

# Citizen Control of the Citizen's Business

TORONTO'S CITIZENS CAN CONTROL TORONTO'S AFFAIRS ONLY THROUGH FREQUENT, PROMPT, ACCURATE AND PERTINENT INFORMATION WITH REGARD TO TORONTO'S BUSINESS.

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## HAS THE AMOUNT OF MUNICIPAL TAXATION ANYTHING TO DO WITH THE INDUSTRIAL STANDING OF A CITY?

Within six months the Bureau has received equally emphatic answers in the negative and in the affirmative. Most answers are given as a result of general impressions or personal experiences.

The facts given within may assist in forming a considered opinion. But the reader must bear in mind that the figures for taxation are for 1920, the latest year for which complete, comparative figures are available to the Bureau, and that the relative standings may have changed. The other figures also must be regarded as approximate and liable to change from year to year. Again, the varying conditions of different cities as to age, site, educational foundations, etc. affect standings quite as profoundly as does the relative burden of taxation. These facts are offered not as conclusive evidence, but as material which may help in answering a question which is becoming increasingly insistent all over Canada.



## FIGURES TO BE NOTED

A recent article\* in the financial press rated 27 Canadian communities as to their industrialization. The standard used was composite. The Bureau, not being an industrial organization, is not in a position to discuss these standards. For the purpose of this study, the ratings given in the article mentioned are accepted by the Bureau and appear in the second column. The relative standing in value of per capita output, one of the elements in the standard used, is shown in the third column. In the first column the 27 cities are listed according to their per capita taxation (1920), the city with the highest per capita being placed first, that with the lowest being placed last. The cities chosen are, of course, those used in the article referred to above.

The Bureau regrets that it is not able to give similar facts for all Canadian cities. It may be in a position to do so later.

CITY	Standing as to per capita taxation from highest to lowest (1920)	Standing as to degree of industrialization	Standing as to amount of per capita production.
Edmonton .....	1	27	23
Calgary .....	2	26	22
Fort William .....	3	19	16
Vancouver .....	4	17	17
Toronto .....	5	13	12
Winnipeg .....	6	22	20
London .....	7	16	19
Sarnia .....	8	9	3
Hamilton .....	9	5	9
Ottawa .....	10	24	26
Lachine .....	11	12	11
Three Rivers .....	12	10	18
Brantford .....	13	6	10
Sault Ste. Marie .....	14	7	8
Peterboro' .....	15	8	7
Niagara Falls .....	16	2	6
Halifax .....	17	23	25
St. John .....	18	20	14
Kitchener .....	19	4	2
Montreal .....	20	15	13
Kingston .....	21	21	24
Quebec .....	22	25	27
Welland .....	23	1	1
Shawinigan Falls .....	24	3	5
Sherbrooke .....	25	14	15
Sydney .....	26	11	4
Hull .....	27	18	21

\* "Monetary Times," June 16, 1922. Article by H. E. M. Kensit, M.E.I.C., M.A.I.E.E.

## FACTS TO BE NOTED

1. The city with the highest per capita tax (1920) is the lowest in industrialization and fifth from the bottom of the list in per capita value of products, while the city with the next highest per capita taxation is the next lowest in industrialization and seventh from the bottom of the list in per capita production. These are, however, western and, therefore, comparatively new cities, and consequently not likely to be highly industrialized.
2. The city most highly industrialized and with the highest per capita production has a lower per capita tax than 22 cities out of 27. The city next in industrialization has a lower per capita tax than 15 cities. It is to be noted, however, that these cities are near the Niagara Falls power development. That this factor, as well as low taxation, has contributed to the high rating of these cities industrially is evident. The third industrial city has a lower per capita tax than 23 cities out of 27. It also is situated near a large water power development. These three cities are, respectively, first, sixth and fifth in per capita production.
3. A moderately high per capita tax is compatible with a high rating in industrialization and per capita production. Thus the three cities in the middle of the list as to per capita taxation, i.e., the 13th, 14th and 15th, are sixth, seventh and eighth in industrialization, and tenth, eighth and seventh, respectively, in per capita production, while the 16th and 19th cities in the taxation list are, respectively, 2nd and 4th in degree of industrialization. But a high per capita tax does not seem to be found with high industrialization and high per capita production. Thus only one of the seven cities highest in per capita taxation ranks as high as thirteenth in industrialization and twelfth in per capita production, and only two as high as seventeenth in either respect.
4. A low per capita tax does not necessarily mean a high rating industrially. One city which has a lower per capita tax than 21 cities out of the 27 is only 25th in industrialization and 27th in per capita production. But this city is a capital city and, therefore, a larger proportion of its people than usual is employed outside of business and industry. Thus the per capita production and industrial capitalization, etc., are cut down. A similar influence is also undoubtedly operative in three other cities which are also capital cities. The presence of large provincial educational institutions in some of these cities also tends to give them a lower rating industrially than would otherwise be the case. The fact that Toronto is the capital of the Province and the seat of large provincial educational institutions tends to give it a lower relative industrial standing by bringing in a large non-industrial population. This tends to make Toronto a great educational and residential as well as an industrial city.



## FACTS TO BE NOTED—Cont'd

5. Cities in comparatively new parts of the Dominion naturally have not had time to build up their industries. Age is probably just as important as high taxation as a factor in determining degree of industrialization. Making all allowances for differences in natural advantages, for differences in age, for the presence of large non-industrial institutions in some cities and their absence in others, it would seem clear that very high per capita taxation is a handicap to industry, that very low taxation accompanied by poor public services is also a handicap, and that moderate taxation when accompanied by efficiency and economy in those basal public services necessary to industry, is compatible with and even conducive to industrial prosperity. Thus Toronto, while having comparatively high per capita taxes, ranks above the average in degree of industrialization and in per capita production, although it is a capital city and an educational centre.

As taxes, in the last analysis, are a charge against production, inefficient or unnecessary expenditure is a direct handicap to business and industry and an indirect handicap thereto by diminishing the savings of the people necessary for the healthy growth of business and industry.

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### EDITORIAL NOTE.

This Bulletin, prepared originally for the Bureau of Municipal Research, on account of its general interest, was first published by the Citizens' Research Institute of Canada.

The Bulletin is **NOT** intended to classify cities in order of merit, from the industrial standpoint. **In the first place**, industrialization is not necessarily the highest aim of every community. The presence of great educational institutions, for example, is as important as the presence of great industries. For the majority of cities, a well-balanced community with all the elements of civic greatness in a healthy condition and wholesome proportions is the chief desideratum. **In the second place**, the relative position of individual cities has undoubtedly changed, both as to per capita taxation and as to industrialization, since 1920, the date of the taxation figures, and since 1919, in the case of the industrialization figures. The figures are meant to help in reaching a conclusion as to the relation between public expenditures and industries. On the whole, it would appear that excessive taxation handicaps industry, that under-expenditure to the extent of neglecting basal services may be an equal handicap, and that a moderate or even a comparatively high expenditure, where good value in service is received, is quite compatible with prosperity in industry.