

10th

ANNUAL
REPORT

TORONTO TRANSIT COMMISSION

1963

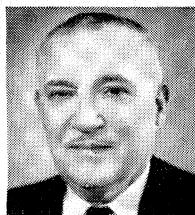
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TENTH ANNUAL REPORT TO THE
MUNICIPALITY OF METROPOLITAN TORONTO

Toronto Transit Commission 1963



RALPH C. DAY



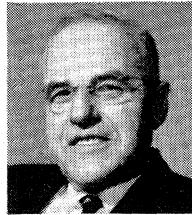
CHAS. A. WALTON



FORD G. BRAND



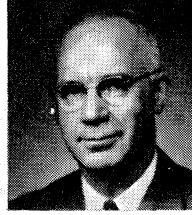
C. C. DOWNEY, Q.C.



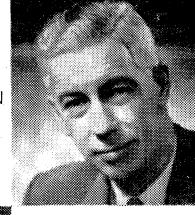
D. F. HAMILTON



J. G. INGLIS



W. H. PATERSON



H. E. PETTETT



TORONTO TRANSIT COMMISSION

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RALPH C. DAY, Chairman

CHAS. A. WALTON, Vice-Chairman

FORD G. BRAND, Commissioner

C. C. DOWNEY, Q.C., Commissioner

DOUGLAS F. HAMILTON, Commissioner

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J. G. INGLIS, General Manager of Operations

W. H. PATERSON, General Manager—Subway Construction

H. E. PETTETT, General Secretary

J. H. KEARNS, Assistant General Manager of Operations

J. W. H. DAY, Q.C., General Counsel

R. R. GILLESPIE, Treasurer



July 29, 1964.

Wm. R. Allen, Esq., Q.C., Chairman,
And Members of the Council of
The Municipality of Metropolitan Toronto,
67 Adelaide Street East,
TORONTO 1.

Ladies and Gentlemen:

ANNUAL REPORT — 1963

The Commission is pleased to submit herewith the tenth Annual Statement of the Toronto Transit Commission covering the year 1963.

It is encouraging to report that the Commission's continuing efforts to improve and extend service are meeting with success. The upward trend in riding which began in 1962 was maintained, and last year an increase of 2,298,623 passengers was recorded.

This was a year of unprecedented progress at the Commission, highlighted by the opening of the 2-mile University section of the Bloor-Danforth-University Subway, and by the most extensive grid-system route expansion program in recent T.T.C. history.

Since the opening of the University Subway on February 28 an average of 30,000 additional riders have used the subway system every week day. This is a good indication of the increased riding that can be expected when the Bloor-Danforth Subway is completed and the University Line is serving the purpose for which it was originally designed. That is, to provide two transfer points for passengers at Bloor Street, namely Yonge Street and University Avenue.

The extension of the basic grid-system network of convenient east-west and north-south transit lines was preceded by a detailed Origin and Destination Survey of 4,400 homes and 100 industries. The grid-system expansion into suburban areas provided more convenient service for the increasing number of riders who travel locally within their own districts, and at the same time, the operation of more lines direct from outlying areas to the subway has resulted in faster service to and from downtown.

It should be stressed, however, that the many new routes and extensions that have been inaugurated cannot be expected to pay their way. It must be recognized that they will have to be supported by the rest of the system, perhaps for many years. Nevertheless, their potential contribution to the system cannot be overlooked, and the Commission regards these new and extended routes as important investments in the future of Metropolitan transportation.

On behalf of its riders, the Commission wishes to acknowledge the very substantial contribution made to the transit system by Metropolitan Toronto for the purpose of holding the fare level through 1963. The Commission welcomes this tangible recognition by Council of the heavy financial burden of subway construction that faces the system, and strongly believes that a long-range permanent solution to this problem will prove to be in the best interests of the entire community.

The pages which follow show in more detail the financial and operating results for the past year.

FINANCIAL RESULTS

The financial result of operations in the year 1963 was a loss of \$2,984,167 compared with a loss of \$823,431 in 1962, the \$2,160,736 greater loss in 1963 being accounted for by an increase of \$2,868,102 in operating costs as against an increase of \$707,366 in gross income.

An operating subsidy of \$2,500,000 received from the Municipality of Metropolitan Toronto to be applied against debenture interest charges, reduced the amount of 1963 loss to be borne by the Commission to \$484,167.

The 1963 results may be summarized as follows:

Operating expenses	\$41,613,793
Debenture interest and discount	2,728,883
Total expenses	\$44,342,676
Gross revenue	41,358,509
Loss for the year	2,984,167
Less subsidy from the Municipality of Metropolitan Toronto	2,500,000
Net loss for the year	<u><u>\$ 484,167</u></u>

The increase of \$707,366 in gross income was derived from the following sources:

Zone-fare services revenue	\$ 594,873
Charter and special services revenue	9,562
Passenger revenue	604,435
Rental of equipment and properties	9,595
Rental of advertising space	16,230
Dividend from Gray Coach Lines, Ltd.	45,000
Other income	32,106
	<u><u>\$ 707,366</u></u>

The increase of \$2,868,102 in operating expenses may be attributed to three major factors, viz. increased labour costs due to wage increases and extensions to services, the opening for service of the University Avenue Subway on February 28, 1963 and a general increase in the cost of materials and supplies. A tabulation of the chief increases is shown below:

Labour costs	\$ 1,106,802
Depreciation charges (University Subway — \$427,483)	707,757
Debenture interest and discount	538,565
Gasoline and diesel oil, including provincial taxes	179,403
Municipal taxes	114,674
Electric traction power	86,268
Other expenses	134,633
	<u><u>\$ 2,868,102</u></u>

The number of miles operated and the number of passengers carried (fares collected) both increased in 1963 over 1962. The increase in miles operated was 3,447,787, the totals being 52,951,004 in 1963 and 49,503,217 in 1962. The miles operated on charter and special services declined by 31,588 while the zone-fare system mileage increased by 3,479,375. Increases occurred in motor bus, trolley coach and subway operations but a decrease is reported in street car mileage operated, as shown by the following summary:

Increases—motor bus operation	2,173,915 miles
trolley coach operation	227,718 "
subway operation	2,015,710 "
	<hr/>
	4,417,343 "
Decrease—street car operation	937,968 "
	<hr/>
Net increase in zone-fare operation	<u>3,479,375</u> "

The increase in motor bus miles operated is largely a result of the inauguration of the grid system on September 1, 1963, which resulted in the commencement of four new routes and extensions to eighteen others. The opening of the University Avenue Subway on February 28, the co-incident abandonment of the Dupont street car line and extension of the Annette trolley coach service have contributed to the increase in subway miles and trolley coach miles operated and the decrease in street car miles. These developments are discussed more fully in the section of this report dealing with operations.

