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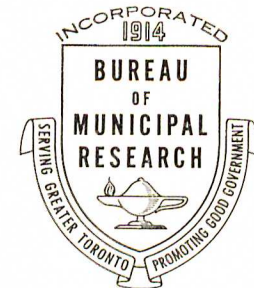
Forty-sixth
Annual Report
1960

BUREAU of MUNICIPAL RESEARCH
TORONTO

BUREAU of MUNICIPAL RESEARCH

Annual Report

For the Year ended February 29, 1960



An independent fact-finding organization
reporting to the public on civic affairs.

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Foreword

Throughout the past year the Bureau has played a significant part in the municipal life of the metropolitan area. By means of our periodic News Briefs we have, this year, kept our members informed on the highlights of our work; but during my close association with the Bureau I have learned that these releases account for but a fraction of what is being accomplished on your behalf. The public hears comparatively little about the assistance given by the Bureau to municipalities, their officials and elected representatives. Sometimes our contribution is not recognized until long afterwards; more often it goes entirely unheralded. This is not surprising when you consider that formal action is only one of many means employed by our organization in promoting sound practices and effecting changes. It is a compliment both to our civic administrations and to the Bureau that it seldom feels it necessary to press its suggestions publicly in order to gain serious consideration of its proposals.

On closing the books at the end of our forty-sixth fiscal year, it gives me a great sense of pleasure to report that our finances are once again in a healthy state. While back of this record lies a good deal of work on the part of the Board, the officers and the staff, we have been greatly assisted and encouraged by the co-operation given by our members. Our membership secretary has been visiting the members in recent weeks and will continue this new practice. We are grateful for the cordial reception he has always received and for the close interest that is evidenced in our work.

A. H. LEMMON
President

Director's Report

For a number of years, this annual Bureau report has been adapted to a two-fold purpose. Evidence of our own accomplishments has been combined with efforts to evaluate current municipal problems and to suggest how they may be solved.

On this occasion, I shall devote but little space to the former objective. For one thing, the Bureau's activities have received first-rate publicity throughout the year. For another, there have been numerous opportunities for members to observe the staff in action. More important, we are finding new ways of keeping our supporters posted as we go along. News briefs were introduced last May and six have been issued all told. The frequency of bulletins and reports has been increased; we turned out eleven over the past year. In mid-March, the membership secretary began visiting all our subscribers personally and he had called on more than half of them at the time of writing. I know that these brief chats are benefiting our work. I hope they have been similarly helpful to you, our members.

Now let me summarize the Bureau's position in a few words. The appointment in 1959 of two experienced persons to the executive staff — both university graduates who had specialized in political science — has considerably strengthened our research capabilities. Throughout the twelve months, a number of civic issues were brought forcibly to public attention by our organization, notably, the lack of control over the T.T.C., the deficiencies of the board of control system and the inequities of the partial graded exemption. Each represents part of a consistent Bureau campaign based on its research studies. On March 1st, the Private Bills Committee approved legislation which would have facilitated removal of Toronto's graded exemptions and it looked as though that problem was at an end. But last minute action by the provincial government on the floor of the House frustrated our efforts once again.

The Bureau's own revenues were maintained at the previous year's peak and a further amount was added to surplus. Actually, the record would have looked better but for the fact that a number of membership renewals were delayed and could not be included in last year's income. Since the books were closed this lag in subscription income has been fully overcome, adding to the funds available for future operations.

Measured against an obviously slim budget, the Bureau I believe is giving a good performance. At the same time, I am firmly convinced that a little added income would bring us a lot closer towards the results we are seeking. Extreme pressures of urban growth are placing serious demands upon the local authorities and likewise upon the staff of your Bureau. In the circumstances, we are continuing to explore ways of expanding our budget in order to make a higher performance level possible.

The operating expenditures of your independent Bureau contrast sharply with the amounts which concern us on the civic scene. Here we deal daily with millions. And we find the public much interested in the financial

transactions involved. They ask questions, for example, about Metro's debt load, its hundred million dollar limit on new borrowing and the financial implications of the proposed Official Plan. These are matters on which people want information and so we are making them the main subject of this report.

Borrowed Millions

To serve the needs of a metropolis whose population increase has exceeded a fifth of a million in five years, heavy government borrowing is unavoidable. Various works projects involving large capital outlays simply must be undertaken as soon as, or even before, people are ready to use them. Such has been the case with Metropolitan Toronto.

