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CANADA

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The Largest Budget of General Expenditure[†] except in 1931 and the Highest Tax Rate in Toronto's History

The 1937 Civic Budget
calling for a General Expenditure out of Current Funds of
\$37,681,976
and a tax rate of 35.70 mills, was

greeted with a sigh of relief, not because they were satisfactory to the taxpayer, but because the local tax burden turned out at the very last minute to be so much less than expected. An unforeseen provincial subsidy of \$902,700 lighted that gloom. By the time the first tax bills come in, the flare will have burned out and gloom will again have settled down on many domestic hearths and there will be a second revulsion of feeling for those who are not past feeling.

The most distressing part of it is that an increase in the tax rate at this time would have been quite unnecessary if during the last ten years we had not confined our civic thinking and planning so largely to one-year periods and if the great majority of the, say, 180,000 non-voting electors and 107,058 voting electors had not said, in effect, at the last civic election that they were quite satisfied with existing conditions, were not greatly disturbed by them, or felt that nothing could be done about them. The elective bodies simply have taken the electors at their word.

[†] Not including that on special services but only deficits thereon where these occur.

**A Heavy Vote at the Next Election Might Produce Better Budget
Results Even if the Personnel of the Elected
Bodies Were Not Changed.**

The record vote in the "Hydro-radial" election of 1932 was followed by three years of decreasing or stationary per capitas and decreasing tax rates. A declining voting rate in these and the next three years was followed and accompanied by increasing per capita expenditures from 1926 until 1932 with increased tax rates in 1931 and 1932. High voting percentages in 1930 and 1931 were followed by a real reduction in per capita costs in 1932 and an artificial reduction in 1933, since which year there has been a steady increase in per capita costs, although there was a tax rate decrease in 1933 and 1934. In spite of large voting percentages in 1935 and 1936, so many hostages had already been given to fortune that little more could be done than hold the per capita fairly steady. The spectacular drop in voting efficiency at the last election has been followed by the "highest tax rate in the history of Toronto". "Post hoc" is, of course, not necessarily "propter hoc" but it is at least interesting to note that per capita expenditure has increased from \$51.22 to \$57.80, while voting efficiency has declined from 64.6% to 43.9%. When in doubt take the trick. The trick is to compel economies and efficiency measures which everyone knows are possible and which if applied five years ago would have resulted in a different picture now. A vote of 200,000 at the next election would "start something", particularly if preceded by a campaign of questioning.

Year	General Current Expenditure† Made Out of Current Funds (Taxes, General Municipal Revenues, Provincial Grants and Subventions, etc.)		Per Cent of Possible† Voting for Mayor	Mill Rate
	Total	Per Capita		
1923	\$27,593,431**	\$51.22	64.6%	30.80
1924	27,663,631**	51.00	47.9	30.00
1925	28,070,046**	51.09	37.3	29.85
1926	28,121,236**	50.51	46.8	29.60
1927	29,854,153**	52.38	45.7	31.80
1928	31,222,525	53.31	44.8	31.80
1929	32,760,708	54.03	38.7	31.50
1930	35,500,110	57.11	53.1	31.80
1931	39,061,539	62.28	55.3	33.60
1932	37,678,877	60.13	Acc.	33.90
1933	35,225,088*	56.49*	54.5	33.40
1934	35,958,647	57.14	50.1	33.00
1935	36,486,738	57.16	59.7	34.15
1936	36,960,571 (approx.)	57.26	57.6	34.85
1937	37,691,976 (Est.)	57.80	43.9	35.70

† On the basis of one-third duplication of names on voting list, probably much too great an allowance.

* Not a real decrease. Apparent decrease obtained by funding direct relief expenditures.

** With a slight element of estimation.

‡ Including deficits only on special services.

COMMENTS

1. The increase in the tax rate was not due to the loss of the income tax reimbursement by the Province.
2. The increase was due only in very small part to a decrease in the assessment.
3. The increase was due partly to an increase in estimated general debt charges of \$715,548 which was largely due to a funding of current expenditure on direct unemployment relief since 1932. The increase in estimated debt charges on direct unemployment relief is \$571,181.
4. The increase in expenditure and tax levy was fundamentally due to the indifference of the citizens, 107,058 of whom voted out of a possible total of, say, 290,000 or 300,000.

If a proposed expenditure of over 37½ million dollars on general account or of over 40 million dollars if public utilities appearing in the civic estimates be included, and a tax rate equivalent to a rental of over 3½% just as we are about to emerge from a disastrous depression, do not awaken active interest, what will?

NEEDED STEPS IN ADVANCE

1. Amalgamation of working departments.
2. Centralized purchasing for the city and all outside boards.
3. A thorough study of departmental personnel establishment and standardization of rates of pay for similar work between the city and "outside" boards and with the best private employment.
4. Reduction of the size of elected bodies.
5. Longer and overlapping terms for members of elected bodies.
6. Substitution of, say, four electoral districts for the nine wards.
7. Town planning, including zoning and housing, under an advisory town planning commission with statutory powers of inquiry and recommendation, under budgetary control of Council.

To avoid overlapping of staff and duplication of equipment, such a commission would act in close integration with the proposed inclusive civic service department (mentioned above in 1) made up of all existing operating service departments with a bureau of town planning, the head of which bureau would be the secretary of the Commission, the executive head of the town planning staff of his bureau. He would also be liaison officer between the civic departments (including the Police Department, Fire Department, and Health and Public Welfare Departments) and between the civic departments and outside commissions such as the Transportation Commission, the Hydro, the Harbour Commission, the Board of Education, the Separate School Board, Hospital Boards, etc.