For the second successive year, the number of passengers carried (fares collected) showed an increase over the preceding year, the figures for 1963 and 1962 being 271,103,259 and 268,804,636 respectively, an increase of 2,298,623 or .86%.

FARE STRUCTURE

On May 1, 1963, the Commission's basic adult zone fare was increased by 16.67% from 7 tickets for \$1.00 to 6 tickets for \$1.00, and the combination ticket (zones 1 and 2) was increased by 13.64% from 4 for \$1.10 to 4 for \$1.25. A lesser increase of 11.11% was made in the scholars' rate, from 10 tickets for \$1.00 to 9 tickets for \$1.00. These increases remained in effect for only nineteen days, being then revoked in consideration of a subsidy payment of \$2,500,000 by the Municipality of Metropolitan Toronto.

At December 31, 1963, the fare structure remained the same as at December 31, 1962, the adult rates being as follows:

- Zone 1—1 ticket or token (7 for \$1.00 or 2 for 30c) or 20c cash
- Zone 2—1 ticket or token (7 for \$1.00 or 2 for 30c) or 20c cash
- Zones 1 and 2 combined ride—1 ticket (4 for \$1.10)
- Outer zones (beyond Metro)—10c cash
- Combined fare for riding two adjacent outer zones—
 - 1 ticket (2 for 30c) or 15c cash

The fare increases which were in effect for nineteen days in May, 1963 were again made effective as of January 1, 1964.

BALANCE SHEET

The total assets of the Commission, before deducting accumulated depreciation, amounted to \$198,558,000 at December 31, 1963, as compared with \$186,405,000 at the close of 1962, an increase of \$12,153,000 during the year.

CASH INCLUDING INTEREST BEARING DEPOSITS

The amount of cash on hand and on deposit at the end of 1963 showed a slight increase of \$63,165, rising to \$772,190 from \$709,025 at December 31, 1962.

ACCOUNTS RECEIVABLE

Accounts receivable, including accrued interest, increased to \$461,000 from \$352,000 one year ago.

MATERIALS AND SUPPLIES

The inventories of operating and maintenance supplies showed a further small decrease of \$22,000, dropping from \$1,876,000 at the end of 1962 to \$1,854,000, which represents a substantial reduction in the past five years from the figure of \$2,296,000 at December 31, 1958.

INVESTMENTS

There were no changes during the year in the Commission's investment portfolio which is composed solely of \$170,000 par value of Government of Canada 4 1/4% bonds maturing on September 1, 1972, with a market value at December 31, 1963 of \$161,288 compared with \$161,500 at December 31, 1962.

CAPITAL ASSETS

Capital assets owned at December 31, 1963 (excluding the Bloor-Danforth Subway under construction) are shown at a total of \$192,294,000, including \$39,023,000 for the University Subway which was placed in operation on February 28, 1963. The amount of \$39,023,000 is composed of \$19,041,000 contributed by the Municipality of Metropolitan Toronto and \$19,982,000 contributed by the Commission. (In addition, under the terms of the cost sharing agreement, some \$2,000,000 for right-of-way land acquisition was met directly by the Municipality and is not shown in the Commission's accounts.) The cost of other capital assets is \$153,271,000 compared with \$150,850,000 at the close of last year, an increase of \$2,421,000. This net increase is the result of capital additions of \$4,991,000 and retirements of \$2,570,000.

The additions (at cost) were:

115 General Motors diesel buses and spare parts	\$ 4,073,000
Land purchases for Wilson Yard	166,000
Track and overhead reconstruction	267,000
Three additional bus bays at Eglinton Subway Station	110,000
Addition of one storey to the Hillcrest Administration Building	100,000
Automotive service equipment	57,000
Preliminary plans and studies re easterly and westerly extensions of Bloor-Danforth Subway and Spadina Rapid Transit	78,000
Completion of new Eglinton garage building	44,000
Eight used Marmon-Herrington trolley coaches	43,000
Modern shelter at C.N.E. Dufferin Loop	19,000
Shop equipment	18,000
Furniture and office equipment	16,000
	<u>\$ 4,991,000</u>

The retirements (shown at original cost) were:

62 obsolete street cars sold	\$ 978,000
Property located at 26-50 Bloor St. East and 150 Harrison St. and easement at Birchmount Garage property, sold	543,000
6 Yonge St. Subway cars destroyed by fire on March 27, 1963	512,000
Track and related power distribution structures rehabilitated or abandoned	352,000
5 motor buses sold or scrapped	85,000
15 automotive service vehicles sold	65,000
Loop roadways, platforms and shelters — loops removed from service	14,000
Subway entrance at King & Yonge Streets relocated	7,000
Furniture and office equipment sold or scrapped	7,000
Shop equipment traded in or scrapped	3,000
Subway car spare parts scrapped	2,000
Mobile radio units scrapped	2,000
	<u>\$ 2,570,000</u>

Accumulated depreciation stood at \$74,731,000 on December 31, 1963, as compared with \$71,575,000 at December 31, 1962, an increase of \$3,156,000.