When Metro began operations, the demands of sheer growth were complicated, as in all Canadian municipalities, by the back-log of necessary works postponed from both depression and war years; in Toronto, the accumulation was even greater because the fragmentation of local government had continued to frustrate many projects of area-wide urgency. The creation of the Metropolitan Corporation made possible these long-overdue works projects. The new government showed, moreover, an urgent desire to forge ahead — a feeling perhaps abetted by the new political situation: the lodging of final responsibility with a second-tier government seemed to remove decision-making one further step from the taxpayer-voter.

The Metropolitan Corporation and most of the member municipalities, in short, have no trouble proposing projects for which money ought to be borrowed. The difficulty appears to lie in the opposite direction, that is, in determining projects for which money ought *not* to be borrowed, at least not immediately. The temptation is strong to do as much as possible as soon as possible; but two inhibiting facts must be faced: every dollar borrowed must finally be repaid, and interest coupons become relentless creditors. It would be foolish to buy today's comforts at the price of tomorrow's privations.

Metro has instituted three policy instruments for the restraint and stabilization of borrowing:

1. Part of Metro's current tax revenue is committed to capital expenditures, the "two-mill capital levy", as it is known. At current assessment levels, the two mills yields over seven million dollars in revenues, all but a small fraction of which is earmarked for financing of Metro's share of the capital needs of the Toronto Transit Commission. More recently, the pay-as-you-go commitment has become a three mill levy, for the Metropolitan School Board has emulated the Council by imposing an added capital levy of one mill.
2. The Metro Chairman has declared that the prudent limit of borrowing for Metro is one hundred million dollars per year.
3. Since 1956, the Metro Council has each year reviewed a Capital Works Programme projected ten years in advance. This running forecast is designed to assist in assigning priorities for debenture borrowing for the purposes of Metro, the Metro School Board and the Area Municipalities, within the accepted borrowing limits.

Soon, it is hoped, there will be a fourth control. The intention is to make Metro's ten-year capital programme a part of the new Metropolitan Official Plan. Each year thereafter, as the projection is extended and remaining figures are re-cast, an amendment will be processed to incorporate the new programme. Thus, to gain acceptance, changes will require the assent of the provincial Minister and other necessary approvals.

The Hundred-Million Dollar Limit

Metro's present policy is to regard one hundred million dollars as the maximum debt to be undertaken in any one year. It is agreed that Metro *could* borrow more than this, but only at a price. The Corporation's top credit rating might be imperilled by even one such venture, bringing higher interest charges and handicapping the sale of future issues. Repeated borrowing on such a scale would produce heavier debt charges than the taxpayers could stand.

No doubt the Metro Chairman, in proclaiming a limit of "One Hundred Million Dollars", is partly guided by the necessity to settle on a figure with some psychological appeal. Yet the "Hundred Million" is not so arbitrary a sum as might appear, as a little history will show.

In his budget address of April 26, 1955, the Metro Chairman said, "As long as new assessment continues at the present rate of \$106 million as was the case in 1954 the Metropolitan Corporation can conveniently and well within its financial capacity and at a reasonable interest rate undertake \$60 million of capital financing each year."

Assessment did, in fact, increase in a year by much more than \$106 million, and so it was not too surprising that by 1956 the Chairman had upgraded his estimate of Metro's debenture capacity to "approximately \$75 million per year", and by 1958 to \$100 million per year. For over two years, the chairman has held fast to the "Hundred Million Dollar Limit" and has succeeded in making it stick.

How has Metro's issue of debentures compared with the increase in assessment, year by year? Here is the record.

Year	Increase in Metro Assessment During Year \$	Metro Debenture Issues \$	Debenture Issues as % of Increase in Assessment %
1954	230,449,789	56,779,126	25
1955	247,049,814	59,883,000	24
1956	230,926,482	65,034,000	28
1957	161,987,629	86,156,000	53
1958	218,897,279	97,768,000	45
1959	228,625,412	100,818,000 (est.)	44

The Chairman suggested in 1955 that an annual assessment increase of \$106 million could conveniently support annual debenture issues of sixty million dollars — a ratio of debentures to assessment increase of fifty-seven per cent. It will be seen that by this standard alone Metro has held

to safe limits in its debenturing, although it would appear that the upward pressure has become very great.

But plainly, the analysis set forth above does not take all eventualities into account. Metro's debenture operations are a continuous process. Each year large amounts are borrowed and sizeable sums are repaid. How much new debt is justified depends at least partly on how much old debt has been retired. In a particular year when fifty million dollars principal falls due the elbow room for new borrowing should certainly be greater than in another year when only twenty-five million dollars is being paid off.

For the above reason, our contention is that any limit on new obligations is better stated in terms of the *increase* in net debt outstanding over the course of a year. This method of measuring Metro Toronto's performance produces the following picture.

