



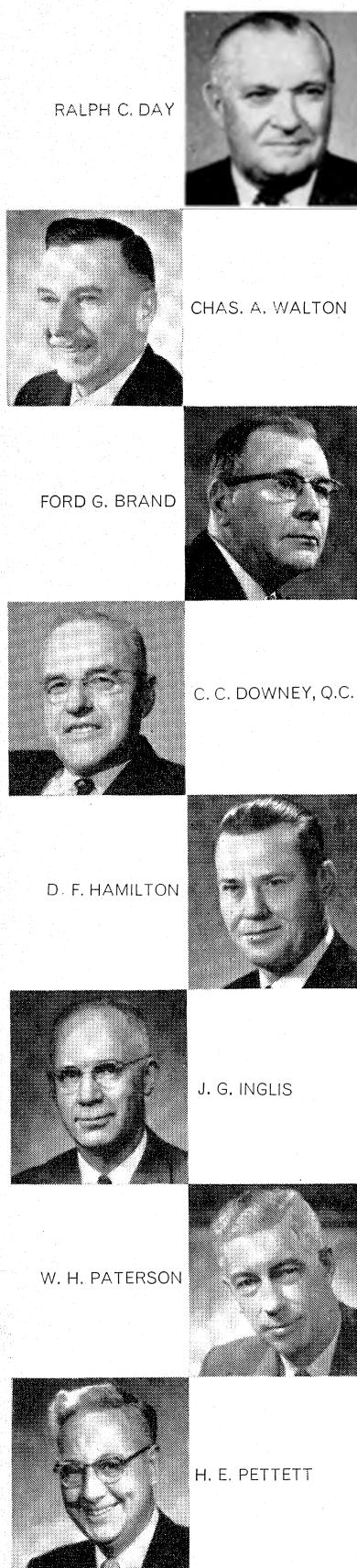
TORONTO
TRANSIT
COMMISSION

ANNUAL
REPORT
1966

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TRANSIT
COMMISSION

ANNUAL
REPORT
TO
THE
MUNICIPALITY
OF
METROPOLITAN
TORONTO

1966



TORONTO TRANSIT COMMISSION

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July 13, 1967.

Wm. R. Allen, Esq., Q.C., Chairman,
And Members of the Council of
The Municipality of Metropolitan Toronto,
City Hall,
TORONTO 1.

Ladies and Gentlemen:

ANNUAL REPORT — 1966

The highlight of the year was the opening of the Bloor-Danforth subway on February 25th by the Right Honourable L. B. Pearson, P.C., M.P., Prime Minister of Canada and the Honourable John P. Robarts, Q.C., LL.D., Prime Minister of the Province of Ontario. The eight-mile section of subway stretching along Bloor Street and Danforth Avenue from Woodbine Avenue in the east to Keele Street in the west was opened to the public at 6:00 a.m. on February 26th, and it won immediate acceptance by thousands of daily transit riders. In its ten months of operation in 1966 the new subway line contributed in large measure to the substantial increase in the number of passengers carried by your transit system during the year.

The Commission is pleased to report that its vehicles carried 307,148,930 revenue passengers in 1966, an increase of 19,110,441 over 1965. The passenger traffic volume was the third highest in the 45-year history of the Commission. Again this year, the number of riders carried on Metropolitan Toronto's transit system was higher than in any other city of comparable size in Canada or the United States. Only in the much larger cities of New York and Chicago did the volume of transit riding exceed that of Toronto. The year 1966 marks the fifth consecutive year that riding has increased. Since the upward trend began in 1962, the number of passengers carried annually has risen by almost 40 million, and the Commission is encouraged by this solid response to its efforts to improve and extend the transit system.

A substantial volume of the new transit business was chalked up in suburban districts in 1966. Fares collected in the outer zone jumped from 59,828,368 in 1965 to 67,115,624 in 1966, an increase of 7,287,256. This rise reflects the Commission's continuing program to provide more service in the suburbs. Miles of service in these areas hit a record high of 15,762,705 miles, topping 1965 by 2,184,882 miles.

Your Commission's justifiable pride in reporting excellent riding response and progress is dampened, however, by the fact that there was a loss for the year of \$975,156.00. As predicted in the Commission's 1965 Annual Report to Council, despite revenue gains resulting from increased riding, expenses exceeded income by a substantial amount. This is attributable to the cost of new and extended routes, a 4% increase in the number of employees, most of whom were required for the new subway and associated surface route extensions, the purchase of 105 new buses, increased subway interest and depreciation charges, rising material costs, and the

fact that the Commission was caught up in the nationwide upward sweep in labour costs which occurred in 1966.

Your Commission is acutely aware that it cannot continue to operate with expenses greater than its income. On the other hand, the Commission is convinced that continuation of the expansion and improvement of service that has been achieved since Metro was formed is vital to the growth and prosperity of the community and that any action to stop this expansion or reduce the present level of service would be a destructive and backward step. At the year end, therefore, the Commission faced the unpleasant but necessary task of increasing passenger fares during 1967.

The following pages show the detailed financial and operating results for 1966.

FINANCIAL RESULTS

Operations in 1966 resulted in a loss of \$975,156 compared with net earnings of \$4,095,763 in 1965. This change resulted from an increase of \$8,595,013 in total expenses in 1966 which was only partly met by the increase of \$3,524,094 in gross revenue, as shown by the following summary.

	1966	1965	Increase (Decrease)
Gross revenue.....	\$53,610,814	\$50,086,720	\$ 3,524,094
Operating expenses including depreciation.....	51,937,261	44,745,984	7,191,277
	<hr/>	<hr/>	<hr/>
	\$ 1,673,553	\$ 5,340,736	\$(3,667,183)
Debenture interest and discount expense.....	2,648,709	1,244,973	1,403,736
	<hr/>	<hr/>	<hr/>
Net earnings (loss).....	\$ (975,156)	\$ 4,095,763	\$(5,070,919)
	<hr/>	<hr/>	<hr/>

Revenue miles operated in 1966 totalled 63,884,283 compared with 56,165,772 in 1965, an increase of 7,718,511 miles or 13.74%. The zone-fare system accounted for 7,697,871 of the additional miles and charter and special services made up the balance of 20,640 miles.