BLOOR-DANFORTH-UNIVERSITY SUBWAY

As mentioned above, the University section of the B.D.U. Subway was placed in operation on February 28, 1963, the approximate cost (excluding land acquisition by Metropolitan Toronto) being \$39,023,466 which will vary somewhat when outstanding claims are settled. Expenditures on, and funds appropriated for, the Bloor-Danforth section were \$34,100,081 at December 31, 1963. An analysis of these figures is as follows:

	University Line	Bloor-Danforth Line
Engineering and Administration	\$ 3,421,565	\$ 6,352,037
Tunnel & Structures	27,181,587	24,140,872
Track	1,036,424	1,597,675
Supervisory Control & Traction Power	1,444,076	741,555
Signal System	1,006,504	—
Rolling Stock	3,991,199	—
Greenwood Yard and Shops	—	3,126,220
Greenwood Yard and Shops—Land	—	1,407,072
Interest during construction	942,111	694,378
 TOTAL CONSTRUCTION	 <u>\$39,023,466</u>	 <u>\$38,059,809</u>
 Add: Cash in bank	 \$ 42,955	
Miscellaneous receivables and prepaid expense	176,152	
Proceeds of sale of debentures not yet drawn from Metro Treasurer	890,569	
	 1,109,676	
	 39,169,485	

Deduct: Accounts payable and accruals	\$ 2,192,335	
Contract holdbacks	2,877,069	
		<u>5,069,404</u>
Total expenditures on and funds appropriated for B - D subway construction		<u>\$34,100,081</u>

The financing of these expenditures has been carried out in accordance with the Ontario Municipal Board Order No. P.F.E. 287-58 and amendments to December 31, 1963, as follows:

	Total	University Line	Bloor-Danforth Line
Funds provided by Metro	\$34,944,345	\$19,040,678	\$15,903,667
Funds provided by T.T.C.			
Current funds	7,746,693	7,056,875	689,818
Proceeds of debenture sales per T.T.C. accounts	30,432,509	12,925,913	17,506,596
Total funds provided	<u>\$73,123,547</u>	<u>\$39,023,466</u>	<u>\$34,100,081</u>

By order dated January 27, 1964, the Ontario Municipal Board amended Order No. P.F.E. 287-58 to permit the Municipality of Metropolitan Toronto to assume as of January 1, 1964 a greater share of the cost of B.D.U. Subway construction in accordance with an application which had been authorized by By-law 2040 enacted and passed by the Council of the Municipality on December 5, 1963. Accordingly, on January 1, 1964, the Municipality of Metropolitan Toronto assumed responsibility for payment of \$15,149,293 of outstanding T.T.C. debenture debt pertaining to construction of the B.D.U. Subway (see Note 1 of Notes to Financial Statements), therefore, when adjusted for the proceeds of those debenture sales, the respective contributions become as shown hereunder:

	Total	University Line	Bloor-Danforth Line
Funds provided by Metro	\$49,723,754	\$30,128,482	\$19,595,272
Funds provided by T.T.C.			
Current funds	7,364,767	—	7,364,767
Proceeds of debenture sales per T.T.C. accounts	16,035,026	8,894,984	7,140,042
Total funds provided	<u>\$73,123,547</u>	<u>\$39,023,466</u>	<u>\$34,100,081</u>

PROVISION FOR TICKETS AND TOKENS HELD BY THE PUBLIC

The provision for tickets and tokens in the hands of the public has been fixed at \$330,000, a reduction of \$37,000 from the December 31, 1962, provision of \$367,000. The fare structure at the end of 1963 remained the same as at the end of 1962. The May 1 increase, being in effect only until May 20 as mentioned earlier in the report, had no appreciable bearing on the number of tickets and tokens outstanding at the year end. However, the fare change of January 1, 1964, necessitated refunding or redemption through use of the outstanding tickets and tokens and the figure of \$330,000 has been determined as the amount required to meet these obligations.

CAPITAL DEBT

The capital debt of the Commission at December 31, 1963, amounted to \$87,659,185 but is reduced to \$37,766,939 on January 1, 1964, through the assumption of \$49,351,239 of outstanding debentures (see Note 1 of Notes to Financial Statements), together with the pertinent sinking fund, by the Municipality of Metropolitan Toronto, and by the necessary adjustment in the liability for foreign exchange payments on debt repayment. The following table gives the respective figures for the two dates:

Type of Debenture	Year of Issue	Year of Final Payment	Net Debt	
			As at December 31, 1963	As at January 1, 1964
Serial	1950	1980	\$ 9,500,000	\$ 2,869,000
Serial	1951	1981	15,140,000	4,572,280
Serial	1953	1983	23,780,000	7,181,560
Serial	1954	1984	3,188,000	2,783,214
Sinking Fund	1955	1980	1,547,544	1,547,544
Sinking Fund	1956	1986	2,175,659	2,175,659
Sinking Fund	1960	1990	4,870,307	—
Sinking Fund	1961	1991	4,009,603	—
Serial	1962	1992	9,859,000	4,113,707
Sinking Fund	1963	1993	2,105,000	2,105,000
Serial	1963	1993	10,000,000	10,000,000
Foreign exchange premiums received less discounts paid on transfer of proceeds of outstanding debentures issued in United States funds			1,484,072	418,975
NET DEBT			\$87,659,185	\$37,766,939

Interest rates payable on these debentures range from 2 $\frac{5}{8}\%$ to 5 $\frac{1}{2}\%$.

\$41,589,000 of the debt outstanding at December 31, 1963, or \$14,373,980 of the debt outstanding at January 1, 1964, is payable in United States funds, and, therefore, the cost of servicing this portion of the debt is influenced by the rate of exchange on the United States dollar prevailing at maturity dates.

There were two new issues in 1963 by the Municipality of Metropolitan Toronto for purposes of the Commission. On June 21 an issue of \$2,105,000 par value was sold. These sinking fund debentures were issued under authority of By-law 1915, are dated June 15, 1963, to run for 30 years, bear interest at the rate of 5% per annum and interest and principal are payable in Canadian funds only. On December 9 an issue having a par value of \$10,000,000 was sold to the Province of Ontario under that Government's undertaking to loan up to \$60,000,000 for construction of the Bloor-Danforth subway. These debentures, which were issued under authority of By-law 2015, are dated December 2, 1963, bear interest at the rate of 5 $\frac{1}{2}\%$ per annum and are repayable in Canadian funds in annual installments over a period of 30 years. This issue brings the total funds borrowed from the Province for the account of the Commission to \$20,000,000.