Year	Assessment Increase \$	Net Debt Increase \$	Net Debt Increase as % of Assessment Increase %
1954	230,449,789	47,757,950	21
1955	247,049,814	46,435,569	19
1956	230,926,482	52,624,941	23
1957	161,987,629	70,564,874	44
1958	218,897,279	78,536,873	36
1959	228,625,412	65,953,105 (est.)	29

The figures reveal sufficient fluctuations in debt retirement to warrant some refinement in the borrowing limits that have in practice been adopted. In 1959, for example, a further \$12½ million could have been borrowed without adding more to total debt outstanding than was done in 1958.

One argument has frequently been advanced in defence of a limit which relates to new borrowing only. It is said that one hundred million dollars represents all the Metro debentures which the bond market can absorb in a single year. But surely this is fallacious. Metro actually sells through two markets—Toronto and New York—and varies the proportions between them. It enters these markets at irregular intervals and encounters fluctuating demand conditions, depending on the requirements and the amount of debt retirement by other borrowers, both municipal and otherwise.

Returning to the main theme. For Metropolitan Toronto, urban expansion has created a need to borrow and provided new tax capacity for debt repayment. It would be quite improper, however, to judge the whole programme in relation to these debt and assessment increases.

In illustration, look again at the position in 1957 when the increase in debt amounted to forty-four per cent of the new assessment. If new properties had to carry all the added debt, each \$10,000 of taxable assessment would have been mortgaged immediately to the extent of \$4,356. Even under the most extreme circumstances such a proportion would be ridiculously high. The reason it was feasible to add so much was the strength of Metro's position existing beforehand; and the only way of telling whether

the change in 1957 was merely adverse or downright dangerous is to look at total debt and total assessment at the time. Here are figures showing what did occur between 1956 and 1957.

	Total Taxable Assessment \$	Total Net Debenture Debt \$	Debt per \$10,000 of Assessment \$
December 31, 1956	3,183,122,850	363,172,371	1,140.93
December 31, 1957	3,345,110,479	432,903,932	1,294.14

Spread over the whole area, debt increased by some \$150 per \$10,000 of taxable assessment, bringing the overall burden on that amount of property to \$1,294.

There must be an upper limit to the tolerable burden of debt in relation to total taxable assessment, though opinions will vary on what that limit is. Whatever it may be, as the limit is approached, the amount of borrowing that can wisely be undertaken will tend to diminish both absolutely and relative to new assessment. In such a situation, the "Hundred Million Dollar Limit"—or any limit based on such a relationship will be of no further service.

The record shows that the years of most spectacular growth in assessment were the first years—1954, 1955, 1956; but the years of heaviest borrowing have been the latest years—1957, 1958, 1959. With the proportion of new borrowing to new assessment that has been accepted, even a straight line relationship would create a deteriorating position. But the road we have been travelling is taking us even faster towards adversity. Its real justification is a temporary need which Metro can afford to fill because of its pre-existing strength.

The ratio of debt to assessment is, on the surface, a simple enough tool for measuring borrowing capacity. As matters stand, public use of this ratio would unfortunately be of little value *because Metro's assessment base is so far out of date*. Money is borrowed (and debt incurred) in terms of current dollars. Assessment is stated in terms of 1940 dollars. Debt and assessment, therefore, are not measured in the same units, and a *ratio* of debt to assessment is clearly misleading.

In clinging to an outdated base year for assessment, Metropolitan Toronto is contributing to the debt problem in another way besides the loss of a sound debt yardstick. For reasons which we shall present, this situation encourages more to be financed through borrowing than would otherwise be the case.

When assessment levels remain relatively unchanged from year to year the adjustments needed to offset inflation must be effected through mill rate increases. Our elected representatives are then faced with an unhappy choice—abnormal increases in tax rates which produce public dismay and threatened tax resistance 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.

The province has for its own reasons encouraged retention of the 1940 base year and so must take some responsibility for what is happening. But Metro has accepted their stand — probably in part for selfish reasons. The longer re-assessment is delayed, the more difficult it becomes; and when assessed values have deteriorated to fictional figures, the objective of periodic re-assessment is easily forgotten.

What is Metro's Debt?

The debt of the Metropolitan Corporation is made up of three components:

1. Debt issued by Metro for Metro's own purposes,
2. Debt issued by Metro for local purposes of the area municipalities, repaid entirely out of the revenues of the respective municipalities,
3. Debt issued by Metro for the Metro School Board, financed
 - (a) in part by Metro
 - (b) in part by local municipalities.

In totalling all present obligations of the Metro municipalities a fourth component must be added: debt issued by the member municipalities before Metro for which they remain responsible.