The net increase of 7,697,871 miles operated on the zone-fare system was made up as follows:

	Miles
Increases —Subway.....	8,458,368
Motor buses.....	4,447,683
Trolley coaches.....	91,284
	<hr/>
	12,997,335
Decrease —Street cars.....	5,299,464
	<hr/>
Net increase.....	7,697,871
	<hr/>

The increase in subway miles operated reflects the opening of the Bloor-Danforth Subway from Keele to Woodbine on February 26, 1966. Motor bus mileage also

increased substantially, more than 47% of the increase being on suburban routes. Street car miles operated showed a large decrease because of the cessation of street car operations between Keele and Woodbine on the Bloor-Danforth line and on certain connecting lines when the Bloor-Danforth Subway opened.

The upward trend in the number of passengers carried, which began in 1962, continued in 1966, when 307,148,930 fares were collected compared with 288,038,489 in 1965, a net increase of 19,110,441 or 6.63%.

STATEMENT OF EARNINGS

Gross revenue in 1966 was \$53,610,814 compared with \$50,086,720 in 1965, an increase of \$3,524,094 or 7.04%. Revenue from passenger services accounted for \$3,271,323 of the increase while revenue from other sources (rents, advertising, dividend from Gray Coach Lines, interest earned, etc.) made up the balance of \$252,771.

Expenses increased more rapidly than gross revenue, the 1966 total of \$54,585,970 being \$8,595,013 or 18.69% higher than the 1965 amount of \$45,990,957. Increases occurred in all expense categories as listed below:

	1966 Costs	1965 Costs	Increase in 1966 over 1965
Wages, salaries and other			
employee costs.....	\$35,130,954	\$30,751,004	\$ 4,379,950
Electric traction power purchased.....	2,388,458	2,231,751	156,707
Gasoline and diesel oil, including			
provincial taxes \$1,085,845			
(1965 - \$860,538)	1,800,750	1,465,329	335,421
Vehicle and other licenses.....	173,815	151,179	22,636
Municipal taxes.....	1,677,893	1,294,595	383,298
Public liability and property			
damage costs.....	691,293	508,490	182,803
Other expenses including cost of			
repair and maintenance materials....	4,610,747	4,119,543	491,204
Depreciation.....	5,463,351	4,224,093	1,239,258
Total operating expenses.....	\$51,937,261	\$44,745,984	\$ 7,191,277
Debenture interest and discount			
expense.....	2,648,709	1,244,973	1,403,736
Total expenses.....	<u>\$54,585,970</u>	<u>\$45,990,957</u>	<u>\$ 8,595,013</u>

The increase in labour costs, which represented 64.36% of all expenses, reflected the increase in the number of employees required to man the Bloor-Danforth Subway and extended bus routes as well as higher wage rates payable under the terms of union agreements. The large increases in depreciation charges and debenture interest expense resulted from the opening on February 26, 1966 of the Bloor-Danforth Subway.

TAXES

The burden of taxes continued to mount in 1966. Municipal real estate and business taxes reached a total of \$1,677,893, a 29.61% increase over 1965, while automotive fuel taxes and license costs amounted to \$1,257,913, an increase of 24.45% over the total of \$1,010,750 paid in 1965.

FARE STRUCTURE

The zone fare structure, which is shown in the statistical section of this report, remained unchanged throughout 1966.

BALANCE SHEET

Total assets of the Commission at December 31, 1966 are shown in the balance sheet at \$109,506,271 after deducting accumulated depreciation and capital contributions towards subway construction costs received from The Municipality of Metropolitan Toronto. This is an increase of \$7,932,893 over total assets of \$101,573,378 at December 31, 1965.

CURRENT ASSETS AND LIABILITIES

Current and working assets were \$2,158,448 higher at December 31, 1966 than at December 31, 1965, but this was offset to a large extent by an increase of \$1,272,055 in current liabilities. The factors accounting for the change in the working capital position are shown in the Statement of Source and Application of Funds which is included in the financial statements section of this report.

INVESTMENTS

Mortgages receivable increased during 1966 by \$160,987 as a result of the acquisition of two mortgages totalling \$175,000 on the sale of Vaughan and Birchmount loops, which were no longer required, and principal repayments of \$14,013 by mortgagors during the year.

CAPITAL ASSETS

Capital assets, after deducting contributions by The Municipality of Metropolitan Toronto and accumulated depreciation, increased by \$5,513,677 in 1966, from \$94,191,812 at December 31, 1965 to \$99,705,489 at December 31, 1966.

Capital assets in operation increased substantially when the Bloor-Danforth subway was opened on February 26, 1966, as shown by the following summary of additions in 1966.

Additions:

Bloor-Danforth subway from Keele to Woodbine:	
Right-of-way construction costs	\$80,756,088
Less capital contributions received from	
Metropolitan Toronto	<u>80,756,088</u>
Equipment costs:	—
Rolling stock—164 subway cars	\$16,803,153
Greenwood Shops—Land	3,644,420
Buildings	5,381,134
Equipment	1,276,735
Trackwork	6,189,895
Signal System	3,004,492
Power distribution system	2,285,029
Substation equipment	1,807,672
Communications system	1,225,879
Substation buildings	382,031
Fare-handling equipment	381,045
Station equipment	164,090
Miscellaneous buildings	124,188
Other costs	<u>538,378</u>
	\$43,208,141

Other additions, at cost:

105 General Motors diesel buses and spare parts...	\$ 3,602,921
Conversion of Danforth and Lansdowne carhouses	
to operating bus garages.....	445,913
Track and overhead reconstruction.....	327,385
Completion of construction of Queensway Garage..	205,109
Preliminary rapid transit studies.....	120,376
Gloucester subway cars—communications	
equipment.....	107,711
Automotive service vehicles.....	92,535
Shop and other equipment.....	70,301
Other expenditures.....	19,961
	<hr/>
	\$48,200,353

Retirements, shown at original cost, were:

Trackwork and related power distribution system..	\$ 2,188,097
47 street cars.....	1,203,219
49 buses.....	842,739
Property sales.....	267,022
Automotive service vehicles.....	56,213
Loop structures.....	54,284
Rail service vehicles.....	36,491
Shop and other equipment.....	29,030
Other.....	72,295
	<hr/>
	\$ 4,749,390

Net increase in capital assets in operation, after deducting capital contributions received from Metropolitan Toronto.....

