

7th

ANNUAL
REPORT

TORONTO TRANSIT COMMISSION

1960

TORONTO TRANSIT COMMISSION

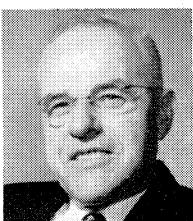
th
**ANNUAL
REPORT**



TO THE MUNICIPALITY OF METROPOLITAN TORONTO



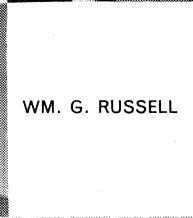
C. C. DOWNEY, Q.C.



CHAS. A. WALTON



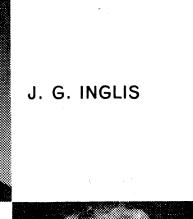
FORD G. BRAND



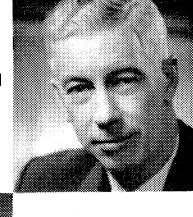
WM. G. RUSSELL



G. A. SECORD



J. G. INGLIS



W. H. PATERSON



H. E. PETTETT



TORONTO TRANSIT COMMISSION

COMMISSIONERS

C. C. DOWNEY, Q.C., Chairman

CHAS. A. WALTON, Vice-Chairman

FORD G. BRAND, Commissioner

WM. G. RUSSELL, Commissioner

G. A. SECORD, Commissioner

OFFICIALS

J. G. INGLIS, General Manager—Operations

W. H. PATERSON, General Manager—Subway Construction

H. E. PETTETT, General Secretary

W. A. MACRAE, Assistant General Manager of Operations

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

J. H. KEARNS, Treasurer

W. H. C. SEELEY, Assistant Manager—Administration

W. F. IRVIN, Assistant Manager—Development



F. G. Gardiner, 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 — 1960

The Commission is pleased to submit herewith the seventh Annual Statement of the Toronto Transit Commission covering the year 1960.

While the financial results for the year may be considered satisfactory, they were only made possible by a fare increase on May 1, instituted to offset operating losses due to increasing costs. The fare increase, together with rising unemployment in the latter months of the year, resulted in a drop of almost eight million fares for the year, a matter of serious concern to the Commission.

The Commission continued its efforts to encourage greater use of transit throughout the year and is carrying these efforts further during 1961. It is recognized that transit will be used to the degree that it is attractive and convenient to its passengers, and, for that reason, the Commission is acutely aware of the serious effect that traffic congestion has on the sales appeal of its services. The Commission therefore continues to urge the construction of additional rapid transit facilities as quickly as possible so that they, together with local feeder lines will provide a Metro-wide transit system offering all the advantages of speed, convenience and economy.

In this regard, the Commission acknowledges and gives its full support to the efforts of the Metropolitan Chairman and Council in seeking financial assistance from the higher level governments so that the Bloor-Danforth-University Subway construction program may be speeded up. The Commission is confident that acceleration of the work and advancement of the project completion date will prove of great benefit to the community.

Although, as indicated in more detail later in this report, many extensions and improvements to suburban transit services were made during 1960, numerous requests were received from area municipalities for even more extensions. The Commission is fully aware of the importance of transit lines to newly developing districts, and is providing service to these districts as fast as it is feasible to do so. This is a matter for serious consideration and is discussed more fully at the conclusion of the report.

FINANCIAL RESULTS

Net income for the year was \$1,159,820 compared with a loss in 1959 of \$96,755. This improved financial position was the result of a fare increase on May 1, 1960.

Operating results may be summarized, as follows:

Gross Revenue	\$41,222,115
Operating Expenses	87,757,875
	<hr/>
	\$ 3,464,240
Less—Debenture interest and discount	2,185,766
	<hr/>
	\$ 1,278,474
Less—loss on Island Ferry Service	118,654
	<hr/>
Net income for the year	<u>\$ 1,159,820</u>

During 1960 total revenue from all sources increased about \$3,272,000 over 1959 and this more than offset the increase of over \$2,000,000 in total expenses. Passenger revenue was greater by \$3,406,000 and the largest expense increase was in the cost of labour which went up \$1,709,000 between 1959 and 1960. The loss on the Island Ferry Service declined from \$163,000 in 1959 to \$118,000 in 1960.

As an indication of increasing service being provided it is noted that total mileage operated increased by 2.50% or 1,199,000 miles during the year. The main gain was in motor bus operation where an additional 1,084,000 miles were run, mainly in suburban areas.

Revenue passengers carried on the system during the year declined 2.75% due to the May 1 fare increase and rising unemployment in the Metropolitan area in the latter months of 1960.

FARE STRUCTURE

As indicated in the Commission's Annual Report last year, steadily rising expenses required a change in the basic fare structure in order to provide additional revenue to overcome operating losses. Accordingly, a new fare structure was introduced effective May 1, 1960, as follows:

- Zone 1 — 1 ticket (5 for 75c) or 15c cash
- Zone 2 — 1 ticket (5 for 75c) or 15c cash
- Zone 1 and 2 combined ride — 1 ticket (4 for \$1.10)
- Outer Zones — 10c cash
- Combined fare for riding two adjacent outer zones —
1 ticket (5 for 75c) or 15c cash

Effective September 6, 1960 — the height limit for children was increased from 53½" to 56" and the fare was raised from 5c cash to 1 ticket (4 for 25c) or 10c cash per zone.