The following tabulation shows the initial effects of federation upon each area municipality's debt position and the cumulative results after six years under Metro.

Net Debenture Debt Obligations per \$10,000 of Assessment Borne by the Respective Area Municipalities

Dec. 31, 1953 (Pre-Metro)	\$	Jan. 1, 1954 (Metro Begins)	\$	Dec. 31, 1959 (Latest)	\$
New Tor.	1,594	L. Branch	1,447	Scarboro	1,899
Weston	1,498	East York	1,257	L. Branch	1,855
Scarboro	1,457	Weston	1,094	Etobicoke	1,602
L. Branch	1,116	North York	1,087	North York	1,518
North York	1,107	Etobicoke	1,076	OVERALL	1,476
East York	1,034	Leaside	1,076	Toronto	1,418
Etobicoke	1,023	York	1,055	Weston	1,394
OVERALL	955	Scarboro	1,048	East York	1,373
Toronto	909	New Tor.	989	York	1,363
Leaside	768	Swansea	964	Forest Hill	1,147
Forest Hill	756	OVERALL	955	Swansea	1,055
York	702	Forest Hill	945	Mimico	1,051
Mimico	518	Mimico	910	New Tor.	1,015
Swansea	507	Toronto	878	Leaside	995

Attention is directed to certain developments disclosed by these figures over and above the overall increase in debt which federation has permitted and, indeed, encouraged.

First, the initial redistribution brought about by Metro had a strong levelling effect. Independently, the municipalities had arrived at a position where the most heavily indebted, New Toronto, carried more than three times as much debt in proportion to assessment as the least burdened, Swansea; and only four out of thirteen municipalities had a debt burden within \$150 of the debt position overall. As a result of the Metro redistribution, by which approximately two-thirds of the existing debt was pooled including the entire school debt, the debt spread was almost cut in half. The most heavily indebted (Long Branch) carried 1.6 times as heavy an obligation as the least burdened (Toronto); and the obligations of all but the two most heavily indebted were within \$150 of the overall average.

Second, Metro has failed to maintain the degree of debt equalization established at the outset. Scarborough's debt load per \$10,000 of assessment is now nearly twice that of Leaside; and only six of the municipalities are within \$150 of the average debt position. In other words, the sharing arrangement is working retrogressively from the relatively equalized position of January 1, 1954 towards a comparatively unequal position like that of December 31, 1953. It is more than coincidence that Scarborough, which bore 1.90 times as onerous a debt load as Leaside in 1953, is carrying 1.91 times as heavy a load as Leaside today.

Third, the debt-inducing propensity of rapid population growth is clearly demonstrated by the relatively unfavourable experiences of North York, Etobicoke and especially Scarborough. The components of Metro debt that produce unequal distribution of debt are the unshared portions, issued by Metro for purposes of local municipalities and for local school purposes. In addition to schools, such requirements of growth as local roads, street lighting and sidewalks, watermains, sewers and hydro installations enter into the unpooled debt. Today the position of the three sprawling townships is bad. It would be even worse were it not for the common practice of requiring private interests to finance and pay for a large part of the initial capital cost of service installations in new subdivisions. For the future, it needs only to be added that in the nature of things the three large townships will continue to absorb the bulk of Metro's population growth.

Fourth, the inequities of two-level government appear to have penalized more than the fast-growing townships. The situations of Long Branch and of the City of Toronto stand out.

Proportionately, Long Branch had less assets taken over and less debt assumed by Metro than any other municipality. And since December 31, 1953, Long Branch has itself accumulated more debt for local area purposes than the entire amount which was then outstanding. Moreover, in making this calculation, we are excluding the new obligations it has taken on as a partner in the Lakeshore District Board of Education.

The establishment of Metro gave Long Branch more ready access to borrowed funds and the Village reacted by embarking on a blitz programme to pave all the streets in the municipality. A sizeable part of the cost was met from current taxation and maximum assistance was obtained in the form of provincial grants. Presumably future borrowing will be less and the debt level today probably represents a near peak position.

It may surprise some to find that, under Metro, the City of Toronto's debt has risen more, proportionately, than any other municipality except Scarborough. It is well known that the City's population has ceased to grow. The explanation of its situation, therefore, must be something different. As the central city, it requires the most extensive and costly services. Its school plant had deteriorated by present standards and much of the renewal programme adopted lay outside the province's narrow grant standards. The City sponsors more than the average range of revenue-earning enterprises, including the financing of Exhibition Park for the C.N.E. The major redevelopment projects lie within its boundaries while, where the need for redevelopment exists and has not been met, assessments have shrunk accordingly.