\$43,450,963

Accumulated depreciation on capital assets increased by \$1,278,196 in 1966 to a total of \$81,282,545 at the close of the year.

The Commission's share of expenditures on subways under construction declined from \$40,500,464 at December 31, 1965 to \$3,841,374 at December 31, 1966 as a result of completion of the Bloor-Danforth subway from Keele to Woodbine during 1966. Costs accumulated to December 31, 1966 for construction of the East-West extensions to the subway were:

Engineering and administration.....	\$ 4,715,756
Tunnel and structures.....	28,483,109
Track.....	2,151,022
Traction Power and supervisory control.....	601,328
Signal system.....	40,361
Station furnishings.....	2,746
	<hr/>
Total construction costs.....	\$35,994,322
Miscellaneous costs.....	159,485
Cash in bank.....	257,017
	<hr/>
Carried forward.....	\$36,410,824

Total forward.....	\$36,410,824
Less:	
Accounts payable and accruals	\$ 2,125,166
Contract holdbacks.....	<u>3,327,366</u>
	<u>5,452,532</u>
Total expenditures and funds appropriated.....	\$30,958,292
Less:	
Capital contributions received from Metropolitan Toronto.....	<u>27,116,918</u>
Commission's share of costs.....	<u>\$ 3,841,374</u>

PROVISION FOR TICKETS AND TOKENS HELD BY THE PUBLIC

The provision for tickets and tokens in the hands of the public was increased by \$25,000 to a total of \$725,000 at December 31, 1966. This provision is based on the excess of tickets and tokens sold over those collected, less an estimated allowance for quantities in the hands of the public which for one reason or another will probably never be presented for transportation or refund.

CAPITAL DEBT

All capital borrowings required by the Commission are effected through the issue of Municipality of Metropolitan Toronto debentures. The Commission is required to provide the Municipality with funds to meet all principal and interest payments on such debentures.

Two issues of debentures aggregating \$8,690,000 were made by the Municipality in 1966 to provide funds for the Commission's share of expenditures on construction of the Bloor-Danforth Subway. The first debenture issue for \$5,109,000 was made on March 15, 1966 under By-law 2611 and the second for \$3,581,000 was made on June 15, 1966 under By-law 2685. Both issues were sinking fund debentures bearing interest at 6% per annum for terms of 30 years, repayable in Canadian funds.

The Commission made payments of \$1,450,705 to the Municipality in 1966 to provide funds for principal repayments and sinking fund levies due in the year.

The net capital debt of the Commission at December 31, 1966, was \$62,744,841 in respect of the following debenture issues:

Type of Debenture	Year of Issue	Interest Rate	Year of Final Payment	Net Debt
Serial.....	1950	2½% - 2¾%	1980	\$ 2,367,680
Serial.....	1951	3⅓% - 3⅔%	1981	3,983,380
Serial.....	1953	3⅓% - 4%	1983	6,410,252
Serial.....	1954	3½%	1984	2,496,860
Sinking Fund.....	1955	3¾%	1980	1,326,303
Sinking Fund.....	1956	4⅓%	1986	1,965,636
Serial.....	1962	5⅓%	1992	3,917,180
Sinking Fund.....	1963	5%	1993	1,966,005
Serial.....	1963	5½%	1993	9,562,000
Serial.....	1965	5¼%	1995	19,712,000
Sinking Fund.....	1966	6%	1996	8,690,000
Foreign exchange premiums received less discounts on transfer of proceeds of outstanding debentures issued in United States funds.....				<u>347,545</u>
NET DEBT.....				<u>\$62,744,841</u>

The outstanding debt at December 31, 1966 included \$12,811,130 on which principal and interest payments are made in United States funds. The cost of servicing this portion of the debt is influenced by the rate of exchange on United States dollars at the time of payment.

EARNINGS RETAINED AND INVESTED IN THE SYSTEM

Earnings retained and invested in the system since January 1, 1954, showed a decrease in 1966 of \$585,232. This reduction represents the loss for the year of \$975,156 plus net foreign exchange cost of \$22,064 on repayment of capital debt in United States funds less profit of \$411,988 on sale of real estate, including Asquith, Vaughan, Avon, Birchmount, Lipton and Main Street Loop properties. The balance at December 31, 1966 was \$12,291,155.

FINANCIAL STATEMENTS AND AUDIT

Messrs. Price Waterhouse & Co., the independent public accountants retained by the Commission have reviewed the accounting procedures and made such tests of the accounting records and other supporting evidence for 1966 as they considered necessary. Their report is appended to the financial statements which are a part of this report.

The Metropolitan Auditor has submitted his report covering the year 1965 and is currently engaged on his review of the 1966 accounts.

OPERATIONS

The year 1966 was one of intense activity for all Commission departments. The opening of the Bloor-Danforth subway, the extensive surface route changes associated with the subway opening, the accelerated pace of suburban service expansion, a large-scale subway origin-destination survey, and the transfer of a large fleet of buses to a new west end garage were carried out successfully. These projects are described in more detail in the following paragraphs.

BLOOR-DANFORTH SUBWAY

As mentioned previously, the 8-mile Bloor-Danforth subway was opened to the public at 6:00 a.m. on February 26, 1966. This completed the final stage of the original 10-mile Bloor-Danforth-University project which was begun in 1959, and it brought the total length of Metro's subway system to almost fifteen miles. With the new 8-mile cross-town line in operation for ten months of 1966, the estimated total number of subway system riders increased from 79,400,000 in the year 1965 to 117,800,000 in 1966. At the year end, 430,000 passengers were being carried by the subway on an average week day.

BLOOR-DANFORTH SERVICE

INTEGRATED WITH YONGE-UNIVERSITY SUBWAY LINE

When the newest addition to Metro's subway system was opened, service on the Bloor-Danforth line was integrated with service on the north-south Yonge-University line. Alternate trains ran from the two terminals, Keele and Woodbine, to the opposite crosstown terminal and to Eglinton terminal via south on University and north on Yonge. From Eglinton terminal alternate trains ran via the Yonge-University subway and then east or west over the Bloor-Danforth line.