Effective September 6, 1960 — scholars' fares were increased from 1 ticket (10 for 75c) to 1 ticket (10 for \$1.00) to be accepted only on presentation of a permit card. The use of permit cards, which were initially sold for \$1.00 to each scholar, was discontinued in October.

BALANCE SHEET — December 31, 1960

Total assets of the Commission, before the deduction of depreciation, increased by more than \$5,600,000 from \$164,226,000 in 1959 to \$169,826,000 at the end of 1960.

CASH INCLUDING INTEREST BEARING DEPOSITS

The amount of cash on hand and on deposit at December 31 dropped appreciably from \$6,563,000 in 1959 to \$1,865,000 in 1960. This resulted mainly from expenditures on construction of the Bloor-Danforth-University subway.

ACCOUNTS RECEIVABLE

Accounts receivable shown in the balance sheet at \$431,000 include accrued interest. The total compares with \$461,000 at December 31, 1959.

1960 DIVIDEND RECEIVABLE FROM GRAY COACH LINES, LIMITED

Gray Coach Lines, Limited is a wholly-owned subsidiary of the Toronto Transit Commission and operates an interurban bus system serving the central Ontario region beyond Toronto. For the year 1960 the directors of the Company declared a dividend of \$50,000 payable to the Commission. This is slightly reduced from the \$60,000 paid in 1959 because of the lesser profits of Gray Coach for 1960.

INVESTMENTS

At the end of 1959 the Commission held Canadian Federal, Provincial and Municipal bonds having a market value of \$862,000. In order to make cash available, \$714,575 worth of these bonds were sold during 1960 at a gain of \$62,225 over the value shown.

The mortgages included under this same caption in the balance sheet are all in a good current position and are considered to be sound at the present time.

CAPITAL ASSETS

The total cost of capital assets owned by the system increased from \$149,000,000 in 1959 to \$150,000,000 in 1960. Additions during the year cost \$2,638,000, but there was a reduction in capital works in progress of \$512,000 so that net additions amounted to \$2,121,000. Assets costing \$1,051,000 were retired from service. The major equipment items added in 1960 were 65 new buses placed in service at a cost of \$2,117,000, and new automotive service vehicles at a cost of \$23,000.

The larger capital retirements included surface track to the extent of \$331,000, and \$617,000 for 24 motor buses, 15 service vehicles and 8 street cars.

Accumulated depreciation to the end of 1960 rose to \$66,023,000 compared with \$63,181,000 the previous year.

BLOOR-DANFORTH-UNIVERSITY SUBWAY

Expenditures on the subway project to December 31, 1960 may be summarized as follows:

Expenditures during 1960	Stage I	Stage II	Stage III	Total
Engineering and administration.....	\$ 1,063,367	\$197,519	\$33,976	\$ 1,294,862
Construction of tunnel and stations	13,982,935			13,982,935
Track materials purchased	238,546			238,546
Interest during construction	15,970			15,970
Land purchases — Greenwood yard		133,331		133,331
	<u>\$15,300,818</u>	<u>\$330,850</u>	<u>\$33,976</u>	<u>\$15,665,644</u>
Add—Expenditures to December 31, 1959				3,303,084
				<u>\$18,968,728</u>
Add—Cash on hand		\$ 610,611		
Miscellaneous receivables and prepaid expenses		209,861		
Proceeds of sale of debentures under By-Law 1302 not yet drawn from Metro Treasurer		3,007,805		3,828,277
				<u>\$22,797,005</u>
Deduct—Accounts payable and accruals		\$1,759,263		
Contract holdbacks		2,131,028		3,890,291
Total expenditures on and funds appropriated for subway construction				<u>\$18,906,714</u>

These funds have been provided in accordance with the provisions of the Ontario Municipal Board Order, and at December 31, 1960 the contributions of Metro and the T.T.C. were as follows:

Metro		\$ 7,485,877
T.T.C. — net proceeds of bond issue	\$4,981,195	
— temporary capital advances	6,439,642	11,420,837
		<u>\$18,906,714</u>

A year-by-year summary shows:

	Total	Metro Share	T.T.C. Temporary Advances	Proceeds of Debenture Sale for T.T.C. Acc't
Expenditures to				
December 31, 1958	\$ 1,041,547	\$ 520,774	\$ 520,773	\$
1959 expenditures	2,398,334	1,185,915	1,212,419	
1960 expenditures	15,466,833	5,779,188	4,706,450	4,981,195
	<u>\$18,906,714</u>	<u>\$7,485,877</u>	<u>\$6,439,642</u>	<u>\$4,981,195</u>

PROVISIONS FOR TICKETS AND TOKENS HELD BY THE PUBLIC

The estimated liability for outstanding tickets and tokens in the hands of the public as at December 31, 1960 has been reduced to \$275,000 from the \$500,000 indicated at the end of 1959. This reflects the increased use of the cash fare by the travelling public in preference to tickets or tokens due to the May 1, 1960 fare change in which the differential between the cash fare and the ticket rate was eliminated — both being 15c.

