

BUREAU OF MUNICIPAL RESEARCH

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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TORONTO
CANADA

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Dollar Income and Real Income are NOT the same thing.

A man's dollar income for a year is the aggregate of all the dollars he has received during the year in salary, wages and other forms of income. His real income is what can be bought in commodities and services with these dollars.

On the basis of schedules and information published in the *Labour Gazette* and using Toronto prices for November in each year as published in the *Gazette*, a man whose dollar income in 1933 was less than his dollar income in 1927 by 24.2%, had the same real income as he had in that year. It is estimated that over the country as a whole the average dollar income of the gainfully employed shrank about 35% between 1928 and 1931. The shrinkage continued long after the end of 1931 at least. It would seem certain, then, that most people in Canada had much less pur-

chasing power in 1933 than in 1927, but that people on stationary incomes had greatly increased purchasing power during 1933. Since November, 1933, the cost of living has measurably increased. The last column of the table below gives an unofficial estimate for February, 1934, of the cost of items included in the *Labour Gazette* schedule. This would indicate that a man who has had a reduction of 20.48% in his dollar income up to the end of February, 1934, still had as much real income as he had as of November, 1927.

If It Be Granted

1. That dollar salaries and wages which have been reduced 20.48% since 1927 are of the same real value as they were in 1927,
2. That dollar incomes of all gainfully employed citizens and taxpayers shrank on the average about 35% between 1928 and 1932,
3. That the dollar incomes of civic employees in Toronto are (Jan.-Feb., 1934) approximately on the same basis as in 1927,
4. That in Toronto the income assessment has shrunk 37% and that the number of those liable for income tax 35% since 1931.
5. That in Toronto those not liable to income tax have suffered similar reductions,
6. That business and industry have been finding it more and more difficult from year to year to operate and employ men and women on account of heavy municipal taxation,
7. That unemployment is increased by whatever handicaps business and industry,
8. That the number of families on relief in January, 1932, was 12,713 and in December, 1933, was 27,396, while the population decreased,
9. That the city was unable to pay for unemployment relief out of revenue in 1933 and was forced to borrow on five-year debentures amounting, when all are issued, to \$2,143,071.25, to buy food, etc., for unemployed citizens having little or no income,
10. That unpaid taxes have increased from \$5,420,980 at the beginning of 1928 to \$11,955,930 at the beginning of 1934.

Cost per week of a Family Budget of Staple Foods, Fuel, Lighting and Rent based on quantities set out in the Labor Gazette, and prices quoted therein prevailing in Toronto in the month of November.

Since the official figures of the Labor Gazette for February, 1934, are not yet available the figures in the final column are estimated.

[The Budget is intended to show the changes in the cost of the items included, not to show the minimum cost for an average family.]