At the outset, the integrated system was introduced on a trial basis for six months in order to obtain operating experience on which to base decisions for future operations. The major advantage of the integrated service is that it provides pas-

sengers with a direct ride to downtown from anywhere on the subway without changing trains, as well as a direct east-west crosstown service. During the six month test period, however, several serious disadvantages became apparent. There were unavoidable slowdowns at the wye junction and although these had been reduced significantly by the end of the test period they could not be completely eliminated. Also, with the service on both lines fully integrated, a breakdown or a delay on one route frequently affected the service on the whole system. The abnormally high cost of operating integrated service because of the unbalanced volume of riding on the two lines also was of major concern. All schedules and train lengths had to be sufficient to handle the much heavier passenger traffic on the Yonge line and consequently service on the Bloor-Danforth line was much more than was required.

On September 4, 1966 the integrated service test was completed and the two subway lines, Yonge-University and Bloor-Danforth were operated as separate routes. At the year end, this second part of the test was still in progress to determine which system offers the best balance of convenience, speed and economy.

SUBWAY ORIGIN-DESTINATION SURVEY

During the trial of integrated subway operation a large scale origin-destination study was made by the Commission's staff. The extent of this survey is shown by the following figures:

	Total	Percentage
Total Daily Subway Passengers.....	403,888	100
Survey Cards Issued.....	349,892	87
Cards Returned.....	308,286	76
Useable Cards.....	289,581	72

The resulting 72% sample of total subway passengers provided an excellent base for the study, particularly when compared with the very small percentage samples (1% to 10%) which are usually obtained for surveys of this kind.

One of the main purposes of the survey was to determine the number of subway passengers convenience or inconvenienced by the operation of integrated service. The following is a brief summary of the analysis of this part of the study:

	Passengers	Percentage
(a) Convenienced by Integrated Operation.....	63,236	15.66
(b) Inconvenienced by Integrated Operation.....	64,907	16.07
(c) Unaffected by Integrated Operation.....	275,745	68.27
 TOTAL.....	 403,888	 100.00

- (a) Passengers are considered to be convenience by integrated operation if it provides a direct ride to their destination which otherwise would not be available to them.
- (b) Passengers are considered to be inconvenienced by integrated operation if they may only avail themselves of half of the service which would be available to them under separate route operation. For example, a passenger wishing to travel from Bathurst Station to Sherbourne Station would be inconvenienced by integrated operation since only half of the trains arriving eastbound at Bathurst Station pass Sherbourne Station.
- (c) Passengers who may take any train to their destination are considered to be unaffected by integrated operation.

In addition to the information specifically related to the operation of integrated subway service, the survey provided valuable material on travel patterns, transfer movements, station usage, time-breakdowns, etc., much of which could, at best, only have been simulated through normal passenger counting procedures. The survey was a major undertaking by the Commission's Planning staff, and the results which are available on coded data processing cards will continue to be useful for a great variety of subway planning and operational applications.

**SURFACE ROUTE CHANGES
ASSOCIATED WITH THE OPENING
OF THE BLOOR-DANFORTH SUBWAY**

Co-incident with the opening of the Bloor-Danforth Subway, many extensions and improvements were made to the Commission's surface transit routes. The expanded surface and subway system required the hiring of 221 additional employees and the purchase of 105 buses. Several new routes were started, as many routes as possible were extended or re-routed to provide direct-to-subway feeder service, and a number of street car lines were replaced by bus routes.

Following are the major changes:

STREET CAR ROUTES

BATHURST—replaced north of Bloor by an extension of the Bathurst and Vaughan bus lines direct to the subway.

BLOOR—replaced by the new subway from Keele to Woodbine. Temporary street car shuttle services retained between Woodbine Station and Luttrell loop and between Keele Station and Jane loop.

COXWELL—replaced by buses with subway connection at Coxwell Station.

DUNDAS—extended along Dundas East to Broadview Subway Station.

FORT—absorbed by the Bathurst street car line.

HARBORD—replaced in part by the Wellesley bus route extension and in part by the Dundas Street car line extension.

PARLIAMENT—replaced by buses with subway connection at Castle Frank Station.

NEW BUS ROUTES

BLOOR-DANFORTH NIGHT BUS—a new bus route via Bloor Street and Danforth Avenue operating when the Bloor-Danforth subway is closed at night.

COXWELL 22—a new bus route replacing the Coxwell street car line.

GREENWOOD 31—a new bus route running from Greenwood Subway Station to Queen Street.

LESLIE 51—a new bus route from just south of Sheppard Avenue on Leslie to Eglinton Subway Station.

PAPE 72—a new bus line incorporating the Ashbridge bus route and part of the Harbord street car line.

PARLIAMENT 65—a new bus route replacing the Parliament street car line.

SCARLETT ROAD 79—a new suburban route to replace and improve service on the south end of the Woodbridge bus line.

THORNCLIFFE PARK 81—a new route running to Pape Subway Station.

BUS ROUTES EXTENDED, RE-ROUTED AND REPLACED

ASHBRIDGE 3—became part of the new Pape route with subway connection at Pape Station.

BATHURST 7—extended to connect with the subway at Bathurst Station. Overbrook-Wilson Heights branch operating in rush hours only.

BAYVIEW 11—re-routed to Eglinton Subway Station.
BROADVIEW 8B—Thorncliffe Park branch replaced by new Thorncliffe Park bus to Pape Subway Station.
DON MILLS 25—re-routed and extended as a direct feeder line to Pape Subway Station.
DUFFERIN 29—extended to Finch Avenue and connecting with the subway at Dufferin Station.
KEELE 41—extended to run to the subway at Lansdowne Station.
O'CONNOR 70—replaced the Parkview Hills branch of Woodbine route to provide service to Coxwell Subway Station.
SOUTH LEASIDE 88A—extended to serve the Flemingdon Park area.
VAUGHAN 90—extended to provide direct-to-subway service to Bathurst Station.
WELLESLEY 94—extended on both ends to connect with the new subway at Castle Frank and Ossington Stations.
WESTON 89—extended to provide direct-to-subway service to Keele Station.
WOODBRIDGE 93—southerly terminus of route cut back to Wilson and Weston Road. Connection at this point with direct-to-subway Weston route.

