

**BUREAU OF MUNICIPAL RESEARCH**

"TO PROMOTE THE MOVEMENT TOWARD EFFICIENT CITIZENSHIP"

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TORONTO 2

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To the Citizens and Taxpayers of Toronto:

As a citizen organization of research and constructive criticism, the Toronto Bureau of Municipal Research is interested not only in cutting civic expenditures but in cutting civic expenditures so as to do the least harm in diminished services to citizens and lessened morale among employees. How a thing is done is often quite as important as what is done.

Expenditures may even be "cut" in such a way as to increase the ultimate burden. For example, the repair of a roof may be "cut" for one year, only to have the construction of a roof in next year's estimates.

*reserved and*  
A cut in net salary and wage roll, never pleasant, may be made very harmful to morale, if those who have not reached the top of their schedules are forced to bear a disproportionate share of the cut; which happens whenever either a so-called voluntary donation on the part of employees or a straight out is effected on the percentage basis, before granting scheduled increases. In this, as in many other cases, the path of less resistance is the path of greater harm.

Again a clear understanding of the facts is essential in determining policy. If a city needs to spend \$3,000,000 on unemployment relief, it must find a million itself and the provincial and federal governments will each contribute a million. The size of these contributions is not based on the sources of the revenue the city taps to raise its \$1,000,000. If the city raises \$1,000,000 by taxation, it will receive \$2,000,000 from the two governments. If it raises it by reducing its salary and wage bill or any other object of expenditure by \$1,000,000, it will receive \$2,000,000. If it raises it by arranging for contributions from employees amounting to \$1,000,000, it will get the \$2,000,000. Contributions assist the taxpayers to the amount of the contribution, not to the amount of three times the contribution.

These statements which seem to indicate that the latter in the case are not intended for camouflage, but tend to have the same effect.

Why not, if expenditures are to be cut by reducing net salaries and wages, do the obvious self-respecting straight-forward thing by -

1. Restoring salary schedules
2. Applying the reductions on the resulting totals so as to arrive at the total amount required

This would leave civic employees in the same position as other citizens and taxpayers. They would have, ~~reduced incomes~~ or most of them would have reduced incomes and they would be quite free to give out of these reduced incomes as much to charity and welfare as they desired or felt able to .

The Bureau of Municipal Research recently received information from 17 Canadian cities, 13 of whom effected salary and wage reductions in 1932, and most of whom were contemplating reductions for 1933. In most cases, the School Boards made reductions similar to those of the municipalities. It is quite possible that the elected bodies of these cities were quite as public spirited as those of Toronto and that the method they adopted may produce quite as good results.

Yours very sincerely,

President.

Managing Director.