requirements, it is based on inadequate research and statistical analysis, and it tends to have an inhibiting effect on the Metro operation without any clear-cut justification in actual fact. Again, this argument appears to carry considerable weight. The fact is that the Metro Council cannot turn to any full-fledged central "Intelligence Department" to conduct pertinent statistical analyses and perform other basic research tasks that could serve as a basis for long-range policy formulation. Although it has a strong operating Treasury Department which compiles useful statistical data, Metro has failed to place sufficient emphasis upon the more general requirements of long-range research in both the financial and the non-financial fields.

A third major point of criticism relates to the argument that while the initial redistribution of the thirteen local municipalities' debts brought about by Metro in 1954 tended to have a strong equalizing effect, these municipalities have tended to move further apart again in the relative burden of their debenture obligations since 1954.

As Eric Hardy, the former Director of the Toronto Bureau of Municipal Research has noted, by 1960 Scarborough's debt load per \$10,000 of assessment was nearly twice that of Leaside, and only six of the Metro members were within \$150 of the average debt position for all thirteen municipalities taken as a whole. This development prompted Hardy to conclude that "the financial structure of Metro has tended . . . to distribute debt, particularly debt due to growth, quite unevenly among the member municipalities."²²

While there is no doubt as to the accuracy of the analysis that prompted this statement, it is necessary to exercise considerable care

here in the utilization of basic comparisons. The record of debenture inequalities between the various municipalities may well look disturbing if the 1954 figures are contrasted with the current figures, but the most important litmus test in the capital financing field should really be that elusive will-o-the-wisp that does not exist — a comparison of the local debt picture in 1963 under Metro, with the picture as it would look in 1963 if Metro had never been created.

In establishing its "Hundred Million Dollar Limit", Metro formulated the rough guideline that \$30 million of annual debenture financing should be earmarked for the needs of the thirteen municipalities, another \$30 million for the Metropolitan School Board, and the remaining \$40 million for its own needs.

An examination of the debenture position of the thirteen municipalities reveals that while, in 1954, Scarborough, North York and Etobicoke ranked eleventh, twelfth, and thirteenth, respectively, in terms of their percentage of net debt to general assessment, by 1962 their debt load had soared to the point where Scarborough ranked first, North York ranked fourth and Etobicoke ranked fifth, in terms of this percentage. By 1962, these "outer ring" municipalities, plus the City of Toronto and the Township of York, accounted for more than 92 percent (i.e. \$486 million) of the total net debt (i.e. \$525 million) compiled by all thirteen local municipalities. This figure is perhaps not surprising if one considers that these five communities contain some 89% of the total Metro population, but what is significant is the tremendous absolute dollar totals of net debt increase that each of these five municipalities has had to assume in the past decade.

As Table III illustrates, from 1954 through December 31, 1962, these five localities have taken on a new debt load of some \$348.7 million, or 95% of the total net debt increase incurred by all thirteen municipalities in the metropolitan area.

TABLE III — NET DEBT INCREASE: 1954-62²³

| Municipality | Dollars | Percent Inc. |
|-------------------------|---------------|--------------|
| 1. Toronto (City) | \$144,909,196 | +150% |
| 2. North York | 78,181,287 | +652% |
| 3. Scarborough | 58,989,361 | +704% |
| 4. Etobicoke | 52,677,845 | +627% |
| 5. York | 13,952,895 | +119% |
| Total | \$348,710,584 | |

(Increase in all other municipalities was less than \$5 million each).

The reasons for these increases are mixed. The new debt incurred by the three "outer ring" suburbs has been due almost entirely to their growth in residential population during the past ten years. The City of Toronto, on the other hand, has not experienced any such population boom (actually, it has just about held its own). Instead, its heavy

borrowing has resulted from the need to replace an increasingly obsolescent plant, from a decline in its rate of annual increase of new tax assessment, and from the unique demands which it faces as the 'core' city to provide a wide variety of daily service facilities for the entire metropolitan area population. York's debt record represents a combination of both a population increase and plant obsolescence.

Despite the fact that the reasons for their debt increases have varied, all five communities have had to borrow heavily in order to respond to a variety of external environmental pressures that presumably would have existed in any case, with or without Metro.

If this fact is kept in mind, the point is not so much that inequalities have resulted in relative debenture positions between the thirteen municipalities, but rather that the most hard-pressed municipalities have been able to continue to borrow at all in light of the tremendous burdens they have faced. This is especially true in the case of a community such as Scarborough. The Ontario Municipal Board (i.e. the Provincial overseer of local governmental financing) has recently indicated considerable alarm over the debt position of all three "outer ring" communities, most especially Scarborough. In fact, it has called into question the entire concept of whether net obligations (i.e. debt exclusive of self-liquidating capital projects) is a valid one in light of the fact that both Metro and the local municipalities are becoming increasingly involved in the financing of such supposedly self-supporting projects as the Toronto Transit Commission, which are not, in fact, self-supporting.

Actually, any criticism of the debt inequalities that have occurred between municipalities is not so much an argument against the general Metro concept as it is an argument for a more centralized Metro organization. Such inequalities could be wiped out overnight, for example, if all thirteen municipalities were merged into one large metropolitan city. The significance of this was recognized by the Bureau of Municipal Research:

In view of the debt trends which have been experienced under Metro, the fundamental adequacy of the present plan of federation should be reconsidered—Metro's ratepayers and representatives must ask themselves whether the unsatisfactory debt situation can possibly be remedied under the existing set-up.²⁴

In the field of capital financing, inequalities between the different municipalities may well have taken place during the past ten years, but these may have been primarily the result of factors external to Metro, rather than any major actions on the part of Metro itself. The significance of Metro's achievement derives from the fact that it has enabled the municipalities to continue to borrow for their growing needs despite such external pressures. It has done this first, by acting as the debenture agent for these municipalities; and secondly, by

assuming a variety of capital costs that the various municipalities previously had to meet on an individual basis.

Metro was established originally to provide the capital financing necessary to meet exploding growth problems throughout metropolitan Toronto, and in the past decade it has done just this. The fact that certain inequities have resulted begs the question of whether the original metropolitan federation concept has perhaps been too weak, rather than too strong, to permit the discharge of such responsibilities in an equitable fashion.

METRO'S MAJOR DIFFICULTIES

The three most difficult problems Metro has faced during its first decade have been quite closely interrelated. The first problem has contributed to the second, and both the first and second have influenced the third. Since the first two problems have grown out of some of the basic compromises that went into the original federation organization in 1953, they are obviously of significance to the new Royal Commission investigation. The three major problems are: the development of a growing imbalance in the economic resources, and burdens, between Metro's member municipalities; the failure to achieve a cohesive spirit of metropolitan unity among these members; and the reluctance on the part of Metro and its members to deal decisively with a number of important commitments and responsibilities.

1. *The Problems of Economic Imbalance*

Since Toronto's Metro organization represented a very deliberate attempt to preserve a considerable degree of local diversity within the general framework of a larger metropolitan unity, it never promised to balance out all of the financial inequalities that existed between the various municipalities in the metropolitan Toronto area. Certainly, for example, this scheme was not designated to produce a completely uniform tax rate for all thirteen local communities. To the contrary, at least two factors indicated that such would not be the case.

