

## PROBLEM OF THE TAX RATE

## Dr. Horace L. Brittain Tells Toronto Board of Trade How it Can be Kept Down

"The Tax Rate and its Cousins," was the subject of an address delivered on December 12th, to members of the Toronto Board of Trade by Dr. Horace L. Brittain, director of the Bureau of Municipal Research.

Dr. Brittain stated that the prosperity of Toronto as a commercial, industrial and residential city depends upon its ability to compete with other centres. Its ability to compete depends, among other factors, on the tax-rate, the fire burden, the cost-of-sickness rate, the labor-turnover rate and the philanthropy-charity rate.

First of all he pointed out "how to increase the tax rate by reducing it." He instanced these methods as follows:—

By pretending that some of this year's expenditures belong to other years; by pretending that we have more revenue other than taxation than we really have; by pretending that we are going to spend less than we know we really must spend.

To reduce the tax-rate by increasing it, he instanced as follows: By leaning backwards in classifying expenditures as capital or current, even at the risk of paying this year for some things which might properly be charged against next year; by making promptly all expenditures necessary to prevent deterioration of plant; by substituting the surplus habit for the deficit habit; by including a contingent fund in the budget to be drawn upon only with the consent of the commissioner of finance.

## The Only Sure Road.

From 1907 to 1914 the city rate varied from 17½ mills to 18½ mills and invariably it was the case that the rate did not meet the requirements of the city. From 1914 onward the result was different. Dr. Brittain asked: "The deficits ceased in 1914. At the same time the tax rate went up. If the tax rate had not gone up and, as a result, deficits had continued and accumulated, how long would it have been possible to postpone settlement, and what would have been the resulting tax rate? Increased assessment was not a sure remedy for a high tax rate, and no remedy at all for abnormally high expenditures," he said.

"There is no royal road to a reduced tax rate," he continued. "The only sure roads are: Decreased per capita expenditures, increased revenues from sources other than taxation, increased production and commerce."

He gave the following methods of decreasing the per capita expenditures: By paying your own bills only, and not those of the Dominion government or others; by doing all necessary or revenue-producing work when it should be done; by not doing unnecessary work at all; by establishing centralized purchasing, centralized accounting, centralized budget-making, centralized civil service control under an administrative board made up of department heads; by planning for the year's expenditure before and not after the year begins; by charging the cost of improvements to those directly benefited by them; by eliminating deficits of so-called revenue-producing units; by starting or maintaining only such publicly-owned utilities as can be made to pay their way in dollars and cents for services rendered to citizens.

## Increased Revenue.

Revenues could be increased by having publicly-owned utilities charge cost price for services, and by taxing all taxable incomes. He noted that the council had increased the water rates this year, but did not increase the fares on the civic car lines.

The fire loss had been estimated at 2.3 mills on the assessment in 1917, and the cost of sickness and death in a year at \$5,648,900 or 9.4 mills. One-third of all illness was preventable. The labor-turnover rate was equivalent to a high tax on manufacturing and business. A federation for community service was also a necessity.

Dr. Brittain concluded by advising that all voters should vote, but that he cannot protect his interests or discharge his duties by being a citizen for half an hour on January 1st. Other cities had formed a Voters' League, a good means of getting out candidates.

Milestone, Sask., and vicinity produced two large subscriptions to the Victory Loan. These were by Mr. E. P. Kuhns and James Glenn for \$10,000 and \$11,000 respectively.

## WAR SAVINGS CONFERENCE

The conference of the members of the National War Savings Committee, who are conferring with Sir Thomas White on the War Savings Stamp campaign, opened in the Chateau Laurier, Ottawa, on December 10th, Sir Herbert Ames, chairman of the committee, presided. Representatives were present from every province but Prince Edward Island. Addresses by Sir Thomas White and Pierre Jay, representative of the United States Treasury, were the chief features of the session.

The following were in attendance: Hon. Cyrille Delage, Quebec; Campbell Sweeney, Vancouver; H. A. Allison, Calgary; John Blue, Edmonton; Hon. G. A. Bell, Regina; R. K. Scarlett, Regina; John Galt, Winnipeg; Bruce Campbell, Winnipeg; G. M. Reid, London; Major Ingram, London; Wm. Birks, Montreal; D. McGowan, Montreal; P. De Martigny, Montreal; W. A. Black, Halifax; Capt. Bell, Halifax; J. E. McPherson, Ottawa; Dr. Putnam, Ottawa; Sir George Burn, Ottawa; Capt. J. H. Code, Ottawa. G. W. Jones was acting as recording secretary.