SUBURBAN ROUTE EXTENSIONS

Although overshadowed by the more dramatic opening of the Bloor-Danforth subway and the associated surface route changes, TTC service extensions into new districts of Metro hit an all-time high in 1966. Miles of service in suburban areas increased from 13,577,823 in 1965 to 15,762,707 in 1966, a jump of 2,184,882.

The accelerating pace of service improvements and extensions in suburban areas is shown in the following figures:

Miles of Service in Suburban Areas

1962.....	9,774,452
1963.....	11,012,844
1964.....	12,522,760
1965.....	13,577,823
1966.....	15,762,705

When it is considered that most of the routes in outlying Metro districts lose money for several years and must be supported by the rest of the system, the Commission's continuing program of extending the surface route grid system to the perimeters of Metro represents a solid achievement and a significant contribution to the growth of the entire area.

MANPOWER AND LABOUR RELATIONS

The total number of regular employees on strength at December 31, 1966 was 6,167, an increase of 221 over the previous year. This necessary increase in manpower was directly attributable to the extension of the subway system and the surface route expansion program. The Commission's wage and salary bill rose by \$4,379,950 over 1965 and represented 64.36% of the total expenses for 1966.

Collective agreements with the Commission's three labour unions were renewed during the year for a further period of twenty-seven months.

The Commission's new agreement with Division 113, Amalgamated Transit Union, which represents the majority of Commission employees, expires on June 30, 1968. Agreements with Local 2, Canadian Union of Public Employees and Lodge 235, International Association of Machinists and Aerospace Workers expire on March 31, 1968.

Unfortunately, labour negotiations in 1966 were not completed without inconvenience to TTC passengers. Labour settlements made previously in other industries across Canada established substantial wage increase patterns that resulted in hard bargaining and lengthy negotiations between the Unions and the Commission. From May 26 to June 16, the operating members of Division 113 did not accept normal volunteer assignments with the result that an average of 250 vehicles were left in the garages and carhouses during each rush hour.

Nevertheless, the negotiations were carried out at all times with mutual respect and understanding and relations between the Unions and the Commission have continued to be co-operative and constructive.

SAFETY

The Commission is pleased to report that its operators and drivers won the American Transit Association's 1966 Special Citation for achievement in traffic and passenger safety in cities of over a million population. During 1966, the traffic accident rate was the lowest in the history of the Commission, an 11% improvement over 1965.

One hundred and thirty-five men qualified for the Commission's 10-year safe driving awards, 250 qualified for 5-year certificates and 1,078 for 1-year certificates.

In the field of industrial safety, TTC men were prominent among the winners of the American Transit Association's Safety Awards. The employees of Birchmount garage and St. Clair carhouse were awarded Silver Certificates for working 500,000 consecutive man hours without a lost time injury, and the men of the Electrical Wiring and Substation groups received a Bronze Certificate for 250,000 injury-free hours.

VEHICLES AND MAINTENANCE

One hundred and five new buses were received in 1966, and at the year end the passenger and service fleet was as follows:

Passenger vehicles	Active	Storage	Total
Street cars.....	525	166	691
Subway cars.....	334	—	334
Trolley buses.....	153	—	153
Motor buses.....	857	11	868 2046
<hr/>			
Service vehicles			
Rail - surface.....	25	—	25
Rail - subway.....	6	—	6
Automotive.....	125	—	125 156
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TOTAL.....			2202
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With the opening of the Bloor-Danforth subway, 211 P.C.C. street cars became surplus to the Commission's requirements. John D. McGuigan Inc. of Chicago negotiated a sale of cars to Egypt and 48 were shipped during 1966.

Excellent fleet maintenance standards were maintained and the Commission's Equipment Department won two "Fleet Owner" awards for efficiency in competition against other major transit systems in Canada and the United States.

NEW BUS GARAGE OPENED

A new bus garage, Queensway, was completed early in 1966. Located on a

7½ acre site on Evans Avenue just west of Kipling Avenue, it was built to house and maintain the expanding bus fleet serving Metro's west end routes.

The garage has 125,000 square feet of floor space and can accommodate 150 buses. Provision was made for the future addition of a third storage bay which will increase the capacity to 200 vehicles.

The service area of the new garage is designed for production line servicing and it features the first automated conveyorized bus washing machine of its kind in the world. With the automated washer and production line servicing, a six man crew can refuel, check and top-up oil and water, complete a daily operational check of brakes, horn, washers, wipers, doors and lights, vacuum clean the inside and wash the outside of the vehicles at the rate of 20 an hour.

BUILDINGS AND PROPERTY

Important building projects completed during the year include an addition and alterations to the office area at Danforth carhouse, the installation of a new vehicle exhaust system and fuel storage facilities at Sherbourne garage, and replacement of the lighting system in several sections of Hillcrest shops.

Following the opening of the Bloor-Danforth subway and the discontinuance of street car operation at Danforth and Lansdowne carhouses, work was started to convert both properties to bus garages. Major changes will include the installation of fuel dispensing and storage facilities, hoist pits, sprinklers, yard paving and lighting. Work was nearing completion at the year end.

TRACK AND ROADWAY

During 1966 major street car track repair work was carried out on King Street from Bathurst Street to Spadina Avenue and from University Avenue to Sherbourne Street; on Queen Street from Eastern Avenue to Kingston Road; and on Kingston Road from Queen Street to Woodbine Avenue. The work was co-ordinated with City of Toronto and Metropolitan Toronto repaving projects. Worn rail was replaced at fifteen car stop locations and special trackwork was replaced by tangent track at six intersections.

Worn rail was replaced at two locations on the Yonge subway and new special trackwork was installed at the entrance to Eglinton station. In addition, the complete subway system trackage was inspected by a specially equipped testing car to ensure that there were no broken or flawed rails or joints. Some defective thermit-weld joints were revealed and replaced.

As a result of changes in street car routes following the opening of the Bloor-Danforth subway, overhead trolley wires and feeder cables were removed from several locations throughout the city.

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

Surface track.....	143.85 miles
Subway track.....	46.45 miles
TOTAL.....	190.30 miles

PUBLIC INFORMATION

The Commission's extensive public information program was continued during the year. The telephone information staff answered 968,469 requests for route, schedule and fare information, an all-time high. More than 110,000 transit route

maps and 580,000 pocket bus schedules were distributed during 1966. The regular program of installing permanent and temporary signs at terminals and stops along the route to announce extensions and schedule changes was continued. More than 6,000 such signs were used in 1966.

