

BUREAU OF MUNICIPAL RESEARCH

"TO PROMOTE THE MOVEMENT TOWARD EFFICIENT CITIZENSHIP"

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**To the Citizens and
Taxpayers of Toronto:**

During the last civic campaign an impression was given to the voters that the tax rate for 1940 would not be higher than that of 1939. Now it is intimated that, on account of exchange, the cost of guarding public utilities and the deficit of 1939 on current account, the 1940 rate is likely to be very considerably increased. Inasmuch as the deficit was due largely, if not entirely, to exchange and "guard" costs, there was in December just as much evidence of a higher tax rate in 1940 as now, and there is now just as much evidence of a lower 1940 tax rate as there was in December.

The truth is that the only real hope in December 1939 that there would be a reduced tax rate in 1940, was the expressed intention on the part of candidates that they would support a lower tax rate. The only certainty, now, of a higher tax rate in 1940 would be an evident intention on the part of members of elected public bodies to pass estimates which would ensure a higher tax rate. If they determine that there will be a lower tax rate, there will be.

The fact that the majority of potential voters at the last election did not take the trouble to vote, does not necessarily mean either that those who stayed home wanted or were indifferent to a higher tax rate or that the tax rate might be increased by Council with impunity, although it may look that way. It may mean only that the protestations of economical intent and the intimation that they need not worry about an increased tax rate were taken at face value. It is true that the public does not know and cannot tell what the 1940 tax rate will be until after it is struck and that their best chance of influencing what it will be is to give practical evidence of their active interest in civic affairs. But many voters have not learned this yet.

Even yet the day is not lost and if taxpayers are really interested, they may influence the result. The telephone and postal services are still very efficient. If taxation is increased, the tendency will be for assessment to fall still further and if assessment falls still further, the tendency will be for the tax rate to go up. We are in a vicious circle which can be broken only by vigorous and prompt action.

To increase municipal taxation at a time when Federal taxation must be increased is not playing the game.

If Canada, and Toronto is an important part of Canada, under the stimulus of increasingly acute war conditions, allows expenditures on all services, public and private, to greatly exceed the total of such expenditure in preceding peace years, inflation cannot be avoided in the absence of effective measures to prevent it; prices will shoot up, war expenditures will be greater, interest rates will rise, and the after-the-war scene will be one of severe dislocation.

The time to decide is now. And those who will have to pay the bills have still time to act.

Respectfully submitted,

T. G. ROGERS
President

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Managing Director