All capital borrowings required by the Commission are made through the issue of Municipality of Metropolitan Toronto debentures.

EARNINGS RETAINED IN THE SYSTEM

Earnings retained in the system show a reduction of \$411,931, being \$4,583,702 at the close of 1963 compared with \$4,995,633 at December 31, 1962. This reduction is made up of the operating loss for the year of \$484,167 plus a foreign exchange loss of \$54,417 on repayment of debenture debt due in United States funds and a \$1,500 loss on sale of property, less \$128,153 insurance recovery in excess of the depreciated book value of six subway cars destroyed by fire in March, 1963.

TAXES

All forms of direct taxation continued to increase as indicated in the following comparative statement:

	1963	1962
Municipal:		
City of Toronto	\$ 1,059,570	\$ 948,172
Other area municipalities	66,341	63,065
	<u>\$ 1,125,911</u>	<u>\$ 1,011,237</u>
Provincial:		
Motor vehicle licences	\$ 125,245	\$ 108,170
Gasoline and diesel fuel taxes	682,142	595,426
	<u>\$ 807,387</u>	<u>\$ 703,596</u>
Federal:		
Unemployment insurance	\$ 237,768	\$ 211,692

Indirect taxation, in the form of federal and provincial sales taxes which constitute a further significant element in the Commission's costs is also increasing due to the ever rising prices of commodities on which such taxes are based and to action by the federal government in removing the exemption on building materials effective June 14, 1963.

FINANCIAL STATEMENTS AND AUDIT

Messrs. Price Waterhouse & Co., the independent public accountants retained by the Commission, have audited the books and examined the financial statements. Their certificate is attached to the annual accounts which are a part of this report.

The Metropolitan Auditor has submitted his report covering the year 1962 and is currently engaged on his review of the 1963 accounts.

OPERATIONS

As mentioned earlier in the report, one of the highlights of the year was the opening of the University section of the Bloor-Danforth-University Subway on February 28. The new line extended the Yonge Subway from its southerly terminus at Union Station westerly beneath Front Street, northerly under University Avenue to St. George Station at Bloor Street. The full benefit of the University line will not be felt until the Bloor-Danforth route is completed, but in the first ten months of operation the new 2-mile section carried 7,000,000 riders.

STREET CARS REPLACED

In line with the Commission's policy of replacing street car routes as rapid transit lines are completed, major surface route changes were carried out in conjunction with the opening of the University Subway.

The Dupont street car line was replaced by the new Bay bus route and by an extension of the Annette trolley bus line to St. George Station. Street car operation was discontinued on Dupont Street, Davenport Road, and all but a few blocks on Bay Street, thus increasing the capacity of these streets for other traffic.

NEW ROUTES AND EXTENSIONS

Second in transit importance only to the opening of the University Subway was the sweeping grid-system route expansion program introduced on September 1. The far-reaching extent of these Metro-wide service changes can best be seen on the system route map shown on pages 14 and 15. In all, these improvements boosted suburban service by 1,100,000 miles a year. They included four new lines; ten route extensions into new districts; more frequent service and extended hours of service on several routes; and the extension of through bus lines from the subway deeper into suburban areas.

In addition to the route changes shown on the above map, SHEPPARD, an important new north-end crosstown bus line, was started to provide service across Sheppard Avenue from Wilson Heights Boulevard to Shaughnessy Boulevard, and the ANGLESEY route was extended west of Highway 27 along Rathburn Road.

SUBWAY CAR FIRE

On March 27, 1963, about 10:30 p.m. a fire of electrical origin occurred on one of the subway trains in service on the line. Passengers were off-loaded safely and the train was diverted to the storage track between Union and St. Andrew Stations. Unfortunately, because of the dense black smoke and the confined area, the fire could not be contained and six cars were completely destroyed. Considerable damage was also caused to adjacent signal, lighting and power cable equipment. A complete review of subway fire detection and prevention measures was immediately undertaken.

The rolling stock destroyed was fully insured at replacement value and no financial loss was suffered on this account.

The Commission is grateful that no injuries occurred and it wishes to express its appreciation to the men of the Toronto Fire Department and the Metropolitan Toronto Police for their fine work under great difficulty.

FARE CHANGE

Facing an estimated deficit of \$3½-million for 1963, the Commission approved an increase in the basic fare from 7 for \$1.00 to 6 for \$1.00 effective May 1, 1963. The new fare was in force from that date until May 19, 1963 when it was revoked and returned to the former rate following the decision of Metropolitan Council to grant a subsidy of \$2,500,000 to the Commission during 1963.

SPECIAL SERVICES

Express and special bus services to sporting events and other attractions continued to be popular. Extensions were made to two express routes serving the Canadian National Exhibition and riding increased to 229,632, 43% over the previous year. Buses to football, hockey and horse racing carried a total of 260,804 passengers. Summer week-end bus services to Pioneer Village and Edwards Gardens were again operated. A new summer Sunday service through High Park was tried but was not successful.

A daily bus service to the new Beaches Olympic swimming pool was inaugurated for the summer holiday season, and although cool, wet weather kept riding low on many days, response to the new service was encouraging. This new service will be repeated in 1964.

TRACK AND ROADWAY

Track renewal and re-alignment work on Lakeshore Road between Legion Road and Mimico Avenue was carried out during the year in conjunction with the Metropolitan Toronto repavement project. With the completion of this section, track and paving on Lakeshore Road has been completely renewed to the westerly limit of Long Branch.

While the City of Toronto carried out the re-construction of the Don River bridge on Queen Street, T.T.C. forces replaced all track on the bridge structure. Track on Main Street from Gerrard Street to Danforth Avenue was rehabilitated during repaving work by the City.

Other surface work completed during the year included track rehabilitation on College and Queen Streets from Spadina Avenue to McCaul Street and on Parliament Street from Gerrard to Carlton Streets.

Heat-treated rail was installed on three curves on the Yonge Subway.