Public relations and information in connection with the opening of the Bloor-Danforth subway and construction of the extensions was an important part of the year's work. Inspection tours were arranged for press, radio, and television reporters so that they could keep their readers and listeners fully informed about the subway and the surface route changes. An extensive newspaper advertising program was also carried out prior to the subway opening.

Close liaison was maintained with contractors working on the east-west extensions to ensure that residents and businesses adjacent to the right-of-way were advised in advance of diversions, street closures or other temporary disturbances.

LOST ARTICLES OFFICE RELOCATED

In March 1966, the Lost Articles office was moved from 1900 Yonge Street to the mezzanine area of Bay subway station. The move was necessary in order to provide more space for the increasing number of lost articles being handled and to provide a more convenient and central location for passengers visiting the office.

More than 44,500 items were received by the Lost Articles office during 1966 and 10,625 were claimed by the owners.

SUBWAY CONSTRUCTION

BLOOR-DANFORTH-UNIVERSITY SUBWAY PROJECT SUMMARY

The formal opening of the 8-mile crosstown subway line along Bloor Street and Danforth Avenue from Keele to Woodbine stations on February 25, 1966 marked the completion of the original 10-mile Bloor-Danforth-University subway project. It was built jointly by Metropolitan Toronto and the Toronto Transit Commission at a cost of \$200,000,000. The project was originally scheduled for completion in 1969, but in 1962 the Province of Ontario made available a \$60,000,000 loan and the target date for completion was advanced to 1967.

Work on the first section, the 2-mile University line, began in the Fall of 1959 and it was opened on February 28, 1963.

Construction of the Bloor-Danforth line started early in 1962. During 1963, the Province announced that beginning in April 1964, it would contribute towards basic right-of-way construction costs of the project. Also during 1963, an accelerated construction program was put into effect, which again advanced the completion date. By early 1965, construction had proceeded at such a good pace that the target date for completion of the Keele to Woodbine section was advanced to December 30, 1965. Labour strikes in a number of construction trades started in June 1965, however, and continued until October for a total of 103 days. This seriously delayed work on nine separate construction contracts with the result that the opening date had to be rescheduled and the Bloor-Danforth line was opened to the public on February 26, 1966.

In summary, the functional and basic design work for the final stage of the original Bloor-Danforth-University subway was completed by the Subway Construction staff in collaboration with Operations officials. The project was divided into

36 contracts. The specifications, drawings and field supervision of 25 contracts were executed by the Subway Construction Branch staff, and for the remaining 11 contracts by seven consulting engineering firms. The peak direct labour construction force was 1,700 men employed by the contractors and their sub-contractors. The 36 contracts awarded consisted of:

- 16 major excavation and structural contracts
- 2 major combined and station finish contracts
- 4 station finish contracts
- 14 ancillary equipment, supply and installation contracts.

The Bloor-Danforth line has eight miles of dual track, 18 stations (plus new lower level station structures at St. George on the University line and at Bloor on the Yonge line), and complete maintenance and repair shop facilities plus nine miles of single track occupying 31 acres at the Greenwood Yard.

BLOOR-DANFORTH EXTENSIONS

In 1964, formal approval was given by Metropolitan Toronto Council and the Ontario Municipal Board for the construction of two extensions to the Bloor-Danforth line. To be built at a total cost of \$77,000,000, the extensions will carry the east-west line from Keele Street to Islington Avenue in the west, a distance of 3.49 miles, and from Woodbine Avenue to Warden Avenue in the east, a distance of 2.77 miles. These will be the first subway extensions into suburban municipalities.

The extension project was divided into 23 contracts. The specifications, drawings, and field supervision of 14 contracts is being done by the Subway Construction staff, and for the remaining 9 contracts by five consulting engineering firms. Fourteen contractors and their sub-contractors are employed on the 23 contracts. These contracts comprise:

- 6 major excavation and structural contracts
- 2 major combined structural and station finish contracts
- 5 station finish contracts
- 10 ancillary equipment supply and installation contracts.

Work started on the first contract for the extensions on June 18, 1965. Although construction industry labour strikes resulted in some work stoppages during 1966, satisfactory progress was made and at the year end the December 1967 target date for completion appeared attainable.

CONCLUSION

The foregoing constitute the principal developments in the operation of the transit system during 1966. Your Commissioners feel that the results achieved reflect fully the continuing successful efforts to extend and improve transit service throughout the entire Metropolitan area.

However, the Commission again wishes to draw to the attention of Council the increasing problem of traffic congestion which makes it virtually impossible for its operators and drivers to maintain rush hour schedules on many routes to the inconvenience of the transit rider, and the Commission urges that consideration be given to the need for exclusive lanes for public transit vehicles.

Your Commission is confident that with the continued co-operation of Metropolitan Council and the elected representatives and officials of all area municipalities, the transit system will continue to keep pace with and contribute in full measure to the growth and progress of Metropolitan Toronto.

The Commission would be remiss if it did not express its appreciation to its staff for their conscientious work during one of the busiest years in the history of the Commission.