Debt and Taxable Capacity

Last year, in this same report, we examined the tax capacity and the general financial positions of the thirteen area municipalities and came to the conclusion that, under Metro,

"Leaside, Forest Hill and probably New Toronto are in a decidedly preferred financial position . . . Weston, Scarborough, Mimico, York, East York, and Long Branch are obviously in an unfavourable position . . . Probably Etobicoke is somewhat better off than average, while the City, North York and Swansea would appear to come closer to a middle position."

Looking only at debt and measuring it against taxable assessment, it has been shown that Leaside, New Toronto and Forest Hill appear again in a favourable light, and that Scarborough and Long Branch once more occupy unfavourable positions. It is at the extremes that the coincidence is most striking. Leaside, with the highest taxable capacity of all, is the only municipality to have reduced its debt per \$10,000 of taxable assessment since Metro began. Long Branch, with the lowest taxable capacity, has the second-heaviest debt burden in relation to assessment. Scarborough, with a relatively low taxable capacity (fifth lowest in Metro last year), carries the heaviest debt burden on its assessment, and has increased its debt-assessment ratio at by far the fastest rate in Metro.

It does not necessarily follow that a weak tax-capacity position will be accompanied by an unfavourable debt position. A tax-poor municipality may simply do without rather than borrow, particularly if its rate of growth is slow. The Town of Mimico, for instance, has had only one debenture issue for local non-school purposes in Metro's six years, a \$28,000 issue for a fire truck in 1958. But the close inter-relationship of the different elements of municipal finance is plain, when we see the heaviest loads fall on the weakest shoulders, and the lightest loads on the strongest.

Capital Programme

At the time of writing, the 1960 version of the Ten-Year Capital Works Programme had not reached the stage of final approval. What is proposed, however, alters little the nature of the forecast which has been undertaken

in prior years. Consequently, the essential position can be explained by reference to the 1959 Programme.

In total, the intention then was to plan for capital expenditures ranging from a high of \$114 million in 1961 to a low of \$91 million in 1968.

That part of the programme devoted to works of the Metropolitan Corporation, debt for which shall be repaid out of Metro levies, is set forth under three headings:

"Works in Progress (i.e., Contracts Awarded),

Works on which no physical construction has commenced but on which certain commitments have been made,

Works on which no commitments have been made."

Estimated capital expenditures under each of these headings are set down department by department and backed by supporting schedules listing the proposals in detail. The cost of the Bloor Street subway is presented similarly including the intended division of expenditures between the Transit Commission and the Metro Corporation.

When it comes to the estimates for the area municipalities and for education purposes, the Capital Works Programme itself goes into no detail at all. The only figures given for the area municipalities have been an unvarying thirty million dollars per year. For education a similar round amount was adopted up to and including the 1959 programme.

While the Metropolitan School Board undertakes its own budgeting, it has not been prepared to estimate its capital expenditures more than five years in advance. Its latest capital forecast runs from 1960 to 1964:

1960	—	\$31,309,644
1961	—	\$29,542,450
1962	—	\$27,377,950
1963	—	\$29,357,750
1964	—	\$25,073,350

As now drafted, the 1960 Ten Year Capital Programme will contain these figures in place of the round totals formerly carried and will continue to use arbitrary amounts for the succeeding five years.

The area municipalities, unlike the Metro School Board, do not in most cases prepare capital programmes for a number of years ahead in a form that could be fitted in with Metro's programme. In fact, they submit year-by-year requests for approval of various debenture issues. While it is not the practice to seek approvals covering several years in advance, an area municipality may choose not to take advantage of an approval immediately. A further point is that there appears to be no formal procedure for the allotment of the available thirty million dollars among the various area municipalities. Our impression is that Metro officials may have quite a voice in decision-making.

One weakness in the Programme, which experience may correct, is the flat limitation which still applies to area municipality debt and which was

used to fix the ceiling for School Board budgeting. In neither case does thirty million dollars represent in any real sense an estimate of required expenditures. It is simply a fixed ceiling, tolerating no peak years and recognizing no years of receding needs.

The Metropolitan Corporation is in a position to weigh the requirements of its own departments, allocating to one major purpose so much this year, less the next. By contrast, the area municipalities at least have no freedom to adjust capital expenditures to anticipated needs. Whether or not thirty per cent of Metro's borrowing should on the average be reserved for school purposes, and a like amount for local area purposes, it would not seem wise to hold the proportions constant every single year.

The Metro Plan

The financial structure of Metro has tended in the six years of its life to distribute debt, particularly debt due to growth, quite unequally among the member municipalities. The effect has been to penalize the fastest-growing suburbs. It has also been Metro's experience that debt is inclined to fall most heavily on the municipalities least able to support it, and vice versa. Neither the "Hundred Million Dollar Limit" nor the "Ten Year Capital Works Programme" is doing anything to correct these distortions of the Metro debt structure.