At December 31, 1963, total miles of single track in service were:

Surface track	191.88
Subway track	18.25
TOTAL	210.13

Miles of streets and highways in Metropolitan Toronto served by bus and trolley coach lines at the year end were:

Trolley bus	27.51
Motor bus	339.99
TOTAL	367.50

VEHICLES

In 1963, the Commission took delivery of more new vehicles than in any other year in recent history. A total of 115 new Canadian-built buses were received; the remaining 4 of the 36-car order of Canadian-built subway cars arrived and were tested and prepared for service in time for the opening of the University Subway; and eight used Marmon-Herrington trolley coaches were purchased from the Cleveland Transit System and they were completely renovated before being placed into service.

At the year end, the passenger and service fleet was as follows:

Type	Total
Street Cars:	
P.C.C. cars	741
Witt type	13
	—
	754
Subway Cars	170
Trolley Coaches	153
Motor Buses	714
Service Vehicles:	
Rail-Surface	32
Rail-Subway	6
Automotive	121
	—
	159
TOTAL	1,950

Sixty-two old Witt street cars and five buses were retired during the year. Six Gloucester type subway cars were destroyed by fire.

BUILDINGS AND PROPERTY

Three new bus platforms were built at Eglinton Subway terminal to handle passenger traffic on new and extended suburban bus lines. There are thirteen bus platforms now in use at this busy terminal.

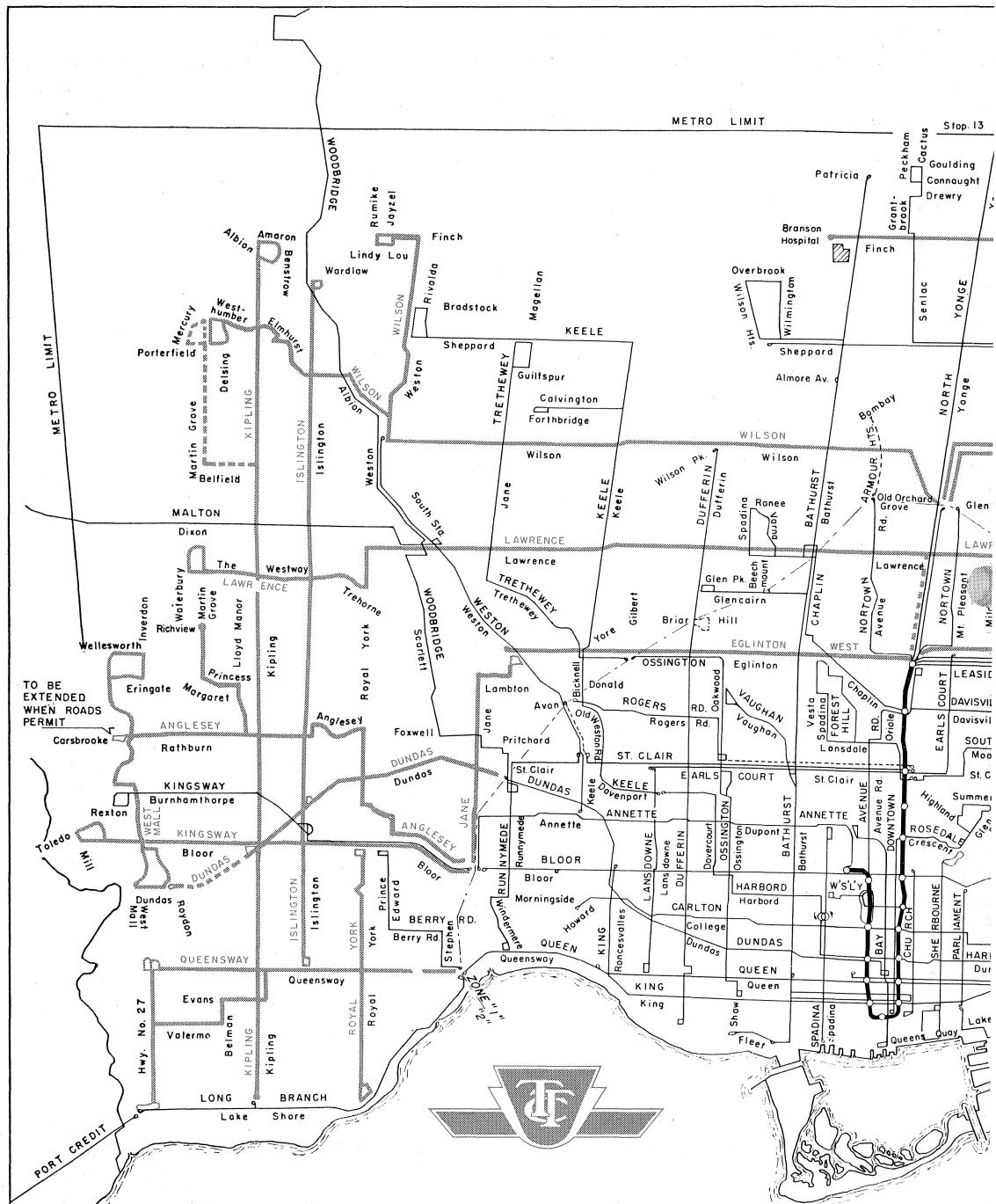
An attractive new terminal building and passenger shelter was completed at Dufferin Loop which serves the Western Entrance to the Canadian National Exhibition.

Other important building maintenance projects carried out during the year included extensions to vehicle repair pits at Hillcrest Shops to accommodate longer vehicles now in use; installation of a new fire alarm system at Roncesvalles Garage; replacement of lighting and wiring at Parkdale and Sherbourne Garages; and the installation of a new rectifier vacuum pumping system at Asquith Electrical Substation which supplies power to a large section of the Yonge Subway.

PUBLIC INFORMATION

Keeping the public informed about routes, schedules, fares, stops and other information about the system continued to be an important part of the Commission's activities. The telephone information staff answered 800,000 inquiries during the

GRID SYSTEM ROUTE EXPANSION



OGRAM INTRODUCED SEPT. 1, 1963



year, an increase of 68,000 over 1962. More than 105,000 transit route maps and 470,000 pocket bus schedules were distributed by drivers, guides and by direct mail. Requests for transit information reached an all-time high, reflecting the major route extension and improvement program carried out by the Commission during the year. The regular program of installing permanent and temporary signs at terminals and stops along the routes to announce route extensions and schedule changes was continued. More than 2,000 such signs were used in 1963.