Yours truly,



Chairman



Vice-Chairman



Commissioner



Commissioner



Commissioner

TORONTO TRANSIT

BALANCE SHEET AT

A S S E T S

	1966	1965
CURRENT AND WORKING ASSETS:		
Cash including interest bearing deposits.....	\$ 1,669,170	\$ 1,089,396
Portion of proceeds of debenture issue receivable from The Municipality of Metropolitan Toronto.....	1,583,023	—
Accounts receivable, less allowance for doubtful accounts.....	623,264	708,337
Gray Coach Lines, Limited—current account..	727,656	639,798
Working funds advanced to employees and agents.....	366,429	303,256
Materials and supplies valued on the basis of cost, less allowance for obsolete items.....	1,819,760	1,859,210
Prepaid expenses.....	450,807	481,664
	<hr/> 7,240,109	<hr/> 5,081,661
INVESTMENTS:		
Canadian Government bonds, at market value.	158,312	159,162
Mortgages receivable and conditional sale agree- ment on property sold.....	341,706	180,719
	<hr/> 500,018	<hr/> 339,881
INVESTMENT IN CAPITAL STOCK OF GRAY COACH LINES, LIMITED, A WHOLLY- OWNED SUBSIDIARY, at cost (Note 5)	1,000,000	1,000,000
CAPITAL ASSETS (Note 1):		
Land, buildings, subways, power distribution system, trackwork, rolling stock, buses and other equipment, at cost.....	322,584,198	198,471,848
Less—Capital contributions toward construction costs of subways in operation received from The Municipality of Metropolitan Toronto . . .	145,437,538	64,776,151
	<hr/> 177,146,660	<hr/> 133,695,697
Less—Accumulated depreciation.....	81,282,545	80,004,349
	<hr/> 95,864,115	<hr/> 53,691,348
Subway extensions under construction:		
Expenditures on and funds appropriated for construction of the extensions (Note 2)....	30,958,292	122,932,258
Less—Capital contributions received from The Municipality of Metropolitan Toronto . . .	27,116,918	82,431,794
	<hr/> 3,841,374	<hr/> 40,500,464
Total capital assets.....	99,705,489	94,191,812
UNAMORTIZED DEBENTURE DISCOUNT...	1,060,655	960,024
	<hr/> \$109,506,271	<hr/> \$101,573,378

MISSION

EMBER 31, 1966

LIABILITIES

CURRENT LIABILITIES:

Accounts payable and accrued liabilities.....
Debenture interest accrued.....

	1966	1965
Accounts payable and accrued liabilities.....	\$ 6,978,106	\$ 5,797,737
Debenture interest accrued.....	463,436	371,750
	<hr/>	<hr/>
	7,441,542	6,169,487
PROVISIONS:		
For tickets and tokens held by the public.....	725,000	700,000
For workmen's compensation and public liability	1,500,000	1,500,000
	<hr/>	<hr/>
	2,225,000	2,200,000
CAPITAL DEBT:		
The Municipality of Metropolitan Toronto—		
For debentures maturing in annual installments from 1967 to 1995 (including \$10,212,130 debentures payable in United States funds).....	48,449,353	49,698,488
For sinking fund debentures maturing between 1980 and 1996 (including \$2,599,000 debentures payable in United States funds) less sinking fund balance of \$1,496,057 (Note 3)	13,947,943	5,453,676
	<hr/>	<hr/>
Total, including \$1,635,658 debentures maturing and sinking fund payments due in 1967.....	62,397,296	55,152,164
Foreign exchange premiums received less discounts on transfer of proceeds of outstanding debentures issued in United States funds...	347,545	371,607
	<hr/>	<hr/>
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..	12,291,155	12,876,387
	<hr/>	<hr/>
	37,094,888	37,680,120
	<hr/>	<hr/>
	\$109,506,271	\$101,573,378
	<hr/>	<hr/>

TORONTO TRANSIT COMMISSION
STATEMENT OF EARNINGS RETAINED
SINCE JANUARY 1, 1954
FOR THE YEAR ENDED DECEMBER 31, 1966

	1966	1965
Balance at January 1	\$12,876,387	\$ 8,483,607
Net earnings (loss) for the year	(975,156)	4,095,763
Profit on sale of real estate	411,988	319,223
	<hr/>	<hr/>
Deduct—Net foreign exchange cost on repayment of capital debt in United States funds	12,313,219	12,898,593
	<hr/>	<hr/>
Balance at December 31	22,064	22,206
	<hr/>	<hr/>
	\$12,291,155	\$12,876,387
	<hr/>	<hr/>

STATEMENT OF EARNINGS
FOR THE YEAR ENDED DECEMBER 31, 1966

	1966	1965
Revenue:		
Passenger services	\$ 51,659,378	\$ 48,388,055
Rental of land, air rights, buildings and equipment	836,281	758,646
Rental of advertising space	611,301	528,382
Interest earned	92,227	68,534
Dividend from Gray Coach Lines, Limited	213,000	156,000
Miscellaneous	198,627	187,103
	<hr/>	<hr/>
	53,610,814	50,086,720
Expenses:		
Wages, salaries and other employee costs	35,130,954	30,751,004
Electric traction power purchased	2,388,458	2,231,751
Gasoline and diesel oil, including provincial taxes \$1,085,845 (1965 - \$860,538)	1,800,750	1,465,329
Vehicle and other licences	173,815	151,179
Municipal taxes	1,677,893	1,294,595
Public liability and property damage costs	691,293	508,490
Depreciation	5,463,351	4,224,093
Other expenses including cost of repair and maintenance materials	4,610,747	4,119,543
	<hr/>	<hr/>
	51,937,261	44,745,984
Earnings before debenture interest	1,673,553	5,340,736
Debenture interest and discount expense	2,648,709	1,244,973
Net earnings (loss) for the year	\$ (975,156)	\$ 4,095,763
	<hr/>	<hr/>

TORONTO TRANSIT COMMISSION

STATEMENT OF SOURCE AND APPLICATION OF FUNDS FOR THE YEAR ENDED DECEMBER 31, 1966

	1966	1965
Source of funds:		
Operations—		
Gross revenue.....	\$53,610,814	\$50,086,720
Total expenses.....	54,585,970	45,990,957
Less—Expense items not requiring a current outlay of funds:		
Depreciation.....	(5,463,351)	(4,224,093)
Other.....	(45,919)	(142,730)
	<hr/>	<hr/>
	49,076,700	41,624,134
Funds provided from operations.....	4,534,114	8,462,586
Proceeds of debenture issues.....	8,525,773	19,599,026
Proceeds of capital asset disposals.....	815,234	710,892
	<hr/>	<hr/>
	13,875,121	28,772,504
Application of funds:		
Expenditures on construction of subways.....	31,986,080	47,106,300
Less—Capital contributions received from The Municipality of Metropolitan Toronto.....	25,441,212	25,134,152
	<hr/>	<hr/>
Additions to other capital assets.....	6,544,868	21,972,148
Debenture debt repayments.....	4,993,155	7,020,769
	1,450,705	1,126,553
	<hr/>	<hr/>
	12,988,728	30,119,470
Changes in working capital position— increase (decrease).....	\$ 886,393	\$(1,346,966)
	<hr/>	<hr/>

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 1966

NOTE 1:

On December 5, 1963 the Council of The Municipality of Metropolitan Toronto adopted a cost sharing formula, which was subsequently approved by the Ontario Municipal Board, under which the Municipality assumed responsibility for the payment of unmatured debenture debt originally incurred for right-of-way construction costs of the Yonge Street subway and for all right-of-way construction costs of the Bloor-Danforth-University subway.