CAPITAL DEBT

The capital debt of the Commission as at December 31, 1960 amounted to \$68,678,839 made up as shown hereunder:

Debentures issued in 1950 repayable serially to 1980	\$11,150,000
Debentures issued in 1951 repayable serially to 1981	16,920,000
Debentures issued in 1953 repayable serially to 1983	26,075,000
Debentures issued in 1954 repayable serially to 1984	3,485,000
Sinking fund debentures issued in 1955 repayable in 1980....	1,750,010
Sinking fund debentures issued in 1956 repayable in 1986 ...	2,367,860
Sinking fund debentures issued in 1960 repayable in 1990 ...	5,211,000
Foreign exchange premiums received, less discounts paid on transfer of proceeds of outstanding debentures issued in United States funds	1,719,969
 Net debt	 <u>\$68,678,839</u>

Interest rates payable on these debentures range from 2½% to 5¾%.

Debentures were issued in 1950, 1951, 1953 and 1956 in the total amount of \$56,199,000, which are repayable in New York funds both as to principal and interest. The cost of servicing this debt is therefore influenced by the U.S. dollar rate of exchange. As at December 31, 1960, there remained \$46,202,860 of these debentures still outstanding.

A new issue of \$5,211,000 of sinking fund debentures dated October 15, 1960 for a term of 30 years with interest at 5¾% per annum and maturing on October 15, 1990, was sold on November 24, 1960, in Canadian funds. This issue was the first borrowing for Bloor-Danforth-University subway construction purposes, and was authorized by By-law 1302 of the Municipality of Metropolitan Toronto, which was passed by Council on November 1, 1960.

Capital borrowings required by the Toronto Transit Commission are arranged through The Municipality of Metropolitan Toronto and are guaranteed by the Municipality. However, the servicing of this debt, both as to principal and interest payments, has always been carried out fully by the Commission.

EARNINGS RETAINED IN THE SYSTEM

At January 1, 1960 the balance of earnings retained in the system totalled \$4,394,000 and to this figure was added \$1,159,000 being the net income for 1960, plus \$22,000 representing profits on sale of property as well as \$113,000 for foreign exchange gains on debentures redeemed in U.S. funds. A non-recurring item was the deduction of \$545,000 for the accrual of vacation pay for employees and the explanation covering this is set out in note (4) included in the financial statements.

TAXES

As noted in previous reports, taxes continue to place a considerable burden on the transit system. Tax relief is necessary if public transit is to operate at a reasonable fare and consideration should be given by all levels of government to an easing of the tax load for the benefit of the riders. Comparative figures of taxes paid by the Commission give some indication of their impact on operating costs:

	1960	1959
To the City of Toronto	\$ 878,093	\$ 849,843
To other Metropolitan municipalities	59,060	54,472
To the Federal government	229,613	160,648
	<hr/>	<hr/>
	\$1,166,766	\$1,064,963

The above figures do not include license fees of \$99,034 paid to the Province of Ontario and gasoline and diesel fuel taxes totalling \$560,633 in 1960.

LOSS ON ISLAND FERRY SERVICE

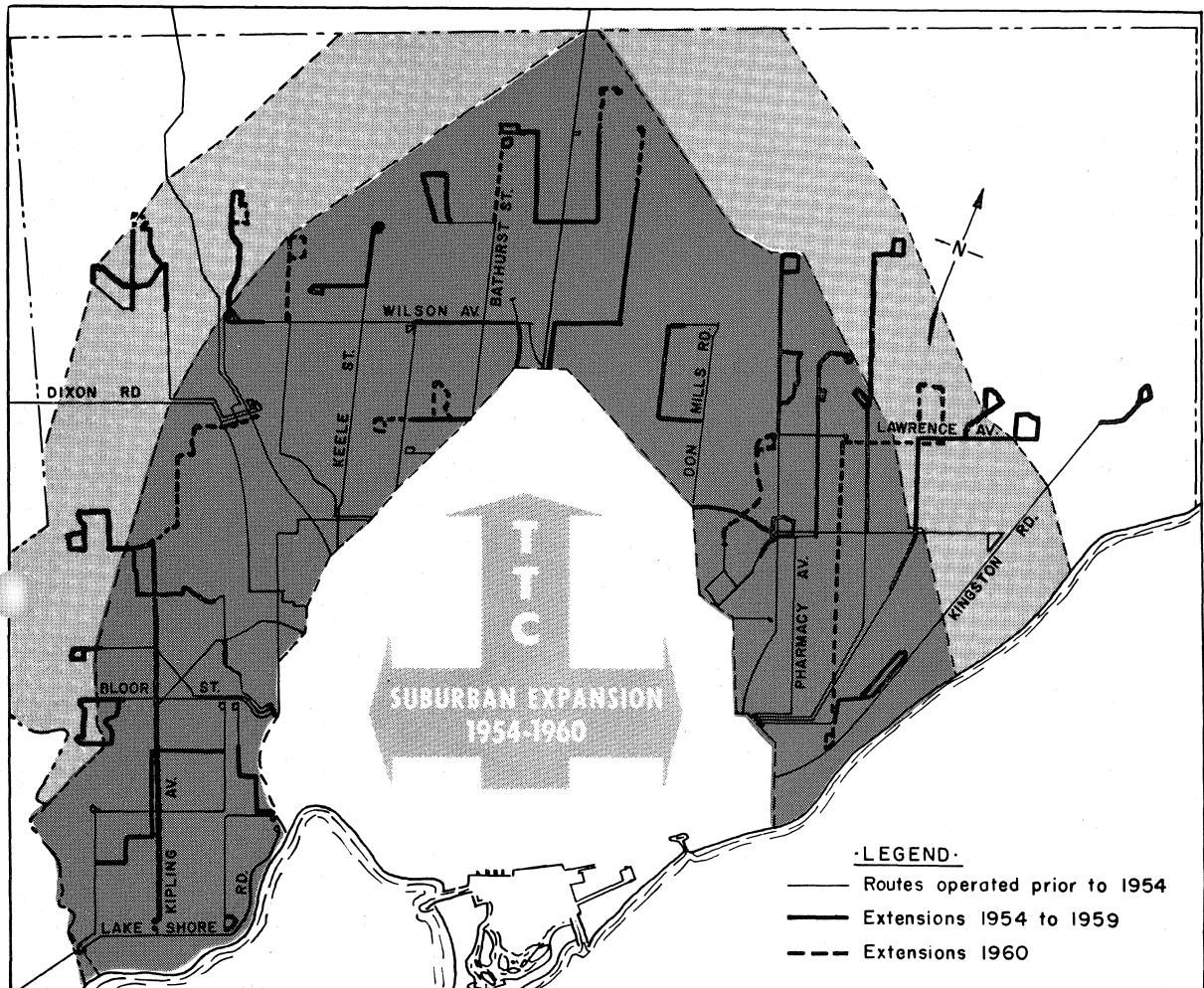
Despite a decrease in revenue of \$13,000 during 1960 the loss on the island ferry service was reduced from \$163,000 in 1959 to \$118,000 in 1960. This was achieved by the most stringent economy measures and careful scheduling of service. Passengers carried in 1960 declined to 1,020,000 from 1,234,000 the previous year.