The Commission co-operated with Metropolitan Toronto by providing its scale model of the Bloor-Danforth-University Subway for inclusion in the Metro display at the Canadian National Exhibition. Several thousand Subway Progress Report folders were distributed at the exhibit.

SAFETY

In 1963, T.T.C. operators and drivers recorded the lowest traffic and passenger accident rate in the Commission's history. The accident rate has been cut by 51% in the past ten years and in every year but one the rate has been lower than the year before. For the seventh year in the past twelve, the men of the T.T.C. were awarded the American Transit Association's Special Safety Citation.

In the industrial safety field, three sections of the Equipment Department won awards for having worked 250,000 man hours without a lost time injury. According to National Safety Council figures, the T.T.C. employee injury rate was 16% lower than the transit industry average. The Commission believes that these safety achievements and awards reflect the effectiveness of its continuous safety program and the interest and co-operation of all employees.

LABOUR RELATIONS

Collective agreements with the Commission's three labour unions expired December 31 and a new agreement with Division 113, Amalgamated Transit Union, which represents the majority of the Commission's employees has been entered into after negotiations lasting several weeks. This agreement is effective for a 27-month period ending March 31, 1966.

Agreements with Local 2, Canadian Union of Public Employees and Lodge 235, International Association of Machinists have been referred to respective Boards of Conciliation appointed by the Minister of Labour for Ontario.

Relations between the Unions and the Commission have continued, in general, to be co-operative and constructive.

SUBWAY CONSTRUCTION

The Bloor-Danforth-University Subway is being built jointly by Metropolitan Toronto and the Toronto Transit Commission at a cost of \$200,000,000. Work on the two-mile University Section began in the Fall of 1959.

This 10-mile extension to Toronto's subway system was originally scheduled for completion in 1969, but when the Province of Ontario made available a \$60-million loan the target date for completion was advanced to 1967. During 1963, the Province announced that beginning in April, 1964, it would contribute towards the cost of certain parts of the project. Also during 1963, an accelerated construction program was put into effect which again advanced the completion date. It is now expected that the Bloor-Danforth line will be ready for service early in 1966.

UNIVERSITY SECTION

The first two-mile section of the Bloor-Danforth-University Subway was officially opened on February 28, 1963 by Lieutenant Governor J. Keiller Mackay and the Hon. John P. Robarts, Prime Minister of Ontario. The University line extends the Yonge Subway from its southerly terminus, Union Station, beneath Front Street to University Avenue, northerly under University to Bloor Street at St. George Station. With the addition of the University section, Metropolitan Toronto now has 6.53 miles of subway in operation.

BLOOR-DANFORTH SECTION

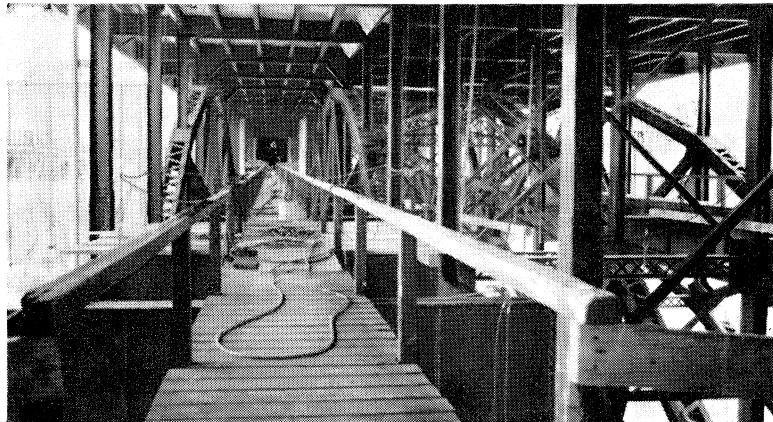
Work on the remaining eight miles from Keele to Woodbine on the east-west section was maintained at a satisfactory pace during 1963. At the year end, three contracts were completed, twelve were in progress and six more were in varying stages of tendering. During the year, labour strikes in the construction industry affected subway work for a total of 25 working days. Contracts for the supply and installation of escalators and signals were awarded, and contracts for electrical control equipment, automatic electrical substation equipment, rails and subway cars will be awarded early in 1964.

RIGHT-OF-WAY

The Metro Subway Property Committee completed the acquisition of the right-of-way for the entire Bloor-Danforth section.

EXTENSIONS TO BLOOR-DANFORTH SUBWAY

Preliminary design and planning work was done on the proposed extensions of the east-west leg of the subway from Woodbine Avenue to Warden Avenue in the east and from Keele Street to Montgomery Road in the west.



When it was built in 1917 the Bloor Street Viaduct was designed to carry subway tracks under the decking. The reinforced concrete slabs to hold the track are now being installed where the plank walk is shown in this picture.



The concrete forms of the covered bridge spanning Rosedale Ravine were poured on the job. The enclosure is designed to absorb sound and to present an appearance in keeping with the nearby residential area. The bridge is now completed.

GENERAL

The Commissioners wish to express their thanks to the capable and conscientious staff who in the final analysis are the ones responsible for the T.T.C.'s reputation as one of the world's finest transit systems.

The Commission also extends its appreciation to Metropolitan Councillors and Officials, to the elected representatives and officials of area municipalities, and to the public generally for their support and co-operation during the year.