What are the prospects for the long-term future? In the proposed Official Plan of the Metropolitan Planning Area, released early this year, the intention is clearly stated to tie the Ten Year Capital Programme in with the Official Plan, to make it a binding part of the plan subject to the same procedures for amendment and approval.

This proposed arrangement would induce Metro and its members to carry out more extended and exhaustive financial programming than they now do. But does the Official Plan do anything to correct the debt distortions and the inequities in taxable capacity which exist under Metro?

In an opening summary statement, the authors of the Official Plan list seven guiding principles, all concerned with the optimum development of the metropolitan planning area. An eighth consideration follows: "Within the limits set by these goals the need of the individual area municipalities for a favourable assessment balance should be taken into account." The intention would seem to be that the guiding principles should override the need for favourable assessment balances where the two come in conflict.

Much later in the text, when the Plan has been presented, the reader comes upon this statement: "It has had to be assumed in preparing this Official Plan that local assessment ratios will remain a matter of vital concern to each of the thirteen area municipalities, and this assumption has necessarily been taken into account in the preparation of the land use plan." The reservation which was put so mildly in the opening pages has become by page 259 a paramount consideration.

The map illustrating the land use plan shows the concern of the planners for balanced assessment. With the sole exception of Forest Hill

Village, each area municipality will be able to compete for new industrial assessments under ground rules which, speaking generally, permit more such expansion in "have not" municipalities.

To point out that the Metro planners took this approach is not really an adverse criticism of their work. They have planned for Metro as Metro is, and their plan has merit for Metro, as Metro is. The trend towards greater and greater inequality of debt distribution within Metro may well be retarded, could even be halted, by implementation of the Plan. The real question goes a step beyond the evident frame of reference within which the Plan was prepared: Given Metro as we know it, *can* the distortion be eliminated or, alternatively, reduced to insignificance?

Points of Departure

This review of Metro's debt picture, past, present and future, leads more surely to further questions than to answers. The Bureau's vital interest in information-backed action, however, directs us to a few conclusions:

1. The "Hundred-Million-Dollar Limit" has been acceptable as a temporary brake upon borrowing at a time of heavy capital requirements, exuberant spending pressures and inadequate control data. Whether or not the amount is right, the reasoning back of the expression has become less than adequate and so the slogan should be dropped.
2. New debt limits should be devised which conform to the recognized relationship between total debt responsibility and total taxable capacity, municipality by municipality.
3. These standards should then be employed to convert the Ten-Year Capital Programme, with its capacity for determining priorities, into a thoroughly realistic instrument for debt control. As already proposed, the Programme should be incorporated into the Metropolitan Official Plan.
4. The consequences of Metro's debt structure need to be made much better known to the taxpayers of each area municipality, especially since the form of financial union has not removed the weaknesses of Metro's constituents.
5. 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.

ERIC HARDY
Director

BALANCE SHEET
As at February 29, 1960

		1959 Comparative Figures
Current Assets		
Assets		
Cash	\$ 941.14	\$ 1,677.83
Accounts receivable	66.25	35.00
Citizens Research Institute of Canada	500.00	—
Equipment and library	\$ 3,616.95	—
Less accumulated depreciation	2,981.31	—
	<u>635.64</u>	<u>683.48</u>
	<u>\$ 2,143.03</u>	<u>\$ 2,396.31</u>
Current Liabilities		
Liabilities		
Accounts payable		
Citizens Research Institute of Canada	—	\$ 500.00
Other	\$ 87.53	483.00
	<u>\$ 87.53</u>	<u>\$ 983.00</u>
Surplus		
Balance March 1, 1959	\$ 1,413.31	
Excess of revenue over expenditure for the year ended February 29, 1960	642.19	
	<u>2,055.50</u>	<u>1,413.31</u>
	<u>\$ 2,143.03</u>	<u>\$ 2,396.31</u>

STATEMENT OF REVENUE AND EXPENDITURE
For the year ended February 29, 1960

		1959 Comparative Figures
Revenue		
Subscriptions	\$11,480.00	\$12,020.00
Service	6,149.96	5,199.96
Sundry	98.75	504.62
	<u>\$17,728.71</u>	<u>\$17,724.58</u>
Expenditure		
Personal services	\$12,578.43	\$12,689.14
Office and general	3,219.55	3,172.11
Printing and mailing	1,240.70	1,510.92
Provision for depreciation	47.84	50.32
	<u>\$17,086.52</u>	<u>\$17,422.49</u>
Excess of revenue over expenditure for the year	\$ 642.19	\$ 302.09

AUDITORS' REPORT

To the Bureau of Municipal Research,
Toronto, Ontario.