FINANCIAL STATEMENTS AND AUDIT

Messrs. Price Waterhouse & Co., the independent public accountants who are retained by the Commission have audited the financial statements and their certificate is attached to the annual accounts at the end of this report.

The Metropolitan Auditor has submitted his report covering the year 1959 and is currently engaged in his 1960 review.

OPERATIONS



NEW ROUTES AND EXTENSIONS

Extension and improvement of transit services throughout the Metropolitan area continued as evidenced by the fact that 1,199,000 more miles were operated in 1960 than in the previous year. In this regard, the Commission directs Council's attention to the paradoxical situation, where, in spite of an increase of more than one million miles of service, most of it in suburban areas, transit patronage decreased by almost eight million riders.

A new major north-south bus route, BIRCHMOUNT, was started in Scarborough. The route runs from Kingston Road and Birchmount Road to the district north of Scarborough General Hospital and it connects with six other transit lines.

The KIPLING bus route was extended and combined with the WESTWAY Shoppers' bus to form a new north-south line extending from Weston through Etobicoke to Lakeshore Road at Church Street, Mimico. It makes connections with nine other TTC routes.

Other important extensions introduced during the year were:

KINGSWAY — short turn service extended to Six Points intersection.

TRETHEWEY — extended to Sheppard Avenue.

O'CONNOR — Bermondsey rush-hour service extended to Sloane Avenue and Victoria Park.

CHAPLIN — weekday shoppers' service to Lawrence Heights area.

BATHURST — extended to Finch Avenue.

REXDALE — extended to Brookmere Road and Kipling Avenue.

BAYVIEW — extended to Finch Avenue.

NORTH YONCE - WILLOWDALE — extended north to Cummer Avenue and east to new loop serving St. John's Convalescent Hospital.

SHERBOURNE — service to Queen's Quay operated 12 hours a day (replacing former Rush Hours Only service).

LAWRENCE — extended to Caledonia Road.

Three route changes were made necessary because of the extension of the City's one-way street program. BATHURST street cars now operate east on Adelaide Street and return west on King Street. Minor changes were made to the south end loops of the CHURCH and DOWNTOWN bus routes.

It was also necessary to reroute ASHBRIDGE buses because of the closing of the Cherry Street lift bridge.

SPECIAL SERVICES

Efforts were continued to attract more riders to the Commission's Express Bus Specials to sporting events and other attractions. Express services to hockey, football, horse-racing and the C.N.E. again proved popular with many thousands of riders who have come to appreciate freedom from traffic and parking congestion usually associated with these events. Express Bus Specials do more than bring in additional revenue to the Commission; they are of benefit to the community by helping to reduce traffic congestion at many locations.

The summer weekend and holiday bus service to Edwards Gardens and the Christmas Light Tours were again operated and both special services received a good measure of public support.

VEHICLES

The importance of a modern, attractive and dependable fleet of transit passenger vehicles cannot be over-emphasized and the Commission continued to maintain the high standards that transit riders of Metropolitan Toronto have come to expect.

In addition to regular preventive maintenance schedules, 269 vehicles underwent major body overhauls and complete repainting.

Fifty new buses, similar in design, appearance and riding comfort to the new-look buses received in 1959, were delivered during the year. Thirty-five of the new vehicles arrived just at the year end, therefore were not available for operation until January 4, 1961. The Commission now owns a total of 100 of these ultra-modern buses.

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

Type	Total
Street Cars:	
P.C.C. Cars	744
Witt Type	125
—	—
Subway Cars	140
Trolley Coaches	145
Motor Buses	597
Service Vehicles:	
Rail-Surface	33
Rail-Subway	6
Automotive	100
—	—
TOTAL	1,890

In addition to the 35 new buses unlicensed at December 31, 31 old vehicles were being held in storage, some available for operation in emergencies and others awaiting disposal. Eight Witt street cars, seven rail snow sweepers, 24 buses and eight service vehicles were retired during the year.