## INTERCOLONIAL RAILWAY IN GOOD CONDITION

Mr. D. B. Hanna, president of the Canadian Government Railway Board, returned to the Windsor Hotel on December 8th, accompanied by his fellow-directors and the high officials who had been over the system in the Lower Provinces and Prince Edward Island. Mr. Hanna, who has been connected with the Canadian Northern Railway since the first train started from Portage la Prairie for Gladstone, some twenty-two years ago, while speaking of the Lower Province trip said that a good number of the directors had not been over the Intercolonial Railway, and the trip of inspection was considered necessary to some of the party before being in a position to discuss in a practical manner the many questions coming before them. They found the road-bed in splendid condition, the trains running on good time, and considered the earning powers of the road, and the outlook generally, exceedingly promising. In Prince Edward Island he said the gauge was being changed from 3 feet 6 inches to the standard, this being accomplished by the laying of an additional rail. The party also visited the new terminals at Halifax and expressed the opinion that they will meet the requirements of the system for many years to come.

## YIELDS ON INVESTMENTS IN STOCKS AND BONDS

The following table of investment yields of stocks and bonds has been compiled for *The Monetary Times* by Messrs. MORROW & JELLETT, Members Toronto Stock Exchange, 103 Bay Street Toronto:—

| December 11th, 1918.            |           |             |             |
|---------------------------------|-----------|-------------|-------------|
|                                 | Div. Rate | Price about | Yield about |
| <b>Preferred</b>                |           |             |             |
| Canadian Locomotive.....        | 7         | 90          | 7.77        |
| Canada Cement.....              | 7         | 95          | 7.36        |
| Canada Steamships.....          | 7         | 78          | 8.97        |
| Mackay Companies.....           | 4         | 64          | 6.24        |
| Steel of Canada.....            | 7         | 95          | 7.36        |
| Maple Leaf Milling.....         | 7         | 98          | 7.14        |
| <b>Common</b>                   |           |             |             |
| Bell Telephone.....             | 8         | 130         | 6.15        |
| Canada Cement.....              | 6         | 64          | 9.37        |
| Canadian Locomotive.....        | 6         | 66          | 9.09        |
| Canadian General Electric.....  | 8         | 105         | 7.61        |
| Consumers' Gas.....             | 10        | 150         | 6.66        |
| Dominion Foundries & Steel..... | 8         | 71          | 11.25       |
| Canadian Pacific Railway.....   | 10        | 160         | 6.25        |
| Maple Leaf Milling.....         | 10        | 133         | 7.51        |
| Penmans.....                    | .....     | .....       | .....       |
| Dominion Steel Corporation..... | 5         | 62½         | 8.00        |
| Steel Co. of Canada.....        | 6         | 64          | 9.37        |
| Mackay Companies.....           | 7½        | 75          | 7.94        |
| Toronto Railway.....            | 4         | 58          | 6.89        |
| <b>Bonds:</b>                   |           |             |             |
| Canada Bread.....               | 6         | 90          | 6.66        |
| Canada Cement.....              | 6         | 98          | 6.72        |
| Canada Steamships.....          | 5         | 80          | 6.25        |
| Canadian Locomotive.....        | 6         | 90          | 6.66        |
| Penmans.....                    | .....     | .....       | .....       |
| First War Loan, 1925.....       | 5         | 95½         | 5.75        |
| Second War Loan, 1931.....      | 5         | 96          | 5.43        |
| Third War Loan, 1937.....       | 5         | 97          | 5.25        |
| Victory Loan, 1922.....         | 5½        | 100         | 5.50        |
| Victory Loan, 1923.....         | 5½        | 100         | 5.50        |
| Victory Loan, 1927.....         | 5½        | 100½        | 5.48        |
| Victory Loan, 1933.....         | 5½        | 100½        | 5.46        |
| Victory Loan, 1937.....         | 5½        | 101         | 5.42        |