First, the "Cumming Report", in recommending the establishment of a new governmental federation, enunciated the "fundamental principle" of careful avoidance of "any unnecessary reduction of the existing power of the local authorities with the object of preserving the greatest possible degree of local autonomy."²⁵ Implicit in this concept was the expectation that service performances could, and would, vary between the thirteen local authorities (in both the exclusively local, and the 'shared' functional areas), depending upon the demands and expectations

of their respective inhabitants. Metro was designed as a federal program, and the exercise of a certain degree of local autonomy represents an essential component of the federalist principle.

Second, there was an obvious economic imbalance between the resources of the local municipalities themselves. In 1953, some communities such as New Toronto and Leaside, enjoyed a very favorable percentage of industrial-commercial to residential assessment, whereas other communities, such as Scarborough, were struggling with the problems of a 'high service cost-low tax yield' residential construction boom. These wide disparities in local resources and burdens indicated that some degree of financial inequality was destined to continue under the projected new federalist structure.

Yet, while making due allowance for both of the above considerations, it is fair to say that, in 1953, the new metropolitan government was created with the expectation that it would at least help to alleviate, if not eliminate, existing financial inequities between its thirteen member communities. Indeed, one of the key problems the "Cumming Report" referred to in an effort to justify the new governmental program was the existence of an "inadequate and inequitable distribution of existing or potential taxable resources."²⁶

There were two ways in which Metro might reasonably have been expected to relieve this situation. First, on the expenditure side, by providing the means through which the local municipalities could share the costs of certain area-wide services, Metro could help to balance out some of the existing inequalities between these municipalities. Second, on the revenue side, through a vigorous exercise of its planning and development powers, Metro might help to achieve a more equitable assessment base (i.e. a more favorable industrial/commercial to residential balance) between these same municipalities.

Considerable care must be exercised in any evaluation of Metro's performance in this respect due to the basic comparative problem noted in the previous analysis on capital financing. Once again, the most meaningful comparison is not that of 1953 to 1963 under Metro, but rather what 1963 would look like with, and without, Metro. Yet the very important question still remains as to how much relative improvement has been made during the past ten years under the Metro scheme.

Two basic assumptions can serve as significant guidelines for any such evaluation. The first is that the financial inequities that existed between municipalities in 1953 should be less severe now than they were a decade ago. The second is that with the passage of time, this situation should be improving rather than deteriorating. The indications are, however, that neither assumption is being met at the present time. Instead, there is considerable evidence to indicate that the financial inequities between the local municipalities are more pronounced today

than they were in 1953, and that this situation appears to be deteriorating with the passage of time.

A number of factors helps to explain this unforeseen development. First, the local performance of specific service responsibilities has tended to vary more widely than originally anticipated; second, in certain key areas, Metro's relative share of service costs has failed to keep pace with the increasing burdens that have been carried by the local municipalities themselves; and third, there has been no real equalization of the basic resources (i.e. assessment base) of the thirteen local municipalities.

a) *Expenditure Policies: Variations in Local Services*

As has been noted, the Toronto federation concept provided for a considerable degree of diversity in the exercise of various exclusively local and 'shared' service responsibilities. Under the circumstances, it is hardly surprising that such diversity has appeared. What is surprising, however, is the high degree of variation that has characterized the local municipalities' discharge of certain major service responsibilities.

A number of examples can be cited to illustrate this development, one of the key ones being the field of welfare — a service that is shared between Metro and the local municipalities.

Like most cities, the City of Toronto seems to attract the great majority of welfare cases in the metropolitan area, and as a result, it carries by far the heaviest burden of welfare service costs. Yet, even after making allowance for any such hypothetical central city concentration of the welfare case load, it is obvious that the City has assumed an extremely unbalanced share of the total welfare burden for the entire Toronto metropolitan community. In 1961, the City paid 69% of the total municipal expenditures for all area-wide welfare services (i.e. both local and Metro costs), and during this same year, it carried 86% of the total welfare costs expended by the local municipalities alone (i.e. with Metro costs deducted).

No centralized concentration of welfare cases can explain this tremendous relative expenditure on the part of the central City, and indeed, this is not the full story. The City of Toronto bears by far the largest portion of the total welfare service burden because it provides by far the most complete welfare program.

While all thirteen municipalities are required to offer certain mandatory services under the General Welfare Assistance Act, they are also allowed to exercise considerable discretion in the provision of a number of additional optional services. An analysis of six such optional services (i.e. homemaker and nursing services, day nurseries, day care centers, public baths, grants to charitable organizations, and grants to hospitals) reveals the following local expenditure pattern:

TABLE IV²⁷

1961: OPTIONAL LOCAL WELFARE SERVICES

| Municipality | No. Provided (6 Total) | Expenditure |
|--------------------|---------------------------|--------------------|
| 1. City of Toronto | 6 | \$1,113,000 |
| 2. North York | 3 | 48,500 |
| 3. Scarborough | 2 | 38,000 |
| 4. York | 2 | 31,000 |
| 5. Etobicoke | 2 | 13,000 |
| 6. East York | 3 | 7,000 |
| 7. Weston | 1 | 7,000 |
| 8. Forest Hill | 1 | 3,000 |
| 9. New Toronto | 1 | 3,000 |
| 10. Mimico | 1 | 1,000 |
| 11. Long Branch | 1 | 500 |
| 12. Leaside | 2 | 260 |
| 13. Swansea | 0 | 0 |
| | Total | \$1,264,000 |

Similar variations in the provision of optional local services can be found in other fields. The *Toronto Daily Star*, in one of its periodic pleas for complete metropolitan amalgamation, cited the following as indicative of the existing "inequalities of opportunity" within the metropolitan area:

In the City of Toronto, for example, a boy in Grade 7 may have the benefits of a science lab, music room and library, of specialist teachers in art, music and physical training. There are dental and psychiatric staffs to provide free service to children who need them. But if his family moves to, say, Mimico, he would have none of these services, except for a library at one school . . . In health, the story is the same. In Toronto, physicians are in charge of baby clinics; in the suburbs nurses are usually in charge. In Toronto, free dental care is available to children. . . . In all other municipalities except York and North York, children receive only dental inspection . . .²⁸

The *Star's* emphasis on variations in the field of education is particularly apt since this represents a second key "shared" service responsibility that, like welfare, fluctuates very widely between the different municipalities. The Metropolitan Toronto School Board was established concurrently with Metro in 1953 to combine the financial resources of the Metropolitan area through a system of maintenance assistance and capital cost grants in order to ensure equalization of educational opportunities for all pupils in metropolitan Toronto. Yet an analysis by the Board reveals the following costs per pupil actually being expended by the eleven local school boards in the metropolitan Toronto area:

TABLE V²⁹EXPENDITURES PER PUPIL: 1953 and 1961
(Elementary Schools)

| Rank | 1953 | Rank | 1961 |
|-----------------|-------|-----------------|-------|
| 1. Forest Hill | \$260 | 1. Forest Hill | \$537 |
| 2. Toronto | 251 | 2. Toronto | 487 |
| 3. Swansea | 243 | 3. Leaside | 459 |
| 4. Leaside | 239 | 4. East York | 441 |
| 5. North York | 205 | 5. North York | 419 |
| 6. York | 208 | 6. Etobicoke | 404 |
| 7. East York | 197 | 7. Lakeshore* | 393 |
| 8. Lakeshore* | 143 | 8. Swansea | 378 |
| 9. Weston | 189 | 9. Weston | 376 |
| 10. Etobicoke | 176 | 10. Scarborough | 369 |
| 11. Scarborough | 143 | 11. York | 363 |

As the School Board explains, these per pupil cost variations in elementary schools (which are also evident in the secondary schools) are due to a wide variety of factors such as salary scales, experience of staff, cost of teaching materials, age of buildings, amount of outstanding debt, number of pupils per teacher, and the costs of ancillary services. In the Board's words, "it would require an extremely sensitive analysis to establish with any validity the reasons behind the variations."³⁰ While this may be true, the figures indicate rather conclusively that educational services do fluctuate widely throughout metropolitan Toronto, and that these variations have become more pronounced since the time of Metro's earliest years. Whereas in 1953, the range in elementary school expenditures was only \$117 per pupil, by 1961, this figure had jumped to \$174 per pupil due to wide differences in local board expenditures above and beyond the Metropolitan School Board's grants.