TRACK AND ROADWAY

Track renewal and re-alignment work on Lakeshore Road between Humber Loop and Brown's Line continued during the year in conjunction with the Metropolitan Toronto repavement project. Sections completed in 1960 were from 1st Street to 5th Street in New Toronto, and from Mimico Avenue to Symons Street in Mimico.

The repaving and resurfacing of trackwork on Church Street between Dundas and Bloor Streets, which was started during 1959 in conjunction with the City of Toronto's repavement program, was completed during 1960.

Resurfacing of the track on Prince Edward and Rosedale viaducts was carried out coincidentally with Metropolitan Toronto's project to rehabilitate the two bridges. Work on the south roadway was completed in 1960, and the remaining work will be done in 1961.

Other trackwork was undertaken during the year, as follows:

Queen Street from Bathurst Street to Spadina Avenue — new rail installed and track allowance paved.

St. Clair Avenue from Dufferin Street to Bathurst Street — repaving and resurfacing of trackwork, including rail replacement at car stops, carried out in conjunction with Metropolitan Toronto repaving program.

Avenue Road at Davenport Road and Avenue Road at St. Clair Avenue — special trackwork at these intersections was replaced with tangent track concurrently with Metropolitan Toronto's Avenue Road project.

Bathurst Street north of Lakeshore Road — temporary diversion track installed to facilitate Gardiner Expressway construction.

Rails and overhead were removed and re-installed at a number of University Avenue intersections in connection with construction work on the Bloor-Danforth-University subway.

Curved rail in the Yonge subway was replaced at four locations.

At December 31, 1960, total miles of single track were:

Surface Track	205.85
Subway Track	13.40

COMBINED —	219.25

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

Trolley bus	25.84
Bus	282.42

COMBINED — 308.26

BUILDINGS AND PROPERTY

The Roncesvalles Division traffic office was enlarged to meet the need for additional space and modern, more efficient facilities.

Other building projects carried out during 1960 included major repairs to the roof, lighting and chimney at Roncesvalles Division carhouse; major repairs to the brick chimney at Parkdale Garage; installation of a new oil-fired heating unit at Russell Division office; installation of a new roof at 152 Front Street East; partial roof replacement at Sherbourne Garage; completion of repainting and relighting work at Davenport Garage; and the installation of air-conditioning in the Hillcrest Administration building.

AUTOMATIC SUBWAY ENTRANCE TESTED

In October an automatic entrance was installed in the Duplex Street entrance at Eglinton Subway Station to test passenger use of and reaction to an unattended subway entrance. After the first few weeks of the test, during which several minor changes were made to the turnstile, the vending machines and the direction signs, passengers had become accustomed to the new entrance and no major difficulties were encountered.

This test entrance is being used to study automatic features which it is expected will result in more efficient and economical operation of secondary entrances on the Bloor-Danforth-University subway.

FERRY SERVICE

The number of passengers carried on the Island Ferry service during 1960 was 1,020,000, a decrease of 214,000 from 1959.

In order to reduce somewhat the very large annual loss incurred in the operation of the ferry service, fares were increased effective April 3, 1960, as follows:

Adults — Two 12½c tickets or 25c cash

Children and Scholars — One 12½c ticket or 15c cash

Regular ferry operation to the islands was scheduled to replace winter tug service on March 13, but unusually heavy ice in the bay delayed the start of regular service until April 3.

After forty-eight years of passenger and freight service, the 69' single deck steam ferry "T. J. Clark" was retired in 1960. Built in 1911, the vessel was originally operated in freight service. In 1930, it was converted to carry passengers,

and in 1950 was returned to freight service. As part of the continuing effort to reduce ferry service deficits, freight is now being carried on the passenger boats.

OPERATION IN NORTH YONGE MUNICIPALITIES

A new 10-year agreement, effective January 2, 1960, was signed with the Town of Richmond Hill and the Townships of Markham and Vaughan covering the operation of bus service on Yonge Street from Steeles Avenue to Richmond Hill. The agreement imposes no financial obligation on the Commission. As a matter of interest to Council, in order to keep operations on a self-sustaining basis, fares for the route were increased in April, 1960.

ACHIEVEMENTS IN SAFETY

The Commission is proud to report that an all-time low for traffic and passenger accidents was established by T.T.C. drivers and operators in 1960. Despite unusually severe snow storms and bad driving conditions in March, the traffic accident rate for 1960 was 8% below 1959 and 52% below the rate 10 years ago. No other major transit system in North America has made a comparable improvement. This achievement in traffic safety was recognized by a citation from the American Transit Association, the sixth such award made to the T.T.C. since 1952.

The Commission also received awards from the National Safety Council of Chicago and the Canadian Transit Association in recognition of successful efforts to further reduce injuries to employees.

LABOUR RELATIONS

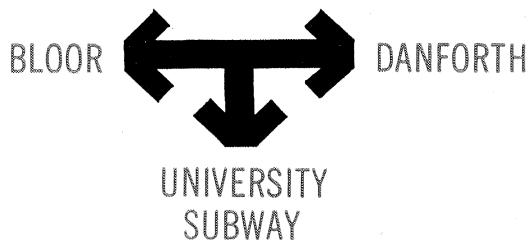
Collective agreements with the three labour unions which represent the majority of the Commission's employees were renewed early in 1960 after negotiations lasting several weeks. The agreements are effective for a two-year period ending December 31, 1961. In accordance with the terms of settlement, wage rates were increased effective on January 1 and September 1, 1960. A further increase is payable May 1, 1961.