We have examined the balance sheet of the Bureau of Municipal Research as at February 29, 1960 and the related statement of revenue and expenditure for the year ended on that date. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion the above balance sheet and related statement of revenue and expenditure present fairly the financial position of the Bureau as at February 29, 1960 and the results of its operations for the year ended on that date, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Toronto, Ontario,
March 16, 1960.

ROSS, TOUCHE & CO.,
Chartered Accountants.

Support for the Bureau

The Bureau is an independent, non-profit organization whose work is financed through subscriptions which are renewable annually on a voluntary basis. Its entire support comes from non-governmental sources — business and professional firms, individuals, associations and similar organizations. Membership is open to all.

Each new membership serves a three-fold purpose:

- (1) It gives those with a long term stake in the community an opportunity to promote improved local government operations, on a continuing basis throughout greater Toronto.
- (2) It strengthens the Bureau's stand against unsound civic practices.
- (3) It gives the member ready access to information and opinions from an unbiased source.

The Bureau was organized under a provincial charter granted in 1914. Five years later, it sponsored the formation of a companion organization, the Citizens Research Institute of Canada, which deals with problems at the three levels of government across Canada. The connection has enlarged the Bureau's capacity to serve and has contributed materially towards some of its most notable accomplishments. Today, the combined budget for research and public information is approaching \$50,000 per annum.

In presenting this list of subscribers, the Bureau wishes again to pay tribute to the large number whose membership backing has been continued for a quarter century or longer and to acknowledge with equal gratitude the substantial number who have become associated with the work more recently.

Abitibi Power & Paper Co. Ltd.	Bell Telephone Co. of Canada
Aikenhead Hardware Ltd.	Bicroft Uranium Mines Limited
Aluminum Goods Ltd.	Birks, Henry & Sons (Ontario) Ltd.
American Standard Products (Canada) Ltd.	Blake, Cassels & Graydon, Messrs.
Ames, A. E. & Co. Ltd.	Board of Trade of the City of Toronto, The
Anchor Cap & Closure Corp'n. of Canada Ltd.	Borden Co. Ltd., The
Andras, Hatch & McCarthy	Bosley, W. H. & Co.
Association of Women Electors	Bradshaw, A. & Son Ltd.
Atwell Fleming Printing Co. Ltd.	Brazilian Traction Light & Power Co. Ltd.
Ault & Wiborg Co. of Canada Ltd.	British-American Oil Co. Ltd., The
Austin Motor Co. (Canada) Ltd., The	Brown Brothers Ltd., The
Auto Electric Service Co. Ltd.	Brunswick-Balke-Collender Co., of Canada Ltd.
Automatic Paper Box Co. Ltd.	Builders Flooring & Millwork Ltd.
Bank of Canada	Campbell, Hon. G. Peter, Q.C.
Bank of Montreal	Canada Bread Co. Ltd.
Bank of Nova Scotia	Canada Coal Ltd.
Barber-Ellis of Canada Ltd.	Canada Dry Ginger Ale Ltd.
Beatty, Miss Mary H.	

Canada Life Assurance Co.
Canada Malting Co. Ltd.
Canada Packers Ltd.
Canada Permanent Mortgage Corp'n
Canada Printing Ink Co. Ltd.
Canadian Acme Screw & Gear Ltd.
Canadian Bank of Commerce, The
Canadian Breweries Limited
Canadian Comstock Co. Ltd.
Canadian Credit Men's Trust Assoc.
Canadian Food Products Sales Ltd.
Canadian Industries Ltd.
Canadian General Electric Co. Ltd.
Canadian Kodak Co. Ltd.
Canadian Manufacturers Association
Canadian Pacific Express Co.
Canadian Pacific Railway Co.
Canadian Pittsburg Industries Ltd.
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Cannon Electric Canada Ltd.
Carrick, Donald D.
Carruthers, C. D. & Wallace,
Consultants Ltd.
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Chartered Trust Co.
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Confederation Life Association
Consolidated Sand & Gravel Ltd.
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Corson, Rolph R.
Coutts, William E., Co. Ltd.
Crown Cork & Seal Co. Ltd.
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Daltons (1834) Ltd.
Daly, R. A., Co. Ltd.
Daly, Harvey & Cooper, Messrs.
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Debenture & Securities Corp'n of
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Delany & Pettit Ltd.
Dodds Medicine Co. Ltd.
Dominion of Canada General
Insurance Co.
Dominion Electric Protection Co. Ltd.