Yours truly,



Chairman



Vice-Chairman



Commissioner



Commissioner



Commissioner

TORONTO TRANSIT BALANCE SHEET

ASSETS

	December 31, 1963	January 1, 1964 (Note 1)
CURRENT AND WORKING ASSETS:		
Cash including interest bearing deposits	\$ 772,190	\$ 772,190
Accounts receivable, less allowance for doubtful accounts	460,516	460,516
Gray Coach Lines, Limited — current account	521,194	521,194
Working funds advanced to employees and agents	278,419	278,419
Materials and supplies valued on the basis of cost, less allowance for obsolete items	1,854,040	1,854,040
Prepaid expenses	299,679	299,679
	<hr/>	<hr/>
	4,186,038	4,186,038
INVESTMENTS:		
Canadian Government bonds, at market value.....	161,288	161,288
Mortgages receivable and conditional sale agreement on property sold	256,464	256,464
	<hr/>	<hr/>
	417,752	417,752
INVESTMENT IN CAPITAL STOCK OF GRAY COACH LINES, LIMITED, A WHOLLY-OWNED SUBSIDIARY, at cost (Note 6)	1,000,000	1,000,000
CAPITAL ASSETS: (Notes 1 and 2)		
Land, buildings, subways, power distribution system, trackwork, rolling stock, buses, franchises, etc., at cost	192,294,162	192,294,162
Less—Capital contributions toward subway construction costs received from The Municipality of Metropolitan Toronto	19,040,678	64,330,428
	<hr/>	<hr/>
Less—Accumulated depreciation	173,253,484	127,963,734
	74,731,341	74,760,427
	<hr/>	<hr/>
	98,522,143	53,203,307
Bloor-Danforth Subway under construction:		
Expenditures on and funds appropriated for construction of the subway (Note 3).....	34,100,081	34,079,443
Less—Capital contributions received from The Municipality of Metropolitan Toronto	15,903,667	19,595,272
	<hr/>	<hr/>
	18,196,414	14,484,171
UNAMORTIZED DEBENTURE DISCOUNT	1,504,470	643,303
	<hr/>	<hr/>
	\$123,826,817	\$ 73,934,571

**SIT COMMISSION
SHEET**

LIABILITIES

	December 31, 1963	January 1, 1964 (Note 1)
CURRENT LIABILITIES:		
Accounts payable and accrued liabilities	\$ 4,404,163	\$ 4,404,163
Debenture interest accrued	546,034	546,034
	4,950,197	4,950,197
PROVISIONS:		
For tickets and tokens held by the public	330,000	330,000
For workmen's compensation and public liability	1,500,000	1,500,000
	1,830,000	1,830,000
CAPITAL DEBT: (Notes 1 and 4)		
The Municipality of Metropolitan Toronto—		
For debentures maturing in annual installments from 1964 to 1993 (including debentures payable in United States funds at:		
December 31, 1963 — \$38,990,000		
January 1, 1964 — \$11,774,980)	71,467,000	31,519,761
For sinking fund debentures maturing between 1980 and 1993 (including \$2,599,000 debentures payable in United States funds) less sinking fund balance at:		
December 31, 1963 — \$ 1,449,887		
January 1, 1964 — \$ 925,797	14,708,113	5,828,203
Total, including debentures maturing and sinking fund payments due in 1964 aggregating at:		
December 31, 1963 — \$ 2,742,767		
January 1, 1964 — \$ 1,050,908	86,175,113	37,347,964
Foreign exchange premiums received less discounts paid on transfer of proceeds of outstanding debentures issued in United States funds		
	1,484,072	418,975
	87,659,185	37,766,939
EARNINGS RETAINED IN THE SYSTEM:		
Balance January 1, 1954 at which date the system was acquired from the Toronto Transportation Commission	24,803,733	24,803,733
Add—Earnings retained since January 1, 1954, per statement attached	4,583,702	4,583,702
	29,387,435	29,387,435
	<u>\$123,826,817</u>	<u>\$ 73,934,571</u>

TORONTO TRANSIT COMMISSION

STATEMENT OF EARNINGS FOR THE YEAR ENDED DECEMBER 31, 1963

Revenue:

Passenger services	\$ 39,850,604
Rental of equipment and buildings to Gray Coach Lines, Limited, municipalities and others	617,603
Rental of advertising space	505,940
Interest earned	96,725
Dividend from Gray Coach Lines, Limited	115,000
Miscellaneous	172,637

	\$ 41,358,509

Expenses:

Wages, salaries and other employee costs	27,832,736
Electric traction power purchased	2,241,620
Gasoline and diesel oil, including provincial taxes \$682,142	1,235,502
Vehicle and other licences	125,440
Municipal taxes	1,125,911
Public liability and property damage costs	442,775
Depreciation	4,738,168
Other expenses including cost of materials used and equipment rentals	3,871,641

Loss before debenture interest and subsidy	255,284
Debenture interest and discount	2,728,883

Subsidy received from The Municipality of Metropolitan Toronto to be applied to debenture interest	2,984,167

Loss for the year	\$ 2,500,000

	\$ 484,167

TORONTO TRANSIT COMMISSION

STATEMENT OF EARNINGS RETAINED SINCE JANUARY 1, 1954

Balance December 31, 1962	\$ 4,995,633
Excess of insurance recovery over book value of sub-way cars destroyed by fire less loss on sale of property	126,653
	<hr/>
	5,122,286
Deduct:	
Loss for the year 1963	\$ 484,167
Foreign exchange loss realized on repayment of capital debt —	
Foreign exchange premium on United States funds purchased for debenture debt repayments in 1963	\$ 133,816
Less—Applicable portion of the net foreign exchange premiums received on issue of the debentures	79,399
	54,417
Earnings Retained at December 31, 1963	<hr/> <hr/> <hr/> \$ 4,583.702

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 1963

NOTE 1:

On December 5, 1963 the Council of the Municipality of Metropolitan Toronto adopted a cost sharing formula under which the Municipality assumed responsibility from January 1, 1964 for right-of-way construction costs of the Yonge Street and Bloor-Danforth-University subways. The Ontario Municipal Board in an Order dated January 27, 1964 approved this cost sharing arrangement and authorized the Municipality to:

(a) Pay right-of-way costs amounting to \$135,363,000 of the total estimated cost of \$200,000,000 for construction of the Bloor - Danforth - University subway. The Municipality's contribution includes \$21,000,000 for the estimated cost of land for the right-of-way, which is purchased by the Municipality and is not recorded on the Commission's books.