Relations between the unions and the Commission have continued to be co-operative and constructive.

PUBLIC INFORMATION

The Commission recognizes the importance of keeping the community well informed about its large network of transit routes, and continued emphasis was placed on providing a comprehensive public information program. Twenty-four hour telephone information service was maintained and more than 634,000 telephone inquiries were answered in 1960. On February 26, 1960, the day of the big snow storm, 4,600 calls were received. To provide up-to-date details on new routes and extensions, schedule and other service changes, 250,000 bus timetables were distributed by drivers, guides and direct mail. The regular program of installing permanent and temporary signs at terminals and stops along the routes to announce local changes was continued. More than 35,000 system route maps were distributed. In addition, a take-one folder, "Headlight", was published monthly to keep transit riders and others in the community better informed about Commission policies; the equipment and the men who operate it; traffic and parking problems and many other happenings of importance to the passengers of public transit vehicles.

SUBWAY CONSTRUCTION



Construction work on the University section, Stage I of the Bloor-Danforth-University Subway, which was started in mid-1959, continued on schedule and in a satisfactory manner. By the end of 1960 all major contracts for the University section had been awarded as follows:

Cut and Cover Sections

St. George Station to Museum Station including Bloor-University Wye. McNamara-Raymond Ltd.	\$6,874,000
Osgoode Station to Union Station, connection with Yonge Subway. Johnson-Perini-Kiewit Ltd.	6,454,000
"Milan" Test Section. Icanda Ltd.	183,000

Tunnel Section

Museum Station to Osgoode Station. Robert McAlpine Ltd.	7,659,000
---	-----------

Tunnel Liners and Shields

Canada Iron Foundries Ltd.	5,031,000
----------------------------	-----------

36 Subway Cars

Montreal Locomotive Works Ltd.	3,968,000
--------------------------------	-----------

Stations

Completion of all Six Stations. Anglin-Norcross Ontario Ltd.	2,541,000
--	-----------

Signal System

General Railway Signal Co. Ltd.	978,000
---------------------------------	---------

Escalators

Turnbull Elevator Ltd.	431,000
------------------------	---------

SUMMARY OF PROGRESS

Despite some minor labour disputes which arose during the year and poor soil conditions encountered north of Bloor Street, good progress was maintained on the three major structural contracts.

Progress may be summarized as follows:

At December 31, 1960, Contract U-1, the cut-and-cover section from Front Street to Queen Street, including the Toronto Parking Authority Garage over the subway between King and Front Streets was 35% completed. Contract U-2, the tunnel section, from Queen Street to the north end of Queen's Park Crescent was 39% completed. Contract U-3, the cut-and-cover section from Queen's Park Crescent to Huron Street, including the west leg of the wye connection, was 58% completed.

Design work for the construction of Stage II (from St. George Station east to Greenwood Avenue) was carried out as scheduled. Contract drawings and specifications for the first two contracts for this section will be ready for tender by mid-1961.

Preliminary engineering and design work for Stage III (from St. George Station west to Keele Street) was commenced at the end of the year and is on schedule.

The Metropolitan Subway Property Committee has virtually completed the acquisition of right-of-way for Stage I, and negotiations in connection with requirements for Stage II were well in hand at the close of 1960.

All the expenditures for the above work comply with the requirement of the Ontario Municipal Board Order regarding the time of work for the various construction stages of the project.

SUBWAY CARS ORDERED

Specifications and contract documents for subway cars for the University section were completed in May, 1960 and tenders were invited on a world-wide basis. Tenders were received from Canadian, British, German, Japanese and United States manufacturers. Following several weeks of thorough analysis and evaluation, a contract for 36 cars of Canadian design and manufacture was awarded to the lowest tenderer, Montreal Locomotive Works Limited. The new cars will be made of aluminum and will be 74 feet in length, 16 feet longer than the cars in use on the Yonge subway.

DIVERSIONS AND DISTURBANCE

The Commission is fully aware of the noise and disturbance caused by subway construction work. Everything possible is being done to keep traffic diversions and construction noise to a minimum. As expected, tunnelling has practically eliminated noise and disturbance in the hospital area between Osgoode and College Streets, and the preboring of holes for piles on the cut-and-cover sections has removed the noise problem usually associated with conventional pile driving. As many as possible of the necessary traffic interruptions or diversions have been scheduled for weekends and early morning hours.

The Commission appreciates the co-operation extended by municipal authorities, the police, various public utilities and businesses in helping with the many problems encountered during subway construction.

GENERAL

In conclusion, the Commission wishes to bring to Council's attention, the ever-increasing financial pressures which face the Commission in its efforts to provide necessary service in a large and rapidly expanding Metropolitan community and at the same time maintain a reasonable fare structure. As already shown in this report, again this year many transit services were extended and improved in the suburban areas. Services in the outlying districts, while essential to the orderly growth and development of Metropolitan Toronto, invariably lose money and must be supported by the rest of the system. It is obvious that the system can only support a certain number of money losing routes at any one time if the Commission is to continue to meet its obligation under existing legislation to operate on a self-sustaining basis. The Commission therefore has no alternative but to adhere to the policy that transit expansion must be governed by the ability of the system to support new routes.