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Don Mills Developments Ltd.
Drug Trading Co. Ltd.
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Dunham-Bush (Canada) Ltd.
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Eddis, Wilton C., & Sons
Elder, Robert, Ltd.
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Falkner, (Mrs.) Theresa G.
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Frankel Steel Construction Ltd.
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Gault Bros. Ltd.
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Glendinning, Jarrett & Campbell,
Messrs.
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Glover, Henry, & Co.
Gooderham & Worts Ltd.
Goodyear Tire & Rubber Co. of
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Gorrie, A. D. & Co. Ltd.
Gore & Storrie, Messrs.
Grand & Toy Ltd.
Gunn, Roberts & Co.
Hargraft, Geo. R., & Co. Ltd.
Haugh, J. A., Mfg. Co. Ltd.
Hees, George H., Co. Ltd.
Hilroy Envelopes and Stationery Ltd.
Hinde & Dauch Paper Co. of Canada Ltd.
Honeywell Controls Ltd.
Household Finance Corp'n of Canada
Imperial Bank of Canada
Imperial Flo-Glaze Paints Ltd.
Imperial Life Assurance Co. of Canada
Imperial Oil Ltd.
Imperial Optical Co. Ltd.
Independent Order of Foresters, The
International Business Machines Co. Ltd.
Kernaghan & Co. Ltd.
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Kirkpatrick, Geo. D.
Laidlaw, W. G.
Lake Simcoe Ice & Fuel Ltd.
Lang, Daniel W., Q.C.

LePage, A. E.
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Link-Belt Ltd.
Lloyd Bros.
Loblaw Groceries Co. Ltd.
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Ltd., The
Lyon & Harvey, Ltd.
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MacKelcan, Fred R.
MacKinnon, Angus
Maclean-Hunter Publishing Co. Ltd.
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Manufacturers Life Insurance Co., The
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Mapp, K. A., F.C.A.
Marani & Morris
Marsh & McLennan Ltd.
Mason, G. W., Q.C.
Massey-Ferguson Co. Ltd.
McDonald, Currie & Co.
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Miller Paving Ltd.
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Mitchell, W. G., & Co.
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Moore Corporation Ltd.
Mortimer, Clark, Gray, Baird &
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Canada Ltd.
National Life Assurance Co. of Canada
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Neilson, Wm., Ltd.
Neptune Meters Ltd.
North American Life Assurance Co.
Orange Crush Ltd.
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Parkin, John B., Associates
Page-Hersey Tubes Ltd.
Parker Pen Co. Ltd.
Pearlman & Goldberg
Peat, Marwick, Mitchell & Co.
Perry, Gordon F.
Pettit, Hill & Bertram
Photo Engravers & Electrotypers Ltd.
Pitney-Bowes of Canada Ltd.
Planters Nut & Chocolate Co. Ltd.
Playfair, Stuart B.
Pogue Health Service Ltd.
Price, Waterhouse & Company

Procter & Gamble Co. of Canada Ltd.,
The
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Reid, Stanley G.
Rexall Drug Co. Ltd.
Riddell, Stead, Graham & Hutchison,
Messrs.
Robertson, Lane, Perrett & Frankish,
Messrs.
Robertson, Stark & Holland Ltd.
Rogers, Thomas G.
Ross, Touche & Company
Royal Bank of Canada
Rubenstein, Helena, Ltd.
Ruddy, E. L., Co. Ltd.
Samuel, Son & Co.
Province of Saskatchewan
Shaw & Begg Ltd.
Shell Oil Co. of Canada Ltd.
Shier, Dr. R. V. B.
Simpson, Robert, Co. Ltd., The
Sinclair & Valentine Co. of Canada Ltd.
Smith, Chas. Albert, Ltd.
Smith, John B., & Sons Ltd.
Stedman Bros. Ltd.
Stewart, J. F. M., & Co. Ltd.
Strathy, Gerard B., Q.C.
Swift Canadian Co. Ltd.
Tamblyn, G., Ltd.
Taylor Instrument Companies of
Canada Ltd.
Theatre Holding Corp'n Ltd.
Thor Industries Ltd.
Thorne, Mulholland, Howson &
McPherson
Tippet-Richardson Ltd.
Toronto Carpet Mfg. Co. Ltd.
Toronto-Dominion Bank, The
Toronto Elevators Ltd.
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Toronto Iron Works Ltd., The
Toronto Star Ltd.
Town Planning Consultants Limited
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University of Toronto Library
Victoria Paper & Twine Co. Ltd.
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Wood, Gundy & Co. Ltd.
Woolworth, F. W., Co. Ltd.