(b) Assume from the Toronto Transit Commission on January 1, 1964 responsibility for the payment of the following amounts of unmatured debenture debt originally incurred for construction of:

Yonge Street Subway	\$34,201,946
Bloor-Danforth-University Subway	15,149,293
	<hr/> <hr/> <hr/> \$49,351,239

The assumption by the Municipality of responsibility from January 1, 1964 for this debenture debt materially changed the Commission's financial position. For this reason the accompanying financial statements include the balance sheet at December 31, 1963, and also a balance sheet at the commencement of business on January 1, 1964 which reflects the reduction in the Commission's capital debt and related accounts and the increase in the Municipality's capital contributions to subway construction costs.

NOTE 2:

Under the authority of an Ontario Municipal Board order dated February 3, 1964, the Municipality of Metropolitan Toronto and the Commission are authorized to proceed with the construction of easterly and westerly extensions of the Bloor-Danforth subway at a total estimated cost of \$77,723,000 of which \$60,091,000 is to be borne by the Municipality of Metropolitan Toronto and \$17,632,000 is to be borne by the Commission.

NOTE 3:

Expenditures on and funds appropriated for construction of the Bloor-Danforth section of the subway to December 31, 1963 (exclusive of right-of-way land costs incurred by the Municipality) were as follows:

Construction costs	\$38,059,809
Miscellaneous costs and receivables and cash in Bloor-Danforth subway bank account	219,107
Portion of proceeds of debenture issue receivable from The Municipality of Metropolitan Toronto	890,569
	39,169,485
Less:	
Accounts payable and accruals \$ 2,192,335	
Contract holdbacks	2,877,069
	5,069,404
Balance at December 31, 1963	<u>\$34,100,081</u>

NOTE 4:

At December 31, 1963, the Commission had an apparent equity, which is not reflected in the financial statements, of \$82,680 in the excess earnings of the sinking fund of The Municipality of Metropolitan Toronto in respect of sinking fund debenture payments. This figure was reduced to \$65,611 on January 1, 1964 when The Municipality of Metropolitan Toronto took over from the Commission responsibility for certain debenture debt as explained in Note 1. An amendment to The Municipality of Metropolitan Toronto Act, passed in 1962, provides that at such time as the sinking fund committee of the Municipality applies a sinking fund surplus to any of the purposes set forth in the Act, the Commission will share in such distribution of the surplus in the proportion that its contributions to the sinking fund bear to the total contributions made to the sinking fund account.

NOTE 5:

The Statement of Earnings reflects charges of \$1,171,682 made to Gray Coach Lines, Limited by the Toronto Transit Commission for rental of property and equipment, use of joint facilities and administrative services.

NOTE 6:

Earnings of the wholly-owned subsidiary, Gray Coach Lines, Limited, which operates outside the Toronto Metropolitan area, are recorded in the accounts of the Toronto Transit Commission to the extent of dividends of \$115,000 received during the year ended December 31, 1963. Net income of Gray Coach Lines, Limited for the year amounted to \$306,046 and the company's net worth as shown by its balance sheet at December 31, 1963 was \$6,108,525.

AUDITORS' REPORT

To the Chairman and Members
of the Toronto Transit Commission:

We have examined the accompanying balance sheets of Toronto Transit Commission as at December 31, 1963 and as at the commencement of business on January 1, 1964 and the statements of earnings and of earnings retained for the year ended December 31, 1963 and have obtained all the information and explanations we have required. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion the accompanying balance sheets and statements of earnings and of earnings retained present fairly the financial position of the Commission as at the dates shown and the results of its operations for the year ended December 31, 1963, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Price Waterhouse & Co

TORONTO, July 14, 1964.

Chartered Accountants.



Canada Square parking garage at Eglinton station accommodates 450 automobiles on two floors. The garage provides convenient parking for people who wish to travel downtown on the subway.



During 1963, the Commission took delivery of 105 new air-ride buses. The cost of providing this improved quality of service was more than \$3,500,000.00.

TORONTO TRANSIT COMMISSION

1963 STATISTICS

Revenue passengers* carried—zone fare system	271,103,300
Revenue passengers*—normal week day average—zone fare system.....	890,000
Miles operated—including chartered and special services	52,951,004
Miles operated—normal week day—zone fare system	167,000
Miles of single track in operation	210.13
Bus route miles including operation to Richmond Hill	345.83
Trolley coach route miles	27.51
Street cars owned	754
Buses owned	714
Trolley coaches owned	153
Subway cars owned	170

*—(Number of fares collected)

Fares

Zone 1

- Adults —20c cash or 1 ticket or token (7 for \$1.00 or 2 for 30c).
(Books of 21 tickets for \$3.00)
- Children —(not over 56" in height)—10c cash or 1 ticket (4 for 25c)
- Scholars —1 ticket—(10 for \$1.00)
(1 scholar's ticket good for ride anywhere in Metropolitan Area)

Zone 1 & 2 continuous—1 combination ticket (4 for \$1.10)

Zone 2—Same as Zone 1.

Zone 2 and 3 combined

- Adults —30c cash or 1 ticket or token (7 for \$1.00)
plus 1 ticket (4 for 30c)
- Children —15c cash or 1 ticket (4 for 25c) plus 5c
- Scholars —2 tickets (10 for \$1.00)

Zones 3 and 4 (Beyond Metro)

Single Zone

- Adults —10c cash
- Children —5c cash only
- Scholars —1 ticket (10 for \$1.00)

Two Zones

- Adults —15c cash—1 ticket or token (7 for \$1.00 or 2 for 30c)
- Children —10c cash or 1 ticket (4 for 25c)
- Scholars —1 ticket (10 for \$1.00)

Electric traction power consumption—kilowatt hours	182,883,000
Gasoline consumption in gallons—including Gray Coach Lines	967,600
Diesel oil consumption in gallons—including Gray Coach Lines	4,322,300
Taxes paid on gasoline and diesel oil	\$ 682,142
Property taxes paid	1,125,911
Other taxes and licenses paid	125,245
Total taxes and licenses paid	\$ 1,933,298
Number of regular employees—including Gray Coach Lines	5,640
Gross payroll—including Gray Coach Lines	\$30,359,200
Metropolitan Area population	1,677,700

