

BUREAU OF MUNICIPAL RESEARCH

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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OPEN LETTER

To the City Council, Board of Education,
Citizens and Taxpayers of Toronto,
Ladies and Gentlemen:

Unless prompt action is taken, and city-wide vigorous protest is made, what was generally feared was about to happen, actually will happen—the first increase in the tax-rate since 1932 and the adoption of the highest tax-rate in the history of Toronto; this at a time when people were beginning to think they might be able after all to maintain their toe-hold—although the equities in many homes had disappeared and hundreds of homes had been lost to their owners—and when business and industry, from which the citizens derive their taxpaying ability, were beginning to dare look around after the apparent passing of the worst of the storm.

It has been said that this year's levy gives a break to everyone. At any rate, it will certainly give a crack, if not a break, to the taxpayers. How many home owners were "liquidated" last year, the Bureau has no means of knowing; but it is quite sure that the process will not be slowed up by the present levy. In 1931, 64,644 single dwelling houses were occupied by their owners, in 1934, 61,572. In 1931, 42,053 single dwelling houses were occupied by tenants; in 1934, 45,207. In 1931, almost 59% of the total number

of single houses were occupied by their owners; in 1934, 56%. Including apartments in duplexes, triplexes and apartment houses, dwellings occupied by their owners probably declined from about 54% to about 50% in the period 1931-1934. How long at this rate will Toronto be able to boast that it is a city of homes? How long before the majority of dwellings will be found in "stronger hands"? One ideal of democracy is the wide dissemination of capital holdings among all classes. If the present levy had been made by a greedy group of "capitalists", it could not have been better devised to assist in centralizing wealth. Probably no sounder basis for real citizenship can be found than widely spread and secure home ownership, and any system of financing which tends to undermine this foundation is extremely dangerous. Again, any taxation which tends to destroy the relative value of real estate as an investment, tends to retard building and therefore employment.

All taxes have to be paid out of income or they are confiscatory. It has been said that the "power to tax is the power to destroy". It will not be in this case if the citizens' trustees take appropriate action. That all classes of citizens save those in sheltered positions have suffered through loss of income is well known. According to the Annual Report of the Assessment Commissioner, 21,753 persons had enough income to have their names appear on the income tax roll for 1931; but only 11,708 in that for 1935. In the 1931 assessment, income taxpayers were assessed on almost 80 million dollars; in that of 1935, on 46 million dollars. It is altogether likely that the incomes below the taxing margin have suffered equal proportional reductions. Heads of over 30,000 families have little or no income. The average reduction in personal income must have been tremendous; and yet a 34.5 mill rate. Why? Elected bodies surely do not want to offend those who vote. One hundred thousand people, more or less, did not vote on January first. They were not counted and properly do not count. No one wastes much sympathy on them. But the innocent suffer with the guilty. Taxes rain on the just and the unjust.

There are expenditures which prevent heavier expenditures. Putting a roof on may save the whole house. Giving radio to the police may save employing more police. What does the deficit on the Civic Abattoir save?

Since 1930, according to estimates made by the Bureau, that part of the salary and wage bill, including all charges for services of persons, payable out of civic taxes has annually exceeded 18

million dollars. In 1934 it was only \$50,000 (approx.) less than in 1930. If this appropriation had been treated realistically and not politically, since increasing tax arrears gave the warning in 1930, it would have been adjusted each year more in line with the salary and wage earnings of the taxpayers. If this had been done, the issuing of debentures, and consequently the debt charges thereon, for net unemployment relief, would have been greatly reduced and in the long run both civic employees and the employers of civic employees would have been benefited. Their real interests are identical.

It is not too late to "temper the wind to the shorn lamb", if the people's trustees will now act in the interests of all the people. People have often wondered "why an alderman". Now is a good time to demonstrate "why".

There are, say, 150,000 or so adult capitalists still remaining in Toronto, not to mention the thousands of others who would like to be if they were given a chance. The Bureau is certain that "soaking" the capitalist through the tax rate will "butter no parsnips".

Like causes produce like effects. Toronto may go to the Legislature for special dispensation, but even the Legislature cannot exempt it from the operation of natural law. If it sows the wind, it must reap the whirlwind.

Yours very respectfully,

T. G. ROGERS,
President.

H. L. BRITAIN,
Managing Director.

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