Fluctuations such as these represent an inevitable outgrowth of the emphasis on local autonomy inherent in Metro's federated structure, and one could hardly expect that they would not exist if the federation concept were to retain its basic meaning. Yet it is just as obvious that these variations have not only produced widely divergent service standards throughout the metropolitan area, but they have also had a very direct bearing upon the relative financial burdens that are being carried by the individual municipalities.

b) *Expenditure Policies: Metro's Share of Local Costs*

Although the new metropolitan government did not promise to provide a uniform tax levy for the thirteen local municipalities, it is

* *Lakeshore serves as the combined local school board for the communities of New Toronto, Long Branch and Mimico. Hence, there are only eleven school boards for the thirteen municipalities in Metropolitan Toronto.*

significant to note what has actually transpired with respect to local mill rates (i.e. tax per \$1,000 of residential assessment for public school supporters) during the past decade:

TABLE VI³¹
RESIDENTIAL MILL RATES: 1954-1963
(Public School Supporters)

| Rank | 1954 | | | 1963 | | | Rank |
|-----------------|---------|---------|-------|---------|---------|-------|------|
| | Local | Metro | Total | Local | Metro | Total | |
| 1. Toronto | 28.46 + | 15.04 = | 43.50 | 39.57 + | 25.63 = | 65.20 | 1 |
| 2. Scarborough | 26.37 + | 14.56 = | 40.93 | 39.40 + | 24.50 = | 63.90 | 2 |
| 3. Weston | 25.48 + | 14.52 = | 40.00 | 32.24 + | 24.17 = | 56.41 | 5 |
| 4. East York | 23.84 + | 14.66 = | 38.50 | 33.66 + | 24.34 = | 58.00 | 4 |
| 5. Forest Hill | 23.28 + | 14.52 = | 37.80 | 27.79 + | 25.11 = | 52.90 | 9 |
| 6. Mimico | 22.46 + | 14.54 = | 37.00 | 29.65 + | 24.35 = | 54.00 | 8 |
| 7. New Toronto | 22.05 + | 14.95 = | 37.00 | 26.27 + | 25.52 = | 51.79 | 11 |
| 8. North York | 21.98 + | 14.92 = | 36.90 | 30.62 + | 25.02 = | 55.64 | 6 |
| 9. York | 22.02 + | 14.52 = | 36.54 | 34.80 + | 24.80 = | 59.60 | 3 |
| 10. Long Branch | 21.46 + | 14.54 = | 36.00 | 30.83 + | 24.17 = | 55.00 | 7 |
| 11. Swansea | 20.24 + | 14.53 = | 34.77 | 24.15 + | 24.33 = | 48.48 | 12 |
| 12. Etobicoke | 19.28 + | 14.52 = | 33.80 | 27.58 + | 25.12 = | 52.70 | 10 |
| 13. Leaside | 17.48 + | 14.52 = | 32.00 | 21.69 + | 24.74 = | 46.43 | 13 |

As can be computed from Table VI, the mill rate levied upon the City of Toronto for Metro purposes has increased by 10.59 from 1954 to 1963, yet the City's own mill rate for local purposes has risen by 11.11 during this same period. This same relative jump in local mill rates over the Metro levy has taken place in York, East York and Scarborough, while local increases in both North York and Etobicoke have fallen slightly behind the rise in the Metro levy. The effect of this is that local taxation has risen faster than Metro taxation in four of the six largest communities in metropolitan Toronto.

In the smaller communities, however, the rise in local mill rates has been more modest, and in none of them, has this rise surpassed the increase in the general Metro levy. As a result, today there is a difference of 18.77 in the total tax levy (i.e. Local plus Metro) between the highest tax community (i.e. Toronto 65.20) and the lowest tax community (i.e. Leaside 46.43), whereas in 1954, this difference was only 11.50. Despite the supposedly levelling influence of the general Metro tax levy, the absolute difference in total tax burden paid by residents of the highest and lowest tax communities is greater today than it was when Metro was first created.

At first glance, any analysis such as the above may appear to be directing criticism at Metro on the grounds that it has not increased its mill rates fast enough — a highly unorthodox if not unique, line of attack on any governmental body. The real point, however, is not to criticize Metro's failure to raise its mill rates faster in an attempt to

match the local increases, but rather to point out one of the peculiar developments that has enabled Metro to keep its rate down. This is the fact that Metro has been carrying a relatively declining proportion of costs for certain key 'shared' services.

The most striking example of this unanticipated turn-of-events occurs in education. An analysis of the apportionment of both capital costs and current operating costs indicates the extent of this decline. In the capital cost area the percentage share of school construction costs paid by the Metropolitan School Board has fallen off quite dramatically, especially in the elementary school area:

TABLE VII³²
PERCENTAGE SHARE OF APPORTIONMENT OF
CAPITAL COSTS IN EDUCATION
(Construction & Site Expansion)

| | Elementary | | Secondary | |
|----------|------------|------|-----------|------|
| | 1954 | 1960 | 1954 | 1960 |
| Province | 37% | 18% | 11% | 20% |
| Metro | 44% | 25% | 28% | 20% |
| Local | 19% | 57% | 61% | 60% |

There are a number of explanations for this curious decline in Metro's relative capital cost contributions. First, and of fundamental significance, upward adjustments in the Metropolitan School Board's capital grant formula to local boards (which originally covered only about a half of actual costs) have failed to keep pace with the actual inflationary increases in the costs of school construction which have occurred since 1954. Second, an increasing proportion of local capital costs, especially in the central city, have been shifting from the construction of new schools to the rehabilitation of existing schools, and this latter activity is not covered under the capital grant formula. Third, an increasing proportion of local capital outlays has also been shifting to payments for land acquisition for schools. In 1959, the Province of Ontario announced a new grant policy to help cover such local expenditures for school sites. However, these new grants could cover the costs of site purchases only up to the assessed valuation of the land involved. Hence, the local boards have been forced to continue to carry the major share of site purchase expenditures due to the fact that most assessments represent only a fraction of current market value largely due to the fact that the metropolitan Toronto area still uses a 1940 base year for computing current assessment values.

In all fairness, it should be noted that the Metropolitan School Board has struggled manfully in an attempt to devise a new capital grants formula that would increase grants to the local school boards

in a manner that would provide equitable relief to all eleven boards. However, due to a variety of Provincial exemptions and limitations, the Board has been unable to come up with any formula that would be of major benefit to local school boards with the lowest assessment values. Following a thorough study in 1957-58, the Board concluded that "an increase in the Metro share of capital expenditures would fail to achieve any increase in the degree of equalization of school costs."³³ As a result, no new formula has been devised, and the local share of capital costs has continued to grow over the years.