Under authority of an Ontario Municipal Board order dated February 3, 1964,

the Commission is proceeding with construction of the East-West extensions of the Bloor-Danforth subway at a total estimated cost of \$77,723,000, of which land and right-of-way construction costs amounting to \$60,091,000 are to be borne by The Municipality of Metropolitan Toronto.

The land for the right-of-way of the Bloor-Danforth-University subway and the East-West extensions was purchased by the Municipality and is not recorded on the Commission's books.

NOTE 2:

Expenditures on and funds appropriated to December 31, 1966 for construction of the East-West extensions of the Bloor-Danforth subway (exclusive of right-of-way land costs incurred by the Municipality) were as follows:

Construction costs	\$35,994,322
Miscellaneous costs	159,485
Cash in subway bank account	257,017
<hr/>	
	36,410,824
Less:	
Accounts payable and accruals	\$2,125,166
Contract holdbacks	3,327,366
	<hr/>
	5,452,532
Balance at December 31, 1966	<hr/> \$30,958,292

NOTE 3:

The sinking fund balance of \$1,496,057 at December 31, 1966 consists of the annual levies paid by the Commission into The Municipality of Metropolitan Toronto sinking fund together with interest credited at the rate of 3% per annum, which is the rate required to provide sufficient funds to retire the debentures at maturity. The actual earnings of the sinking fund investments of the Municipality have exceeded 3% per annum, and the Commission's equity in the excess earnings at December 31, 1966 was \$147,412 which is not reflected in the financial statements. The Municipality of Metropolitan Toronto Act 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 by all participating bodies.

NOTE 4:

The Statement of Earnings reflects charges of \$1,777,640 (1965 - \$1,446,536) 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 5:

Earnings of the wholly-owned subsidiary, Gray Coach Lines, Limited, which operates an interurban coach service, are recorded in the accounts of the Toronto Transit Commission to the extent of dividends received during the year ended December 31, 1966 of \$213,000 (1965 - \$156,000). Net income of Gray Coach Lines, Limited for the year amounted to \$646,734 (1965 - \$425,383) and the company's net worth as shown by its balance sheet at December 31, 1966 was \$6,971,340.

AUDITORS' REPORT

PRICE WATERHOUSE & CO.

55 YONGE STREET

TORONTO I

June 5, 1967.

To the Chairman and Members
of the Toronto Transit Commission:

We have examined the balance sheet of Toronto Transit Commission as at December 31, 1966 and the statements of earnings, earnings retained and source and application of funds for the year then ended. 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 these financial statements present fairly the financial position of the Commission as at December 31, 1966 and the results of its operations for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Price Waterhouse & Co.

Chartered Accountants.

1966

WHERE THE DOLLARS

CAME FROM

REVENUE:

OTHER INCOME \$ 1,951,436 3.64%

PASSENGER SERVICES \$51,659,378 96.36%

\$53,610,814 100.00%

LOSS FOR THE YEAR \$ 975,156

WENT

EXPENSES:

MUNICIPAL TAXES \$ 1,677,893 3.07%

GASOLINE & DIESEL OIL,
INCLUDING TAXES, AND LICENSES \$ 1,974,565 3.62%

ELECTRIC TRACTION POWER
PURCHASED \$ 2,388,458 4.38%

DEBENTURE INTEREST \$ 2,648,709 4.85%

OTHER EXPENSES \$ 5,302,040 9.71%

DEPRECIATION \$ 5,463,351 10.01%

WAGES, SALARIES AND OTHER
EMPLOYEE COSTS \$35,130,954 64.36%

\$54,585,970 100.00%

TORONTO TRANSIT COMMISSION
1966 STATISTICS

Revenue passengers*—carried—zone fare system	307,148,930
Revenue passengers*—normal week-day average—zone fare system	996,000
Miles operated—including chartered and special services	63,884,283
Miles operated—normal week-day—zone fare system	194,000
Miles of single track in operation	190.30
Street car route miles	52.66
Bus route miles including operation to Richmond Hill, 5.84 miles	441.87
Trolley coach route miles	26.73
Subway route miles	14.57
Street cars owned	691
Buses owned	868
Trolley coaches owned	153
Subway cars owned	334

*—(Number of fares collected)

Fares Zone 1

Adults —20¢ cash or 1 ticket or token (6 for \$1.00 or 2 for 35¢)
 (Books of 18 tickets for \$3.00)

Children—not over 56" in height—10¢ cash or 1 ticket (4 for 25¢)

Scholars—1 ticket—(9 for \$1.00) (1 scholar's ticket good for ride anywhere
 in Metro Area and may be used on school days from 6:30 a.m.
 to 4:30 p.m.)

Zone 2—Same as Zone 1

Zones 1 and 2 continuous—1 combination ticket (4 for \$1.25)

Zones 2 and 3 combined

Adults —30¢ cash or 1 ticket or token (6 for \$1.00)
 plus 1 ticket (4 for 30¢)

Children—15¢ cash or 1 ticket (4 for 25¢) plus 5¢

Scholars—2 tickets (9 for \$1.00)

Zones 3 and 4 (Beyond Metro)

Single Zone Adults —10¢ cash

Children—5¢ cash only

Scholars—1 ticket (9 for \$1.00)

Two Zones Adults —15¢ cash or 2 tickets (4 for 30¢)

Children—10¢ cash or 1 ticket (4 for 25¢)

Scholars—1 ticket (9 for \$1.00)

Electric traction power consumption—kilowatt hours 211,646,000

Diesel oil consumption in gallons—including Gray Coach Lines 6,355,285

Gasoline consumption in gallons—including Gray Coach Lines 454,233

Taxes paid on gasoline and diesel oil \$1,085,845

Property taxes paid 1,677,893

Other taxes and licenses paid 173,815

Total taxes and licenses paid \$2,937,553

Average number of regular employees—including Gray Coach Lines 6,171

Gross payroll—including Gray Coach Lines \$38,903,300

Metropolitan Area population 1,881,700

