

TORONTO'S FINANCIAL POSITION

Draft Estimates of the City's Expenditure and Debt—
Will Take Up \$2,740,864 Maturing Debentures

The following extracts are taken from a report prepared by Finance Commissioner Bradshaw, and submitted by the Board of Control to the city council, April 4th.

The gross funded debt of Toronto on December 31st, 1917, amounted to \$100,323,433. After, however, deducting the sinking fund accumulated for its redemption—\$24,427,757—it left the net funded debt at \$75,895,676, or \$1,227,102 more than it was at the close of 1916.

While the debt is large, there must not be overlooked the value in service or use of public buildings, parks, schools, fire halls, highways, drainage and sanitation facilities, national exhibition buildings, waterworks and hydro-electric systems, civic car lines, etc. These permanent assets are valued and carried in the city's balance sheet at \$100,042,539.

Unnegotiated Debentures.

While it has been stated that the existing gross funded debt is \$100,323,433, it is borne in mind that this amount does not include the \$6,893,103 of unnegotiated debentures. When these have been sold the figures will have reached the amount of \$107,216,536.

The last public offering of the city's debentures was made in November, 1916, when \$2,594,000 were sold at such a price that the money only cost the city 5.09 per cent. Since that time, there has been no favorable opportunity to effect sales. The several provincial governments and municipalities which have recently obtained loans, have to pay rates of interest varying from 6 1/10 per cent. to 7 1/2 per cent. Rather than sacrifice the city's debentures by selling them on such terms, and obligating the taxpayers in heavy interest charges for many years in the future, it has been deemed desirable to carry them and await a more favorable time for negotiation.

Debentures Maturing.

This year the city will be called upon to take up and redeem \$2,740,864 of maturing debentures. Due provision has been made to retire these.

During the period 1918-1929, the aggregate of the city's debentures falling due amounts to practically 45 millions, and it must be reassuring to know that if the same principles which are now in operation are continued, moneys will be automatically available for the orderly and prompt retirement of these debts, as well as for the balance of the city's debt.

The amounts to be retired yearly between now and 1929 are as follows:—

1918	\$2,740,683.65	1924	\$3,348,634.79
1919	3,154,938.25	1925	6,206,021.04
1920	3,619,652.67	1926	5,979,028.05
1921	4,213,030.03	1927	858,807.51
1922	2,293,395.93	1928	998,586.27
1923	2,252,197.68	1929	9,292,036.75

Total \$44,957,914.42

Debt Charges.

The total debt charges for the year 1918 amount to \$8,808,976, of which \$4,577,107 is for interest, and \$4,321,869 for repayment of principal. The following are wholly provided for, and therefore are not a charge upon the civic revenue:—

Toronto hydro-electric system—debt charges .. \$ 513,022.43
Ratepayers' share of local improvement debt charges which are paid by those whose properties are specially benefited by the local improvements 1,905,999.00

Total \$2,410,021.52

Deducting these two amounts, there is left \$6,479,954, to be provided out of current revenue. This requires 26.94 per cent. of the whole. The corresponding debt charges for 1917, and which were a charge upon the revenue of that year, amounted to \$6,704,766. The reduction this year is due to the elimination of debt charges on debentures which have matured, and to adjustments made in debt charges on unnegotiated securities.

The burden entailed by these charges cannot be lightly regarded. They are responsible for a substantial portion of

the tax rate. As the years proceed, and if there is a steady fast resolve not to incur fresh debts, gradual relief will be obtained through the retirement of maturing debts.

Estimated Expenditures.

The total expenditures to be provided by taxation and other revenue, amount to \$24,046,653.09, compared with actual expenditure of \$18,627,740.95 in 1917, an increase of \$5,418,912.14, or 29 per cent. War expenditure is accountable for a substantial portion of this increase.

It has been customary to divide expenditures into two broad groups, those which are controllable by council, and those which are uncontrollable. It is not always possible to determine with exactness the division which each expenditure or group of expenditures should be placed in, but the following statement substantially exhibits the correct classification. It will be noticed that war expenditure is classified by itself. It also gives a comparison of the actual expenditures of 1917, with those estimated for 1918.