This same relative shift in the burden of financial expenditure from the Metropolitan School Board to the local boards has also taken place with respect to current operating costs. The key tool the Metropolitan School Board uses here is a system of maintenance assistance grants which are designed to subsidize the local boards for current expenditures. Once again, the relative percentages of these grants has declined with the passage of years:

TABLE VIII³⁴
MAINTENANCE ASSISTANCE GRANTS
(Metropolitan School Board share as a percentage of
average local costs.)

| | Metro Share | |
|--------------------------------------|-------------|-------|
| | 1955 | 1960 |
| Public Schools — Elementary | 59.8% | 51.1% |
| Secondary Schools — Academic | 59.1% | 51.5% |
| Secondary Schools — Commercial | 64.7% | 50.5% |
| Secondary Schools — Technical | 47.9% | 58.9% |

The Metropolitan School Board's relative share of current costs has increased over the five year period in only one field — technical education. The Board has been willing to make substantial increases in its maintenance assistance grants, in this field, mainly because the Federal Government has provided for 75 per cent of the capital cost of schools designed for technical education. In the three other cases, however, the Board's increases have been minimal and its proportionate share of costs has dropped accordingly. The problem here has not been so much that of any outside restrictions on the Board's actions as it has been a matter of controversy within the Board itself. The simple facts of the matter are that many of the Board members have been reluctant to increase operating grants for general educational purposes on the grounds that the different localities are actually competing with each other for various operating services (especially teaching staff). As a result, representatives on the Board from the more affluent municipalities are hesitant to recommend the expenditure of their local monies on grants which might have the effect

of improving the competitive position of a rival local board. Surprisingly enough, the essence of this problem has been admitted, although rather genteelly, in an analysis by the Metropolitan School Board itself.

Although there is no record of how individual trustees voted on the maintenance assistance payment question, it is a fact that the trustees from areas that contribute more to Metropolitan operations than they receive outnumber the other trustees. It is indeed difficult for the trustees of such boards to consider objectively any increase in maintenance assistance payments at the expense of their local areas without one eye on the mill rate in the local budgets of these areas. Maintenance assistance payments have not been maintained at the level which was prescribed by the (Provincial) Government in 1954 and 1955.³⁵

Thus it can be seen that the same parochial pressures that are at work within the Metropolitan Council have also come into play within the Metropolitan School Board. The effect is that Metro's relative share of educational costs has not kept pace with local realities.

If one views the expenditure side of the record, both with respect to the local municipalities and with respect to the larger Metro organization, it becomes increasingly obvious why the financial imbalance between the local municipalities has been growing over the years. Yet the real crux of this problem is actually to be found, not in expenditure policies, but rather in the variations that exist in the revenue bases of the thirteen communities, and unfortunately, Metro has been able to accomplish little to remedy the basic inequities that exist with respect to the different municipalities' assessment positions.

c) Revenue Disparities: The Inequitable Assessment Base

In 1953, the Town of Leaside levied the lowest tax rate, yet received back the highest tax receipts per capita, of any municipality in the metropolitan area. In 1963, the Town of Leaside still enjoys this enviable position. This simple observation highlights the basic factor that has had the greatest influence upon the financial inequalities that exist between the local municipalities. An uneven distribution of population, and of commercial and industrial assessment resources, has tended to turn the Toronto municipalities into 'have' and 'have not' members of a larger metropolitan community.

This trend can be seen quite clearly through a simple comparison of per capita assessment figures for all thirteen municipalities in Table IX (with the percentage of total assessment classified as industrial/commercial indicated in parentheses).

In both 1953 and 1962, three communities (New Toronto, Leaside and Forest Hill) enjoyed an extremely favorable assessment position in terms of their per capita resources. Both New Toronto and Leaside

TABLE IX³⁶
ASSESSMENT PER CAPITA
1954 & 1962

| 1954 | | 1962 | |
|-----------------------|-----------|-----------------------|-----------|
| 1. Leaside (52%) | \$3481.00 | 1. Leaside (49%) | \$4052.00 |
| 2. New Toronto (72%) | 3046.00 | 2. New Toronto (71%) | 3389.00 |
| 3. Forest Hill (10%) | 2969.00 | 3. Forest Hill (9%) | 3364.00 |
| 4. Etobicoke (29%) | 2380.00 | 4. Etobicoke (42%) | 3021.00 |
| 5. Toronto (61%) | 2262.00 | 5. Toronto (62%) | 2957.00 |
| 6. Weston (47%) | 2190.00 | 6. Weston (46%) | 2624.00 |
| 7. Swansea (23%) | 2122.00 | 7. Swansea (23%) | 2526.00 |
| 8. North York (20%) | 1969.00 | 8. North York (31%) | 2502.00 |
| 9. Scarborough (28%) | 1813.00 | 9. Scarborough (33%) | 1949.00 |
| 10. Mimico (25%) | 1673.00 | 10. Mimico (24%) | 1947.00 |
| 11. York (32%) | 1598.00 | 11. Long Branch (35%) | 1794.00 |
| 12. Long Branch (41%) | 1472.00 | 12. York (31%) | 1792.00 |
| 13. East York (22%) | 1445.00 | 13. East York (23%) | 1787.00 |

could look to their relatively high ratios of industrial and commercial assessment for their major sources of wealth. Forest Hill, on the other hand, has a very low industrial/commercial assessment ratio. Instead, this community, which served as the subject of the **Crestwood Heights** study, is one of the richest residential areas within the metropolitan Toronto area.

The most disturbing feature of the preceding table does not concern the 'haves' so much as the increasing number of 'have nots'. In 1962, some five communities still fell below the \$2,000.00 mark in terms of their assessment per resident. Although each of these communities has experienced a general increase in assessment values during the past decade, this increase has failed to keep pace with their general population growth, especially in Scarborough.

The above figures do not, of course, tell the whole story. For example, the Scarborough picture is even more desperate than it appears above, if one takes into account the nature of the population growth this community has experienced in the past decade. As one of the huge "outer ring" suburbs, Scarborough has been settled by a young residential population with a very high number of children per family. The result has been an extraordinary strain on the educational system, and again, the ability to pay appears in virtually inverse ratio to that of need (see table X).

The only apparent remedy for this situation (short of a radical reorganization of Metro itself) is to apply more stringent controls to the economic development of the entire metropolitan area in an attempt to achieve a better balance of economic resources among the thirteen local municipalities. The Metropolitan Toronto Planning Board indicated some awareness of this possibility when it issued a draft 'Official Plan' for its 720 mile planning area in 1959. Yet the

TABLE X³⁷
ASSESSMENT PER PUPIL ENROLLED IN PUBLIC SCHOOLS
1960

| | |
|-----------------|-------------|
| 1. Leaside | \$34,200.00 |
| 2. Forest Hill | 29,700.00 |
| 3. Swansea | 25,800.00 |
| 4. Toronto | 25,200.00 |
| 5. Lakeshore | 17,800.00 |
| 6. Weston | 16,900.00 |
| 7. Etobicoke | 16,300.00 |
| 8. York | 13,600.00 |
| 9. North York | 13,400.00 |
| 10. East York | 13,300.00 |
| 11. Scarborough | 9,600.00 |

Board did not set a very high priority on this particular objective. The eighth, and last, economic goal it listed was that "the need of the individual area municipalities for a favorable assessment balance should be taken into account."³⁸

The major explanation for this is to be found in the fact that industry has traditionally located in west and north Toronto for a variety of reasons, and this pattern is continuing.