Commodities	Quantity	November 1927	November 1928	November 1929	November 1930	November 1931	November 1932	November 1933	February 1934 (est.)
		c.	c.	c.	c.	c.	c.	c.	c.
Beef, Sirloin	2 Lbs.	64.4	72.6	76.0	69.4	55.8	48.2	45.0	48.0
Beef, Shoulder	2 Lbs.	32.0	41.6	45.6	40.2	26.4	24.6	23.2	25.0
Veal, Shoulder	1 Lb.	22.7	26.1	26.9	24.4	17.4	14.1	13.8	16.0
Mutton, Roast	1 Lb.	29.8	31.2	27.8	26.3	22.2	16.8	16.9	18.0
Pork, Leg	1 Lb.	27.2	26.5	29.1	28.0	17.7	13.4	15.6	25.0
Pork, Salt	2 Lbs.	56.0	50.2	54.0	61.0	40.0	27.6	30.0	44.0
Bacon, Breakfast	1 Lb.	37.5	39.8	39.0	39.7	25.1	20.4	20.7	29.0
Lard, Pure	2 Lbs.	42.0	43.0	41.6	39.6	26.4	25.6	24.0	25.0
Eggs, Fresh	Per Doz.	63.4	61.2	65.2	56.0	51.7	44.4	43.8	49.0
Eggs, Storage	Per Doz.	49.2	50.2	50.3	42.2	36.9	31.8	31.3	33.0
Milk	6 Qts.	79.8	79.8	84.0	78.0	66.0	60.0	66.0	66.0
Butter, Dairy	2 Lbs.	87.0	87.6	92.0	74.0	41.4	45.4	40.0	56.0
Butter, Creamery	1 Lb.	46.0	47.0	47.4	38.4	26.5	26.5	24.3	32.0
Cheese, Old (KMB)	1 Lb.	33.5	35.2	35.2	34.3	26.5	23.7	22.3	25.0
Cheese, New (KMB)	1 Lb.	33.5	35.2	35.2	34.3	26.5	23.7	22.3	25.0
Bread	15 Lbs.	112.5	112.5	112.5	105.0	105.0	90.0	90.0	90.0
Flour, Family	10 Lbs.	50.0	48.0	50.0	39.0	29.0	26.0	29.0	31.0
Rolled Oats	5 Lbs.	29.0	29.0	31.0	26.5	23.5	22.5	24.5	25.0
Rice	2 Lbs.	20.8	20.4	19.8	19.8	19.0	18.0	17.6	19.0
Beans, Hand Picked	2 Lbs.	15.2	19.0	22.6	17.8	9.8	8.4	8.6	8.0
Apples, Fresh	Per Gal.	24.4	25.5	18.2	21.4	16.0	19.7	13.9	12.5
Prunes, Med. Size	1 Lb.	13.0	12.7	14.0	11.9	11.3	11.3	10.3	12.5
Sugar, Yellow	2 Lbs.	14.8	13.8	13.0	11.6	11.8	11.0	14.6	14.6
Sugar, Gran.	4 Lbs.	30.4	28.0	26.0	23.6	23.6	22.8	30.0	30.0
Tea, Black (KMB)	¼ Lb.	18.0	18.0	17.6	15.2	14.2	12.8	12.1	14.0
Tea, Green (KMB)	¼ Lb.	18.0	18.0	17.6	15.2	14.2	12.8	12.1	14.0
Coffee	¼ Lb.	15.2	15.4	15.3	13.7	12.8	11.3	10.9	9.5
Potatoes	½ Bag	60.7	37.8	64.0	43.0	17.1	25.1	37.0	53.0
Vinegar	½ Qt.	.8	.8	.8	.8	.7	.7	.8	.8
All Foods		\$11.27	\$11.25	\$11.72	\$10.51	\$ 8.15	\$ 7.38	\$ 7.51	\$ 8.50
Starch, Laundry	½ Lb.	3.3c	3.3c	3.3c	3.3c	3.3c	3.2c	3.3c	3.3c
Fuel and Light		\$ 3.96	\$ 3.95	\$ 3.97	\$ 3.94	\$ 3.88	\$ 3.76	\$ 3.81	\$ 3.81
Rent**	¼ Mth.	\$ 8.12	\$ 8.12	\$ 8.12	\$ 8.12	\$ 7.50	\$ 7.00	\$ 6.25	\$ 6.25
Totals*		\$23.38	\$23.35	\$23.84	\$22.60	\$19.56	\$18.17	\$17.80	\$18.59

* The Labour Department notes that an allowance for the cost of clothing and sundries would increase the figures by about 50%.

** Average of six room house with modern conveniences for month. (KMB) Kind most bought.

Does It Not Follow

1. That, if civic salaries and wages were placed on a fair basis in November, 1927, as they presumably were when the City Council adopted the report of the Civic Survey Commission on November 2nd, 1927, in view of the facts presented in the table published in this report, civic salaries and wages can temporarily but substantially be revised downward at the present time without prejudicing the comparative purchasing power of civic employees?
2. That if it is otherwise impossible to reduce current civic expenditure and to meet current expenditures out of current revenues without crippling essential civic services and without dismissing needed employees salaries and wages should temporarily be revised downward sufficiently to meet the situation?
3. That the Board of Education in making, and the Board of Control in sending on to Council budget estimates providing for, reductions in salaries and wages, as reported in the press, are doing a measure of justice to the citizens and taxpayers?

Correction—

On page 5 of White Paper No. 193, February 23rd, 1934, in the sentence beginning on the seventh line below Chart 1, the word "increased" should be changed to "decreased somewhat". Please make the necessary change in the uncorrected copy mailed you.

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