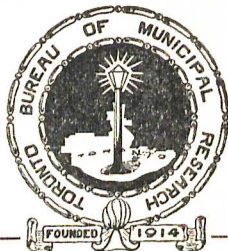


# Citizen Control of the Citizen's Business

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

Toronto, January 30th, 1931.

To the Citizens:—

Even in times of expansion, every business corporation should give thought to efficient management of its operations and effective control of its revenues and expenditures. In time of recession it **must**. There is a close parallel between private and municipal corporations, except for the fact that few municipal corporations actually “must” practise business efficiency, in that they have the power to assess upon the taxpayers all costs and all deficits, whether necessary or not. This does not diminish, but rather increases, the responsibility of Councils (Boards and Commissions) and taxpayers, i.e., Boards of Management and stockholders—to ensure the highest possible efficiency in the production of community services and the closest possible control of community revenues and expenditures. Because the corporation has such resources and is so fortified by law that it **may** operate at levels of efficiency lower than necessary, or **may** even operate with a deficit is not to say that it **must**.

Toronto is now in a position when the adoption and carrying out of sound policies is of the utmost importance, as what is done or not done now may, and probably will, influence the fortunes of the city for the next fifty years.

If Toronto's city policy forming body had been intentionally so organized as to make continuity of policy difficult, a more complete

Efficient Management Especially Necessary in Periods of Depression.

**The Most Expensive Weakness in the Management of any Corporation Is Lack of Continuity of Policy.**

job could hardly have been done. The term of office in our elected Board of Management is one year, so that members are almost forced to think in one-year periods. Anything less conducive to prompt and decisive action or more destructive of **planned continuity** of action is hard to imagine. Three-year overlapping terms for the City Council and Board of Education would tend (1) to free members from the paralysis of uncertainty, would (2) promote their independence of special interests who would be deprived of the "short string" control of the short term, while (3) allowing the electorate an annual opportunity of giving expression to its will, which expression would be sufficiently effective on those coming up for election in a year or two, through a lively appreciation of judgment to come. A one-year\* term may be adequate for a smaller municipality with less complicated problems, spending a few thousand dollars a year on simple community services, but is a costly, if sporting, arrangement for a metropolis of 625,000 people spending out of taxes over \$30,000,000 a year, and out of borrowed funds some \$8,000,000 a year. The emblem at the top of Toronto's City Arms is a beaver, not a grasshopper.

**Capital Expenditures out of Borrowed Funds Should be Budgetted for Ten Years Not One Year.**

Projects involving capital expenditures out of borrowed funds cannot be planned one project at a time or one year at a time without tremendous loss to the community. The one-year unit is the natural one for the planning of current expenditures, and is quite sufficient for the purpose; but to attempt to plan in one-year units undertakings which require years to carry out and more years to pay for is futile and, both from the service and financial standpoints, wasteful. By all means let us plan undertakings fifteen years ahead, and their financing ten years ahead, subject to annual revision, as to annual amount of work and financial commitments, by Council. If this policy had been adopted five years ago we might not be in the present position regarding the control of unemployment, so far as this may properly be effected through civic works and expenditures. Besides, everyone knows the effect upon costs of being compelled to build or finance as emergency measures, or without long and careful planning. We are glad to note that the Mayor's inaugural address stresses the value of long term planning.

A house divided against itself cannot stand. A city divided against itself cannot stand the expense, delay and frustration involved. The existing ward system plays into the hands of those whose stock-in-trade is sectional appeals. It helps to promote the "ward" state of mind. It puts in the same ward districts with little or no community of local interest and separated by six miles of space, while it places in

\* The term of office of elected representatives in the City of Toronto has usually been one year, but Council had two-year overlapping terms from 1838 to 1849, and three-year overlapping terms from 1866 to 1893; while School Trustees had at one time two-year overlapping terms, which arrangement still obtains in the Separate School Board. Municipal corporations in England and Wales have three-year terms for Councillors and six-year overlapping terms for Aldermen.