Both Etobicoke and North York, being conveniently oriented to the western and northern side of Toronto area, have been able to take advantage of this natural movement in securing new industries. Scarborough, however, which lies to the east of Toronto, has occupied a backwater position in terms of the region's western industrial expansion. As a result, it has served as the residential bedroom community for the metropolitan area, without a comparable growth in its industrial assessment base.*

Hence, whether one looks at the expenditure or the revenue side of the picture, it is obvious that the initial economic imbalance between Metro's member municipalities has not been alleviated during the past decade. The real danger of such a development is to be found in the increasing strains which it has tended to place upon the basic concept of Toronto's federation program. Any governmental federation must depend upon a meaningful degree of co-operative action between its component members if it is to realize its full potential. Yet the prospect for such co-operation can be diminished significantly if these members are separated by fundamental disparities in basic resources especially in the economic sphere. If this imbalance is overly drastic, it tends to act as a cancer which can spread throughout the entire body politic, weakening the unity of the federal government and inhibiting its ability to act decisively.

* North York's ratio of industrial-commercial to total assessment has risen by 11% from 1954 to 1962, Etobicoke's by 12%, and Scarborough's by 5%.

2. *The Problems of Metropolitan Unity*

When the "Cumming Report" was issued in 1953, it noted the "serious cleavage of interest" that existed between the City of Toronto and the twelve other municipalities, and expressed the hope that a "better spirit of metropolitan unity" would be realized in future years.

Perhaps if one of the Report's major organizational recommendations had been followed, the development of this spirit of unity could have been expedited. As has already been noted, the Report proposed that the City of Toronto should have four members on the new Metropolitan Council, while the twelve suburbs should have an equal number of members drawn from four suburban "divisions", each of which would appoint one councillor. Although this arrangement would not have alleviated any potential city-versus-suburbs split, it at least represented a step in the direction of breaking down narrow local identities within the suburban community. When the Provincial Legislature rejected this proposal in favor of a 24 member constituency-unit system of representation (i.e. one representative for each of the twelve suburban municipalities plus twelve for the City of Toronto), it both helped and hindered the future development of the new metropolitan government.

As previously argued, the help came from the fact that such an arrangement tended to minimize the potentialities of an external attack upon the new governmental body by local political leaders. Because these leaders were involved in the formulation of Metro policies, they understood what these policies were all about, and they were in a position to translate the significance of the policies to their local communities. In essence, the Toronto arrangement provided the means for a close liaison between the new Metro Council and the existing local municipalities. Yet the price the Council has been forced to pay for such potential liaison has been a very severe one.

In effect, the representative arrangements adopted by the Province have tended to turn the new metropolitan government into a very real 'Assembly of Sovereign States'. Since the Metro Council members are the actual Mayors, Reeves or other local political leaders of their constituent councils,* it has been virtually impossible for these members to ignore parochial interests in approaching their Metro responsibilities. Under the circumstances, Council deliberations can easily turn into bargaining sessions, in which local representatives tend to place more emphasis upon their respective constituencies than upon the larger needs of the metropolitan community taken as a whole.

The appearance of such a conflict is not a new problem unique to the Toronto Council. Despite Edmund Burke's historic plea for the broad exercise of representative judgement, political man has always experienced considerable difficulty reconciling the tug of local demands with some larger concept of community interest, even under the very best of circumstances. Yet by placing local leaders (who have been

elected to oversee the interests of their individual communities) upon its Council, Toronto's metropolitan government has tended to magnify this already difficult problem to the breaking point. It is hard enough to serve one master well, much less two, and perhaps the best insight that can be gained into the true nature of the Toronto Councillors' dilemma is to visualize a Canadian Parliament made up solely of Provincial Premiers, or a United States Congress consisting of fifty State Governors.

This potential drift towards parochialism has been reinforced by the pattern of the area's population growth during the past ten years:

TABLE XI — POPULATION GROWTH (1953-63)³⁹

| | 1953 | 1963 | % Increase |
|-----------------------|-----------|-----------|------------|
| City of Toronto | 665,502 | 644,358 | - 3.2% |
| "Inner Ring" | | | |
| York | 100,463 | 126,511 | + 25.9% |
| East York | 65,736 | 71,300 | + 8.5% |
| Forest Hill | 17,719 | 21,513 | + 21.4% |
| Leaside | 15,910 | 18,853 | + 18.5% |
| Mimico | 12,301 | 17,989 | + 46.2% |
| New Toronto | 11,190 | 12,924 | + 15.5% |
| Long Branch | 9,140 | 11,091 | + 21.3% |
| Weston | 8,374 | 9,832 | + 17.4% |
| Swansea | 8,344 | 9,249 | + 10.8% |
| "Outer Ring" | | | |
| North York | 110,311 | 286,446 | +160 % |
| Scarborough | 78,803 | 230,338 | +192.3% |
| Etobicoke | 70,209 | 165,001 | +135 % |
| Totals | 1,174,002 | 1,625,405 | + 38.4% |

The basic result of this growth has been to increase further the population inequities of a previously inequitable representative arrangement. By 1963, North York, with some 17% of the area's total population, had one representative on the Metropolitan Council, while Swansea, with considerably less than 1% of the population, also retained its one member. The seven smallest municipalities, contained only 5% of the total area population but almost 30% of the seats on the Council. A similar, although not as dramatic imbalance was becoming apparent with respect to the City's position. Whereas in 1953, the City had to be given half the Council seats on the grounds that it contained 57% of the area's total population, by 1961 the City had dropped to 40% of the area's total population, yet it still retained its twelve Council seats.

While the most obvious implication of this situation has been a growing representative imbalance on the Council, its more subtle mani-

* In the case of the City of Toronto, the twelve members are the Mayor, the two City Councillors with the highest popular vote, and nine City Aldermen. The member for each suburban municipality is the Reeve or the Mayor.

festation has taken the form of a more parochial approach towards Council deliberations. Representatives of the smaller municipalities, realizing that they are the beneficiaries of a representative system that defies any logical justification, can hardly help being tempted to adopt an increasingly defensive and protective attitude toward their existing position. Representatives of the larger suburban units, looking on themselves as the victims of an injustice, are equally tempted to adopt an increasingly more aggressive pursuit of their own local interests. These psychological attitudes have tended to split the smaller and the larger suburban communities on a number of issues. Yet, the Council has always operated under the threat that the twelve suburbs would, in fact, be able to realize a total alignment of forces and thus produce a complete deadlock in the form of a basic city-versus-suburbs split.

During earlier years, the appearance of any such division was forestalled by Chairman Gardiner's forceful leadership ("I only put the axe to their heads when everything else fails"⁴⁰), coupled with the ability of the twelve City representatives to organize themselves as a unit, and thus carry the day by picking up one or two 'strays' from the initially disorganized suburbs. As a result, the only serious early City-suburban break occurred in the form of a bitter fight over water rate charges, with the issue not being resolved until Chairman Gardiner had twice cast his tie-breaking vote. A second major break threatened to occur in late 1961 when Toronto Mayor Nathan Phillips made a major push for his total amalgamation scheme, but the Council rejected this idea decisively by an 18 to 5 vote, with six of the City representatives deserting their Mayor.

Yet, while surface appearances may have indicated a relatively mild degree of City-suburban infighting, beneath this surface tensions were building up to a point where only a very slight nudge was needed to split the Council wide apart. Such a nudge appeared in the 1963 session in the form of the Toronto Transit Commission subsidy issue, and the basic stakes were largely economic in their underlying impact.

