

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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OPEN LETTER

To the Citizens and Taxpayers of Toronto,
Ladies and Gentlemen:

While there are many ways of seeming to balance the budget, there are only two ways of really doing so. These are—

1. Reducing Expenditures
2. Increasing Revenues.

Until recently the line of least resistance, and consequently the one usually adopted by governing bodies, was the latter. It has become apparent, however, that increasing tax levies no longer ensures more tax money to spend. Recourse has to be taken to the other alternative, reducing expenditures. In many cases this was found so difficult or politically inexpedient, that some elected bodies returned to the old device of leaving enough out of the budget to establish a seeming balance, taking care of the items left out by bond issues. Then debt charges began to pile up so as partly, if not largely, or completely, to neutralize the current advantage of delayed payments. The time is approaching when all governments will be forced by necessity to do the sound thing if they wish to maintain their credit.

There are many ways of reducing expenditures, some sound, some sound under certain conditions and some unsound. As one example of a sound method which has frequently been set forth by the Bureau and others, the amalgamation of related administrative depart-

ments, may be mentioned. This costs nothing to the City, although it may cost some votes to members of a City Council. When there are vacancies in the headships of departments, no injustice to employees is involved in amalgamation, as the principle of promotion still holds. **There is injustice to taxpayers if the opportunity is not taken** as they have a right to any saving or increased efficiency which would result. **This is particularly true in a depression**, when taxpayers are particularly burdened. Except when actual opportunities occur, many public men pay lip service to the principle, but when a concrete opportunity faces them, discretion is often the better part of valour.

The arguments usually given against amalgamation are:

1. Heads of departments are sufficiently busy now without adding to their burdens.
2. The saving in salaries of department heads would be negligible.

These alleged reasons are based on fallacies:

1. That amalgamation would add to the burden of department heads.
2. That the only saving effected would be in salaries of department heads.

A man with a department of one employee may be overburdened if his work is improperly organized. A man with a department of 500 may not be overburdened, if his department is properly organized. It is almost entirely a matter of delegation of responsibility and proper organization. No doubt the heads of existing divisions and sections of departments are fully employed. That is no real reason for dividing departments. The fact is the alleged reasons quoted are not reasons but excuses.

Amalgamation of the property department with the department of buildings and of the street cleaning department with the works department, where they belong, and of the whole four ultimately under one commissioner would—

1. Cut down the cost of accounting.
2. Cut down the cost of purchasing.
3. Enable a more effective and economical use of personnel and equipment.
4. Make co-operation between and within departments easier.
5. Facilitate the transaction of civic business by Council since information on a question could be obtained from one source instead of having to consult several independent sources.

6. Simplify the business of citizens with the city.
7. Cut down the cost of executive salaries.

Opportunities for easy amalgamation have presented themselves before. Usually they were not grasped. Two appeared on the horizon at the beginning of the present civic year. Both were evaded. Aside from the Commissioner of the Municipal Abattoir, on the 1934 list of heads of departments in the Civic Estimates, one department head is absent who was present in 1932, and two present who were absent in 1930*.

Including the Civic Abattoir, which apparently requires a separate Commissioner to keep down its annual deficit, the City now has sixteen civic departments. If it continues to reduce the number of civic departments during the next sixteen years at the same rate as it has during the past four years, in which it has gone ahead one short step and backward two long steps, we should have gradually reduced civic departments to twenty by 1950. This should do something to reduce unemployment and also any bulges which might otherwise have appeared in the taxpayer's purse. Is it possible that if business and industry were relieved of an equivalent burden, private enterprise might be better able to assist in taking up the slack of employment than it would otherwise be?

The amalgamation of departments would have been far preferable to a continued hunt for new sources of taxation, such as the proposed tax on meals, a method which had to be abandoned in one province and in another, where it still obtains, is almost certainly a handicap to the tourist traffic from which Toronto, as a community, draws such large advantages in revenue and employment.

It is probably too late to do anything now about the failure to reduce expenditures and increase efficiency by amalgamating departments. But there will be other opportunities and other Councils. One can never tell. There are, however, some policies of vital importance which it is not too late for the people who pay the bills to consider before the Ides of March. Among these are:

1. Shall public business be done in public or behind closed doors?
2. Shall the City Council give detailed consideration to the estimates as sent on by the Board of Control, or shall they consider the matter as settled and pass within a few hours estimates for about \$37,000,000 of the citizens' money?
3. Shall the annual budget be balanced, or unbalanced?

* The Relief Officer was not included among heads of departments in the list in the 1930 estimates.

4. If unbalanced, shall the deficit be shown and debentures issued to meet the deficit, or shall the budget be adjusted by omitting sufficient current expenditure to effect an apparent balance showing no deficit, the actual deficit to be met by debenture issues?
5. Shall any part of the net expenditures of the City for unemployment relief in 1935 be paid out of current revenue as in 1932 and previously?
6. Shall the 1935 estimates be classified in such a way as to show not only the proposed expenditure by department and section, but also for every department, by salaries, wages, supplies, equipment, etc., with information as to the number of employees to be employed at the various rates, the amount of equipment and supplies, etc., in the various departments, sections and divisions?
7. Shall the 1935 tax levy be kept down at least to the 1934 level, even if it is not cut, as it should be, if the relative capacity to pay of the taxpayers were considered, to the 1930 level?

Municipal Government is not like the weather. There IS something one can do about it if one wants to hard enough.

Learn the facts. Digest the facts. Remember the facts—at least until January 1st, 1936.

Yours very respectfully,

T. E. ROGERS,
President.

H. L. BRITTAIN,
Managing Director.

You say your taxes are too high
But do you vote?
About extravagance you sigh
But do you vote?
How long you wail, must we endure
This state of things which keeps us poor?
How long, I do not know, I'm sure;
But do you vote?

Unless you do, (I wonder do you?)
You've got just what is coming to you.

—Berton Bayley in the Charleston Mail.

(Of course you vote. But will you pass this
on to someone who does not?)