The following is a comparison of estimated expenditure, 1918, with actual expenditure, 1917:—

Department or Service	1918		1917		Increase	Decrease
	Estimated Expenditure	Per cent. of whole	Actual Expenditure	Per cent. of whole		
Controllable						
Court of Revision	4,800 00	03	4,800 00	03		
City Relief Office	8,928 00	04	7,330 00	04	1,598 00	
Special Grants	9,480 00	04	47,988 00	26		38,508 00
Auditor's Department	16,200 00	06	16,704 00	09		504 00
Cattle Market	18,224 00	07	16,349 00	09	1,875 00	
City Council	36,582 00	15	33,766 00	18	2,816 00	
Law Department	43,512 00	17	39,996 00	21	3,517 00	
Architect's Department	62,710 00	26	61,448 00	33	1,262 00	
Social Service Commission	91,598 00	40	84,376 00	45	7,222 00	
City Clerk's Department	94,469 00	39	90,313 00	49	4,156 00	
Miscellaneous	112,298 00	46	45,774 00	25	66,524 00	
City Abattoir	115,992 00	47	108,196 00	58	7,796 00	
Assessment Department	120,270 00	50	119,601 00	64	669 00	
War Bonuses	238,515 00	99			238,515 00	
Park's Department	383,303 00	1.60	404,431 00	2.18		21,128 00
Treasurer's Department	443,173 00	1.84	430,015 00	2.31	13,158 00	
Property Department	771,806 00	3.21	804,661 00	4.32		32,855 00
Street Cleaning Department	877,000 00	3.60	888,917 00	4.77		11,917 00
Fire Department	1,340,627 00	5.57	1,328,511 00	7.13	12,116 00	
Works Department	1,882,401 00	7.81	1,523,347 00	8.18	359,054 00	
Total Controllable	\$6,671,888 00	27.66	\$6,056,462 00	32.53	\$726,338 00	\$104,912 00
Uncontrollable						
Grants, Statutory and Fixed	14,800 00	05	9,725 00	05	5,075 00	
Commission on Claims	15,000 00	05	11,056 00	06	3,944 00	
Industrial Schools	19,954 00	07	23,065 00	12		3,111 00
War Bonuses	64,679 00	23			64,679 00	
Public Library	149,524 00	63	146,086 00	79	3,438 00	
Separate Schools	217,936 00	90	179,617 00	96	38,319 00	
Public Health	424,135 00	1.82	395,943 00	2.13	28,192 00	
Special Works	495,980 00	2.06			495,980 00	
Provincial War Tax	605,728 00	2.60	589,168 00	3.16	16,560 00	
Public Hospitals	739,523 00	3.19	502,154 00	2.69	237,369 00	
Administration of Justice	1,151,499 00	4.78	1,087,313 00	5.84	64,186 00	
*Board of Education	3,226,103 00	13.42	2,919,302 00	15.67	306,801 00	
Debt Charges	6,479,954 00	26.94	6,704,766 00	36		224,812 00
Total Uncontrollable	\$13,604,815 00	56.74	\$12,568,195 00	67.47	\$1,036,620 00	\$227,923 00
*War Expenditure	\$3,769,952 00	15.60			\$3,769,952 00	
Grand Total	\$24,046,655 00	100	\$18,624,657 00	100	\$5,421,998 00	\$332,835 00

From the foregoing it will be observed that controllable expenditure amounts to \$6,671,888, or 27.66 per cent. of the whole, uncontrollable expenditure amounts to \$13,604,815, or 56.74 per cent. of the whole, and war expenditure (exclusive of debt charges on war debt) amounts to \$3,769,952, or 15.60 per cent. of the whole.

The increase in the "controllable" expenditure for 1918, compared with the actual expenditure in 1917, is \$615,426, or 11 per cent. The increase in the "uncontrollable" expenditure for 1918, compared with the actual expenditure in 1917, is \$1,036,620, or 8.2 per cent.

The main increases in expenditure are board of education, \$306,801; public hospitals, \$237,369; provincial war tax, \$16,560; war expenditure, \$3,769,952; works department, \$359,054; miscellaneous, \$66,584. The principal decreases are debt charges, \$224,812; special grants, \$38,508; property department, \$32,855; parks department, \$21,128; and street cleaning department, \$11,917.

Mr. Henry J. Fuller, vice-president of Fairbanks, Morse and Company, and president of the Canadian Fairbanks-Morse Company, Limited, has been elected a director of the Liberty National Bank of New York City.