**Sectionalism Not Only Militates Against City Wide Planning But Is The Cause of Serious Burdens on the Taxpayer.**

different wards adjoining sections essentially the same in character and in local interests. It makes it more difficult to make and carry out plans to the general advantage without barter, tacit or audible. It authorizes multiple voting on an illogical basis, and makes difficult the prevention of unauthorized multiple voting. It gives 46,500 people the same representation as 112,500 people. Increasing the pay of aldermen, while maintaining or extending the present system, will not produce more efficient Councils. Would 45 aldermen, at \$5,000 per annum each, from 15 wards, elected for one-year terms secure better service at less cost than at present?

Is it not clear that the City needs fewer wards, not more; fewer Aldermen, not more; fewer Committees and Committee Chairmen, not more; fewer resolutions and alleged debates, and more decisions?

**Too Many Administrative Departments Another Source of Unnecessary Cost.**

The desirability of keeping the number of departments at a minimum is well known in the administration of private undertakings; but there is a strong tendency in public affairs to multiply the number of administrative departments. The best way to bring about co-operation of administrative units is to co-ordinate these units under appropriate administrative departments, as few as practically possible. If all the strategic opportunities for co-ordination, which have offered themselves during the last ten years, had been taken advantage of, there would now be only eleven or twelve separate departments or units instead of sixteen. Eight or nine would be quite sufficient. The saving would not be so much, if at all, in overhead salaries, but in the better co-ordination of the working forces of the great service departments. Why should citizens and taxpayers any longer allow inertia and vested interests to stand in the way of thorough administrative reorganization and co-ordination? Are not the necessary calls on possibly diminished incomes sufficient?

**The Civic Pension Fund.**

In view of the known facts regarding the total cost of salaries of employees who should have been retired before this, but have been retained on compassionate grounds, there can be no room for doubt that, **in the interests of the taxpayers**, a well considered scheme of retirement and pension is long overdue. The present custom of retaining aged and no longer fit employees on the payroll at full salary and paying retiring allowances to others is an extremely expensive and inefficient form of pension, costing the taxpayers possibly \$250,000 to \$350,000 a year. No pension fund should be established, however, until there is adequate control of the methods and standards of admission to the service as well as of methods and age of separation from the service. The employment of the fittest possible persons is just as important as the retirement of those no longer fit. There will be comparatively little use in freeing the outlet of the service if the intake be not screened. In this connection an age limit at appointment not higher than that for admission to the pension fund or,

if higher, involving compulsory participation in the fund, is essential; otherwise any pension scheme will fail to take care of all separations from the service which should be made in the interests of the service and of the citizens. The only excuse for the city's contributing to a pension fund is that such a fund, properly administered, would add to the efficiency or reduce the cost of the civic services which taxpayers and ratepayers support. Hence any pension scheme should be closely related to an effective system of personnel administration if it is hoped to promote the interests of the taxpayers to the greatest possible extent.

One does not have to receive a bill for taxes from the City Treasurer in order to be a taxpayer. Anyone who occupies a house, tenement or room, or buys food or clothing in Toronto pays taxes. Otherwise landlords and merchants could not carry on business. Municipal taxes are an element in the cost of living and production and even of being sick and dying in the City of Toronto. So who escapes? It is in the interests of everyone that one hundred cents' value be received for every dollar expended.

The excellent 1930 Municipal Handbook of Toronto contains the following paragraph:—

“As a location for manufacturing and commercial establishments, the city possesses many advantages for the production of almost every class of goods. Its growth in every direction has been so noticeable that little need be said to prove its claim of having the most favourable conditions for the production and distribution of goods. It has water communication east and west to many important centres, to tide water and to more than half way across the continent; has railways to provide exceptional trade-handling facilities, and cheap electric power supplied by the Ontario Hydro-Electric Power Commission.”

True, but what shall it profit Toronto if it have these advantages, but lose the great advantage of efficient civic services at costs which make trade competition possible? Eternal vigilance is the price of civic prosperity.

TORONTO BUREAU OF MUNICIPAL RESEARCH.

All Citizens  
Are Taxpayers.

Taxation Is Part of  
The Overhead of  
Business and Indus-  
try. Relative Over-  
head Is an Important  
Element in Deter-  
mining The Site of  
Business and  
Industry.