

EFFECTIVE CITIZEN CO-OPERATION

WHAT IS EVERYONE'S BUSINESS SHOULD
BE EACH ONE'S BUSINESS

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BUREAU OF MUNICIPAL RESEARCH

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OPEN LETTER

*Citizens and Taxpayers of Toronto,
Ladies and Gentlemen:*

The two most important civic documents issued during the year are the Annual Estimates and the Annual Report of the Commissioner of Finance. The latter has recently been issued and is worthy of the careful study of all citizens. The report has been admirably presented by the public press, but only a careful examination of its pages will reveal all the points of importance to the citizens and taxpayers with which the report bristles.

**Annual Report
of Finance
Comm'r should
be studied by all.**

The Bureau of Municipal Research is an independent, non-partisan agency, carried on in the interests of all taxpayers and citizens by voluntary contributions of some citizens. Naturally it receives, and can receive, no support from governmental or municipal sources. It ascertains facts as to municipal government, analyzes these facts, and presents the results to the general public, along with constructive suggestions based on the facts. It backs no candidates, recommends no one for civic appointment, and has no axe to grind other than that of those who use and directly or indirectly pay for the cost of municipal services.

AT THE PRESENT TIME

the Bureau wishes to draw to your attention the following facts:

1. Since 1919, the City has retired *before maturity* over 31 millions of dollars leading to an abatement of debt charges up to 1963 of almost 22¾ millions of dollars.
2. Since 1929 to the end of 1936, the city's share of expenditure on direct unemployment relief will have approximated 14½ millions of dollars. Since 1932, over 10¾ millions of dollars will have been borrowed by debenture to meet these current expenditures which, previous to 1933, were met directly out of taxation.
3. During the period 1937 to 1939 there will be, it is estimated, an increase in debt charges affecting general taxation of over one million dollars.
4. The latest sale of Toronto five year debentures was at the coupon rate of 2% and on a cost basis (1.82%) which was the lowest ever recorded for city borrowing.

The Bureau feels that the citizens and taxpayers should take to heart the opinion expressed strongly by the Commissioner as to "the necessity

Continued
necessity of
restricting capital
expenditures.

of rejecting—for at least three or four years—all applications for new capital expenditures, other than for projects which are immediately necessary and non-postponable"

and should insist "that capital expenditures upon works for Relief purposes which are unessential or postponable, *with or without* Government grants, are undesirable and expensive".

That the city can now borrow money cheaply is not a sound argument for waste. It can continue to borrow cheaply when it must, if it doesn't borrow cheaply now simply because it can. To use the Commissioner's language, "having in mind the lessons of the immediate past, it behooves us now to formulate sound financial policies for the future, which will conserve the City's present financial position". Large, necessary and very desirable capital expenditures from 16 millions to 25 millions of dollars, lie ahead of us. Why not begin to accumulate immediately a borrowing margin and reserve of credit accordingly? Why not a ten year capital budget plan, revisable annually?

Borrowing when we
can may interfere
with us borrowing
when we must.

Respectfully submitted,

BUREAU OF MUNICIPAL RESEARCH

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