The T.T.C. — known locally as 'Sic Transit' (without the 'gloria mundi') — has been floundering in increasingly murky financial waters for a considerable number of years. Although many factors are blamed for this situation, the simple arithmetic of the matter is that the Commission has only one source of revenue (its fares) which has not been able to cover spiraling operating costs plus the growing debt burden that the Commission has taken on to finance the construction of new subway lines. In addition, since the inception of Metro, the T.T.C. has been forced to expand its surface bus service operations to cover unprofitable suburban routes thus adding further strains to its precarious financial position.

Despite the fact that its revenues have been barely able to cover the costs of its operating budget alone, by 1963 the T.T.C. was paying \$4 million in interest and debt installments for its first major subway

line (Yonge Street), plus another \$1.1 million in interest charges on a recently opened second line extension (University Avenue). Within a few years, the Commission can look forward to another \$6.4 million burden in annual debt charges to cover the capital costs of a new, east-west (Bloor-Danforth Street) subway that is scheduled to open in 1966.

The only consistent action the T.T.C. has followed in an attempt to resolve this financial dilemma has been the periodic fare increase. Fares were raised in 1954, 1956 and 1960, and the result has been a decrease in revenue passengers from 320 million in 1954 to 269 million in 1962.⁴¹ In short, during the past ten years, the Commission's passenger load has dropped 16% while the area's total population has increased 38%.

During the early winter months of 1963, it became obvious that the Commission was destined to go far into the red in its projected current year budget, and it announced that, unless it received outside financial assistance, it would increase fares again on May 1st. The Metropolitan Council held a preliminary debate on the question in March, with two virtually solid phalanxes emerging. The City favoured a T.T.C. subsidy (the subway lines are located wholly within its boundaries), and the suburbs were against it (unless there was a new fare structure that would, in effect, give cheaper rides to suburban residents). The division was clear-cut and simple; so simple in fact that Toronto's new Mayor, Donald Summerville, complained, "Metro Toronto is getting like a kindergarten."⁴²

Although Toronto's three daily newspapers, *The Star*, *The Globe and Mail*, and *The Telegram** warned that "The Metro Split Widens", little could be done to head off the impending clash that lay ahead. The die was cast when the Provincial Legislature removed all previous restrictions on the Council, permitting it to grant direct operating subsidies to the T.T.C. if it elected to do so. The Council considered the issue in late April and although a majority of its members supported a \$2.5 million T.T.C. subsidy, it failed to secure the necessary two-thirds vote. The final count was 13 to 11, with all twelve City representatives (plus one suburbanite) supporting the subsidy and the remaining eleven suburban members lined up solidly against it. The City's reaction was immediate and bitter, with Mayor Summerville charging that Toronto was being milked by the suburbs through metropolitan government.⁴³

On May 1st the Transit Commission raised its fares, thus setting into motion a further series of bewildering procedural and parliamentary maneuvers that defy easy description. The net result was that the Metropolitan Council once again reconsidered the issue at a series of meetings in early May, before finally approving the \$2.5 million subsidy.

* All of whom are critical of the current federation concept and favor some form of complete amalgamation of the thirteen municipalities into one united metropolitan city.

If the City's previous reaction to its initial defeat had been bitter, its reaction was mild compared with the explosion that marked the suburbs' approach to this second switch in policy. Indeed, two of the "outer ring" giants, North York and Etobicoke, were so incensed as to set off a chain of events that may well lead to the disintegration of the basic metropolitan federation concept as it is presently organized.

Spearheaded by North York's Reeve, Norman Goodhead, these two communities filed suit against the Metropolitan Council, challenging the legality of its action and attempting to have the subsidy declared null and void. Both sides have retained special counsel to handle their cases and the litigation promises to be both protracted and bitter.

This latest action has had a two-fold impact on Metro. First, it has represented a new phase in the deterioration of relations within the Council itself. For the first time two of the Council's more powerful members have launched a direct, and massive assault upon the metropolitan body, and in the words of the Council's new Chairman, William R. Allen, there can be "no real winners" in the legal battle that lies ahead.

In addition, the Council's handling of the entire subsidy issue appears to have tarnished its public image quite severely. The newspapers, in stepping up their campaign for total metropolitan amalgamation, have launched especially vitriolic attacks upon the current organization — witness the following sample from *The Telegram*⁴⁴

. . . Ad hocery, government by gimmick, decision by intrigue, policy-making by playing one faction against another, back scratching and saw-offs — these are the built-in weaknesses of Metro politics . . . Metro is a balkanized state where each municipality subordinates the interests of the whole to its own interests. . . .

Whether or not it survives its current political and legal woes, it is obvious that Toronto's federated government is now in deep trouble. Whatever else it may or may not have been able to accomplish in the past decade, the federation approach has made very little headway towards the realization of the "spirit of metropolitan unity" that the "Cumming Report" so wistfully contemplated some ten years ago. Indeed, the most alarming aspect of the whole situation is that the relations between Council members appear to be growing worse, rather than better, with the passage of years.

3. *The Problems of Indecisiveness*

The parochial strains within Metro have tended to inhibit the Council's program in a number of distinct ways. First, there have been occasions when the more affluent municipalities have demonstrated a reluctance to share their wealth with the area's less fortunate communities. The resistance encountered in raising the level of maintenance

assistance grants in the field of education, described previously, serves as an apt illustration of this development.

Second, and on the opposite side of the coin, there have also been cases where the less wealthy communities have balked against accepting increased responsibilities on the grounds that it would further jeopardize their already precarious financial positions. The field of public housing provides a dramatic example of this problem.

The Toronto public housing program represents a tangled web of overlapping governmental jurisdictions and its current woes are certainly not due to any problems of local financial inequities alone. Yet it is just as obvious that these local inequities have contributed additional complications to an already complex situation.

The greatest difficulty of all is the simple fact that too many separate agencies share responsibilities for public housing in the Toronto metropolitan area. One specialized program, which is managed by a quasi-independent commission known as the Metropolitan Toronto Housing Company Ltd., oversees the construction of low-rental apartment developments for senior citizens (i.e. age 60 and older). This group, which was founded in 1954, has been able to complete some 1,474 low-rental units in eleven locations. It has an additional 392 units presently under construction.

A second separate program is operated by the City of Toronto. Due to a general lack of public interest and initiative in urban renewal throughout the inner core area, the City has been able to accomplish little in the field of public housing during recent years, although to its great credit, it did manage to initiate the 1,397 unit Regent Park North project prior to the inception of Metro. In addition, the City of Toronto Limited Dividend Housing Corporation, which serves as an arm of the City government, has completed some 366 units of moderate rental family housing and is presently constructing a 900 unit Moss Park project.

The major low-rental housing organization in Metropolitan Toronto is a third body known as the Metropolitan Toronto Housing Authority, which was created in 1955 to construct and operate general public housing projects throughout the Metro area. Despite the 'Metropolitan' nomenclature, this authority does not fall directly under the Metro Council, but rather operates as a quasi-Metro organization under the direction of an independent nine-man board appointed by the Province.

