

BUREAU OF MUNICIPAL RESEARCH

"TO PROMOTE THE MOVEMENT TOWARD EFFICIENT CITIZENSHIP"

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TORONTO 2

OPEN LETTER

Feb. 23rd, 1937.

To His Worship the Mayor,
 Members of the Board of Control
 and Aldermen.

Madam and Sirs:

The press of last evening and this morning suggests that the tax rate for 1937 is to be at least 36.15 mills, the highest tax rate in the history of the City. If this is the case, we cannot let it pass without a vigorous protest.

It is true that the down hill path was chosen in 1933, when the Council of that day adopted the policy of funding certain current expenditures in order to reduce the tax rate in its time rather than facing the real issue and, what was worse, omitted these current expenditures from the current estimates and represented the adjusted budget as a balanced budget. The Bureau protested at the time and has continued to protest particularly at the method of accounting and reporting followed by the City. If the actual budget deficit and the method of financing the deficit had been shown, the facts would have been evident to all and possibly steps would have been forced which would have prevented the present threatened tax rate increase. The method followed by the City in this case was not a reduction in expenditure. It was an increase in expenditure, an increase which is making itself felt now.

In Budget making time, 1933, the Bureau suggested the restoration of salary and wage schedules and a temporary reduction in salary and wage rates and other reductions in cost sufficient to absorb at least part of the threatened deficit. It pointed out that if reductions were not made then it might be necessary to continue reductions later when others were expanding. The Bureau also urged an establishment and administration survey of the City organization, with