In this period of tremendous expansion in Metropolitan Toronto, it is doubtful whether this policy works to the overall good of the community. When transit expansion is forced by economic necessity to lag behind in new districts, travel habits and patterns are developed which are based almost entirely on the use of private transportation and which, in consequence, are uneconomic and inefficient.

In this connection, the following statement taken from the Metropolitan Planning Board's Official Plan is significant:

"Over 70% of all persons entering the downtown area during the morning peak do so by means of public transportation, and this proportion has been maintained over the last 30 years. This traffic could be handled by private transportation only at enormous cost in land, money and congestion."

The Commission has continued its efforts to maintain the unprecedented pace of transit expansion, but there must be even more new and extended routes to keep up with population growth and to ensure that the community makes the most efficient, most economical use of its street space. Above all, transit fares must be maintained at a level which will not drive passengers away from transit and into private transportation for which the community eventually will have to build costly roadways, expressways and parking facilities.

So that transit may, as an essential public service, continue its important contribution to the progress and prosperity of Metropolitan Toronto, the Commission urges all levels of government to consider assisting transit, possibly in the form of capital grants or by easing the heavy tax burdens now borne by transit passengers.

The Commission is also hopeful that satisfactory arrangements may be made with respect to the Island Ferry service which will relieve the Commission of the responsibility for the substantial annual deficits incurred. It has long been the opinion of the Commission that it is unreasonable to expect the daily transit rider to subsidize the ferry service, particularly when the money lost in the operation of the ferries could be used to advantage in providing regular transit service extensions and improvements.

At the end of another year, the Commission expresses sincere appreciation to all its employees for the conscientious and efficient manner in which their duties were carried out.

Respectfully submitted.



Chairman



Vice-Chairman



Commissioner



Commissioner



Commissioner

**TORONTO TRA
BALANCE SHEET**

ASSETS

CURRENT AND WORKING ASSETS:

Cash including interest bearing deposits	\$ 1,865,598
Accounts receivable less allowance for doubtful accounts	431,865
Gray Coach Lines, Limited — current account	401,600
1960 dividend receivable from Gray Coach Lines, Limited	50,000
Working funds advanced to employees and agents	450,344
Materials and supplies valued on the basis of cost less allowance for obsolete items	1,989,685
Unexpired insurance premiums and other prepaid expenses	183,076
	----- \$ 5,372,168

INVESTMENTS:

Canadian Government bonds, at market value	\$ 155,550
Mortgages receivable on property sold	428,468
	----- 584,018

INVESTMENT IN CAPITAL STOCK OF GRAY COACH LINES, LIMITED, A WHOLLY OWNED SUBSIDIARY, at cost	1,000,000
--	-----------

UNAMORTIZED DEBENTURE DISCOUNT	1,286,338
--------------------------------------	-----------

CAPITAL ASSETS:

Land, buildings, subway, power distribution system, trackwork, rolling stock, buses, ferry boats, franchises, etc., at cost	\$150,163,101
Less — Accumulated depreciation	66,023,674
	----- 84,139,427

BLOOR-DANFORTH-UNIVERSITY SUBWAY UNDER CONSTRUCTION (Note 1):

Expenditures on and funds appropriated for construction of the subway	\$ 18,906,714
Less — Capital contributions received from The Municipality of Metropolitan Toronto	7,485,877
	----- 11,420,837
	<u><u>\$103,802,788</u></u>

SIT COMMISSION

DECEMBER 31, 1960

LIABILITIES

CURRENT LIABILITIES:

Accounts payable and accrued liabilities	\$ 2,997,467
Debenture interest accrued	402,598
Debentures maturing and sinking fund payments due in 1961	2,178,387

	\$ 5,578,452

PROVISIONS:

For tickets and tokens held by the public	\$ 275,000
For workmen's compensation and public liability	1,500,000

	1,775,000

CAPITAL DEBT:

The Municipality of Metropolitan Toronto:

For serial debentures maturing in annual instal- ments from 1961 to 1984 (including \$43,835,000 debentures payable in United States funds)	\$ 57,630,000
For sinking fund debentures maturing in 1980, 1986 and 1990 (including \$2,599,000 deben- tures payable in United States funds), less sinking fund balance of \$531,130 (Note 2)	9,328,870

	\$ 66,958,870

Less — Debentures maturing and sinking fund payments due in 1961 shown as current liabilities	2,178,387

	\$ 64,780,483

Foreign exchange premiums received less dis- counts paid on transfer of proceeds of out- standing debentures issued in United States funds	1,719,969

	66,500,452

EARNINGS RETAINED IN THE SYSTEM:

Balance January 1, 1954 at which date the system was acquired from the Toronto Transportation Commission	\$ 24,803,733
Add — Earnings retained since January 1, 1954 per statement attached	5,145,151

	29,948,884

	\$103,802,788

*The accompanying notes are an integral part of the financial statements and should be read
in conjunction herewith.*

TORONTO TRANSIT COMMISSION

STATEMENT OF EARNINGS FOR THE YEAR ENDED DECEMBER 31, 1960

REVENUE:

Passenger services	\$39,752,478
Rental of equipment and buildings to Gray Coach Lines, Limited, municipalities and others	513,078
Rental of advertising space	500,047
Interest earned	199,798
Dividend from Gray Coach Lines, Limited	50,000
Realized gains on bonds sold and adjustment of investments to market value	64,527
Miscellaneous	142,187