The Authority's program represents a literal inter-governmental maze, involving Federal, Provincial, Metro and individual local authorities, as well as its own nine-member board. Although the Metro Council set a theoretical goal of 1,000 new public housing units per year in May 1958, the Authority has been able to complete only three projects — Lawrence Heights (1,081 units), South Regent Park (732 units) and Scarlettwood (150 units). Hence, despite the proliferation of housing

authorities throughout the metropolitan area, metropolitan Toronto has witnessed the completion of only 5,000 units of public housing during the past decade.^{45*}

While much of this delay must be blamed on the problems of red tape and intergovernmental confusion resulting from the complicated housing organizational structure, another problem has been the marked reluctance on the part of local municipalities, most especially the three "outer ring" suburbs, to absorb additional public housing programs. The rationale for this obstinacy is primarily economic:

Metro wants to build 100 units of low-rental housing in Scarborough. But Scarborough says, in effect, "We've got enough now; go build somewhere else."

Etobicoke Council is stalling on the approval of a 1,100 unit Metro low-rental project in its Thistletown area.

Still another project — 300 units in North York — is hung up in a complicated wrangle.

. . . The Scarborough project was approved by Metro Council in 1958. But the Township said no. It still says no. "We've got about half of all the limited dividend low-rental apartments in Metro," says Reeve Albert Campbell. "Our per capita assessment is the lowest in Metro. Until we get it up, we won't take on any more public housing. It will be up to the other municipalities."

Scarborough's main worry is school costs. It has found that the average low-rental housing project has four times the community average of school children. Two years ago, Metro began discussion of a method of compensating municipalities with public housing for their additional school costs. But the idea was later dropped. . . .⁴⁶

The above observation indicates the depth of the impact that local financial inequalities can have on a major component of the Metro program. If public housing is to move forward in metropolitan Toronto, it will have to depend upon the co-operative support of the three "outer ring" suburbs since these three communities contain the only major blocs of undeveloped land remaining within the present Metro boundaries. Yet resistance to accept such housing has characterized the attitude of all three communities, with Scarborough arguing most adamantly that its present financial problems preclude the absorption of additional housing projects. Scarborough's attitude serves as a fitting illustration of the second limitation which has affected Metro's growing inability to act decisively — the reluctance of the less wealthy com-

* It is difficult to obtain a precise figure as to the overall magnitude of the housing shortage in metropolitan Toronto. The Toronto and District Labor Council has charged that 100,000 Metro residents lack proper housing (*Star*, May 17, 1963, p. 29). The *Toronto Star*, itself, has made a more modest estimate that "in this prosperous Metropolitan Toronto there are roughly 30,000 people without a decent place to live." (*Star*, May 7, 1963, p. 7).

munities to accept increased responsibilities for major new projects on the basis that such action would further jeopardize their already difficult financial problems.

The third sphere where Metro has displayed considerable indecision is not solely economic in its underlying origins. Instead, it appears to be the outgrowth of a highly pragmatic leadership philosophy that has shaped the Metro operation from its very inception.

There is little doubt that Metro's great leadership strength to date has been in its response to the more dramatic physical service crises that have exerted the loudest demands for immediate and sustained attention. Metro has realized its greatest accomplishments in tackling such drastic situations as those that were to be found in the water supply, sewage disposal, school construction, and transportation services. Although this effort has required a massive organizational and financial capability, it has not placed too many subtle, or even controversial, demands on the Metro Council members because both the nature of these problems and the nature of the actions necessary to realize their solution have been relatively obvious. During its formative years, Metro's basic *raison d'être* has been reasonably apparent to all. Faced with a staggering backlog of previous neglect in a variety of public areas, the Metropolitan Council has had little choice but to emphasize the 'steamshovel approach' to its job in order to build the miles of new sewers and the myriad of new schools necessary to preserve metropolitan Toronto as a going, and growing, concern.

Largely as a result of the pragmatic nature of this initial mandate, the Council has tended to adopt a highly pragmatic approach to all spheres of its operations that has meshed very closely with the personal philosophical orientation of its first chairman, Frederick Gardiner. Stated quite simply, Metro has often been inclined to operate more as a business than as a governmental organization — the more as a gigantic construction company operating under a metropolitan-wide mandate, than as a political body responsible for a wide range of social, as well as physical obligations. Ten years' cumulative experience indicates that the Metropolitan Council has been consistently aggressive in tackling the so-called "hard core" problems where results are concrete and obvious, and considerably less assertive in meeting some of the "softer", more socially-oriented issue areas where results are usually less tangible and more controversial. An analysis of some of the particular fields where Metro's record of response has not been particularly aggressive indicates the true nature of this dichotomy.

Three such fields are public housing, planning and the publicity and information functions that are involved in carrying Metro's story to the public. The lack of assertiveness that has characterized the field of public housing has already been described in enough detail to indicate that Metro's record of accomplishments here falls far short of

its more spectacular achievements in the water supply, water pollution control and related public works fields.

Planning represents another field where a disturbing lack of resolution has tended to characterize the Council's position. This is not to assert that Metro has suffered from any lack of adequate planning guidance at the staff level. The Metropolitan Toronto Planning Board and a second quasi-independent body, the Metropolitan Toronto and Region Conservation Authority, have both formulated some excellent open space, recreational and general planning proposals that promise to add a great deal to the future well-being of the metropolitan Toronto area. Yet it is significant to note that while the Planning Board has prepared a general master plan for Metro Toronto, this plan still remains in the draft stage. During ten years of existence, the Metropolitan Council has never got down to the difficult business of approving a formal Official Plan to guide the growth of the metropolitan Toronto area.

While it might be argued that the existence of a draft master plan makes any such formal action unnecessary, this is a debatable contention at best. A plan is not only designed to serve as a guideline for future growth, but also as an official policy commitment on the part of its sponsoring agency. Through the adoption of a formal Official Plan, Toronto's Council would actually be forcing itself to hammer out its future development policies and priorities for the entire metropolitan area. In the process it would be formulating a comprehensive guideline that could help to provide a sense of central cohesion to the entire Metro operation. This is precisely the task which the new Winnipeg Metropolitan Corporation has viewed as constituting its primary obligation. Yet while the Winnipeg Corporation is attempting to work out its long-range planning projections as its first order of business, the Toronto Council has permitted ten years to pass without bothering to adopt a formal plan. The Council's record here has been far from decisive.

A comparable lack of decisiveness has characterized the Council's approach to its public information responsibilities. In all fairness, it must be noted that Metro's new Chairman, William Allen, has been making a major effort to emphasize Metro's public education role during the past two years through an increasingly heavy program of speaking engagements and other public commitments. Yet it is highly questionable whether one man's efforts can fill the organizational void that exists in this area. During more recent years, Metro's major public information document has been an attractive annual brochure which summarizes the Council's key achievements to date. It is interesting to note, however, that responsibility for producing this brochure has been assigned to an already busy operating unit, the Metropolitan Planning Board. In effect, the Metropolitan Council has viewed its public information effort as an 'added chore' that is to be relegated to an existing

operational unit that is already attempting to discharge a full-time responsibility of its own. As is the case with its research and central intelligence responsibilities, which have been relegated without any major staff commitment to the Treasury Department, the Metropolitan Council has not regarded its public information role as being of enough importance to warrant its own central staff organization.

This general lack of decisiveness in the planning, the research and the public information fields becomes highly relevant if one views the major components of the political leadership role in its totality. In addition to its responsibility to respond to existing crisis situations, any strong leadership agency must be prepared to anticipate future developments and to educate the public with regard to their implications. This is especially true in a democratic society which places a high premium on the existence of an informed public opinion. Metro's forte to date, however, has most decidedly been an emphasis upon response to already apparent crisis situations to an extent where the other components of the leadership process, most especially public information and education, have been largely ignored.

Perhaps the Toronto Council has not been unique in this regard. Urban America's current unpreparedness to deal with a rising civil rights crisis that has been a long time in the making serves as another telling indication of the tendency of our political institutions to limit themselves to the rudimentary elements of a basic stimulus and response pattern — in short, these institutions are all too often unable, or unwilling, to act until after obvious crisis situations are already crashing about their ears. Yet this is a rather dismal picture at best, and indeed, tell-tale signs are now emerging in the Toronto area that raise the question of whether the Metropolitan Council can follow any such course in the future.

These signs are the outgrowth of some basic environmental changes that are now taking place in Metropolitan Toronto, many of which appear to be the result of Metro's own initial successes. As this new governmental organization has resolved many of the most immediate crisis problems that have plagued Greater Toronto in the past, the area's basic service demands have been shifting gradually from the larger public works' priorities of the past to the considerably more complex, and subtle, considerations of social and economic accommodation. Metro itself, or at least the Metropolitan Planning Board which prepared the Council's Tenth Anniversary Report, has begun to indicate a fundamental awareness of this changing environmental context:

The changing nature of the metropolitan problem is perhaps best reflected in the shifting focus of metropolitan concern. Where emphasis in the first 10 years has of necessity been largely on the basic and essential physical services, that of the next 10 years will be increasingly on social and community welfare. In the first 10-year capital works program adopted by Metro in 1955, the pro-

jected expenditure . . . was allocated on the basis of 76% to roads, sewers and water supply; 21% to education; and only 3% to all of the other services and facilities, such as housing, welfare, conservation and parks, and the administration of justice.

The 10-year capital program adopted in 1963 . . . presents a far different picture: 36% on roads, sewers and water; 28% on education; 30% on public transit; and 6% on the other Metropolitan services.⁴⁷

Although the major forces of change at work here have been largely self-generating (i.e. Metro, though its own initial successes has been working itself into new jobs), certain external factors have tended to magnify the impact of these shifting priorities. The most dramatic of these factors has been a very high degree of foreign immigration into the metropolitan area during the past decade. The City of Toronto Planning Board estimates that Metropolitan Toronto has absorbed some 385,000 immigrants between 1951 and 1960. While English, Germans and Italians comprise the major portion of this new influx, the Planning Board lists no less than thirty different nationalities as migrating to the Toronto area in the past ten years.⁴⁸ Although this changing cosmopolitan population contains the promise of a rich mixture of cultural vitality, it also contains difficult challenges of social adjustment, as efforts are made to integrate these groups fully into the daily patterns of metropolitan life. Here, once again, there is a strong indication that Metro's mandate is now shifting from the physical to the social challenges of urban living. Under the circumstances, the Metro organization will have no choice but to pay increasing attention to some of the less glamorous problems of social accommodation that it has tended to subordinate to its higher priority public works goals of the past.

It is this final observation that relates back to the earlier analysis of the widening economic inequalities that are now becoming more apparent in the original metropolitan federation framework as it was first devised in 1953. During its formative years, one of the reasons Metro has been able to achieve a considerable degree of consensus among its member municipalities is due to the fact that the basic problems that have represented its primary fields of concern have been relatively obvious in their priorities and relatively non-controversial in their implications. While these different member municipalities may have been subjected to widely divergent fluctuations in their own local resources, it was hardly difficult for them to agree that a modern metropolitan community must have an adequate water supply system if it is to survive. As Metro now places increasing emphasis on such fields as welfare, housing, recreation and the like, the considerably more contentious nature of these newer priorities (complete with all their implications of "unnecessary frills") promises to place increasing strains upon the original federation framework. In short, Metro has been suffering from a growing lack of resolution during its first decade in precisely those fields that will demand an

increasing amount of its attention during the next decade. It is highly debatable whether the existing Metro municipalities will be able to achieve a degree of consensus on these newly emerging issues of social reform that will be comparable to the degree of consensus they have been able to achieve in the past when considering the more tangible, "hard core" problems that have monopolized Metro's first decade.

Such an observation argues that there may well be political as well as economic forces of fragmentation at work that justify the consideration of some basic changes in the original Toronto federation framework as it was first devised in 1953. As was noted at the outset, this original framework was never regarded as providing the final answer to all of Metropolitan Toronto's problems, and the environmental changes which have taken place during the past decade indicate that a basic review of the entire Metro program is, indeed, highly desirable. The new Royal Commission which will now conduct just such a review can consider a variety of alternative changes in the existing Metro organization. Much local press and central city political sentiment appears to favor a total amalgamation of all thirteen local municipalities into one large metropolitan city.⁴⁹ A second alternative, and one worthy of thoughtful consideration, was proposed by the Gathercole Report in 1961. This group pointed out that it might well be feasible to preserve the essence of Toronto's original metropolitan federation concept by rationalizing the existing second-tier structure through consolidation of the thirteen existing local municipalities into four, or five, enlarged and more equalized boroughs.⁵⁰ This basic theme has subsequently been picked up by a number of suburban leaders, including the Reeves of North York* and Scarborough.⁵¹

There is one alternative, however, that lies beyond the bounds of political feasibility. This is the complete abandonment of the basic metropolitan government approach in favour of a reversion to conditions as they existed prior to 1953. No significant group, either inside or outside of Metro, has come out in favor of such a course of action. This fact, in and of itself, serves as the most telling commentary on Metro's first decade. Despite any of its shortcomings, Toronto's metropolitan government, when evaluated in terms of the totality of its achievements, has compiled an exceedingly impressive record during its first ten years of existence. It is now the responsibility of its parent body, the Provincial Government, to make any adjustments that may be necessary to assure that this will again be true at the completion of Metro's second decade of operations.

* The Reeve of North York has since changed his posture and now appears more inclined toward a total amalgamation approach.

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30. Report of a Special Committee of the Metropolitan School Board, "The Case for a Single Mill Rate of Uniform Tax for Education in Metropolitan Toronto," December 12, 1961, p. 338.
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34. *Ibid.*, p. 337.
35. *Ibid.*, p. 337.
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42. Quoted in "The Metro Split Widens" (edit) *Toronto Daily Star*, March 19, 1963.
43. Quoted in *Toronto Globe and Mail*, April 30, 1963, p. 5.
44. *Toronto Telegram*, "Metro's Ad Hocery" (edit), May 8, 1963.
45. Data on numbers of housing units taken from "Metropolitan Toronto: 10 Years of Progress," *op. cit.*, pp. 37-40.
46. Michael Best, "Our Public Housing Paradox," *Toronto Daily Star*, May 7, 1963, p. 7.
47. "Metropolitan Toronto: 10 Years of Progress," *op. cit.*, pp. 5-6.
48. City of Toronto Planning Board, *A Report on the Ethnic Origins of the Population of Toronto*, September 12, 1961, p. 4.
49. For an interesting expression of the opposing viewpoint see: Albert Rose, "The Case Against Total Amalgamation in Metropolitan Toronto", *Public Affairs Report*, Bulletin of the Institute of Governmental Studies, University of California (Berkeley) Vol. 4, No. 2, April 1963.
50. The Ontario Department of Economics, *A Report on the Metropolitan Toronto System of Government*, (Toronto: November, 1961).
51. In May 1963, Reeve Albert Campbell of Scarborough announced he favored consideration of a directly-elected council, responsible for levying taxes and distributing funds to 7 or 8 newly designated local municipalities. In June, Reeve Norman Goodhead of North York came out in favor of a reorganization of Metro to include the establishment of four entirely new second-tier boroughs, along the lines of the Gathercole Report.



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