	\$41,222,115

EXPENSES:

Wages, salaries, vacation and holiday pay and other employee costs (pensions, sick benefits, hospital insurance, compensation)	\$25,266,893
Electric traction power, not including maintenance and operation of sub-stations	2,196,347
Gasoline and diesel oil, including provincial tax.....	1,025,927
Taxes and licences — municipal and other governments	1,265,800
Provision and insurance for public liability.....	393,447
Depreciation	3,753,796
Other expenses including cost of materials used, rents, etc.	3,855,665

	37,757,875

Debenture interest and discount	\$ 3,464,240

	2,185,766

Income before providing for the undernoted loss....	\$ 1,278,474

ISLAND FERRY SERVICE:

Revenue	\$ 267,016
Expenses, including employee costs \$205,383 and depreciation \$24,118	385,670

Loss on Island Ferry Service	118,654

Net income for the year	\$ 1,159,820

The accompanying notes are an integral part of the financial statements and should be read in conjunction herewith.

TORONTO TRANSIT COMMISSION

STATEMENT OF EARNINGS RETAINED SINCE JANUARY 1, 1954

Balance December 31, 1959	\$4,394,218
Vacation pay earned but not accrued at December 31, 1959 (Note 4)....	545,000

	\$3,849,218
Net income for the year 1960	1,159,820
Profit realized on sale of property	22,625
Net foreign exchange gain realized on debenture debt retired in 1960 which was payable in United States funds	113,488

Earnings retained at December 31, 1960	<u>\$5,145,151</u>

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 1960

NOTE 1:

Under authority of Order No. P.F.E. 287-58 of the Ontario Municipal Board dated September 5, 1958 and amendments to December 31, 1960, The Municipality of Metropolitan Toronto has undertaken, in an agreement with the Commission dated April 14, 1959, to contribute \$102,527,000 toward the total cost of constructing the Bloor-Danforth-University subway, estimated in the Ontario Municipal Board Order at \$200,948,000.

Expenditures on and funds appropriated for construction of the Bloor-Danforth-University subway to December 31, 1960 were:

Construction costs	\$18,968,728
Miscellaneous costs and receivables	209,861
Cash in Bloor-Danforth-University subway bank account....	610,611
Portion of proceeds of debenture issue receivable from The Municipality of Metropolitan Toronto	3,007,805

	\$22,797,005

Less:

Accounts payable and accruals	\$1,759,263
Contract holdbacks	2,131,028

Balance at December 31, 1960	<u>\$18,906,714</u>

Construction costs shown above include expenditures to date on land purchased for the Greenwood yard but do not include the cost of land for the right of way to be provided by The Municipality of Metropolitan Toronto, which is being purchased by the Municipality and absorbed as part of its commitment of \$102,527,000 referred to above.

NOTE 2:

No amount has been accumulated in respect of the excess sinking fund earnings which amount to \$20,223 at December 31, 1960 on payments made to The Municipality of Metropolitan Toronto in respect of sinking fund debentures. Subject to the approval of the Ontario Municipal Board it is anticipated that any excess earnings applicable to debentures issued for Commission purposes will accrue for the benefit of the Commission.

NOTE 3:

The Statement of Earnings reflects charges of \$1,107,802 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 4:

In prior years vacation pay was recorded when paid, and the amount earned but unpaid at December 31 was not recorded in the accounts at the year end. In 1960 the practice was changed to record the liability for vacation pay accrued to December 31, 1960; accordingly the portion accrued at the beginning of the year was charged to retained earnings and that earned in the twelve months to December 31, 1960 was charged to profit and loss. This change in accounting practice had no material effect on the net income for the year.

AUDITORS' REPORT

To the Chairman and Members
of the Toronto Transit Commission.

We have examined the Balance Sheet of Toronto Transit Commission as at December 31, 1960 and the Statement of Earnings Retained and Statement of Earnings for the year ended on that date 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 Sheet and Statement of Earnings Retained and Statement of Earnings present fairly the financial position of the Commission as at December 31, 1960 and the results of its operations for the year ended on that date, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year except for the change in accounting practice, with which we concur, referred to in note 4 to the financial statements.

Price Waterhouse & Co

Toronto, May 31, 1961.

Chartered Accountants.

TORONTO TRANSIT COMMISSION

1960 STATISTICS

Revenue passengers carried — zone fare system	282,228,000
Revenue passengers — normal week day zone fare system.....	915,000
Miles operated — including chartered and special services.....	49,170,514
Miles operated — normal week day zone fare system	150,000
Miles in single track	219.25
Bus route miles	282.42
Trolley coach route miles	25.84
Street cars	869
Buses	597
Trolley coaches	145
Subway cars	140
Ferry boats	4

Fares

Zone 1

Adults — 15c cash or 1 ticket (5 for 75c) or token (4 for 60c)
 (Books of 20 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 — 25c cash or 1 ticket or token (5 for 75c) plus 1 ticket (4 for 30c)
 Children — 15c cash or 1 ticket (4 for 25c) plus 5c
 Scholars — see above

Zones 3-6

Single Zone

Adults — 10c cash
 Children — 5c cash only
 Scholars — see above

Two Adjacent Zones

Adults — 15c cash — 1 ticket or token (5 for 75c)
 Children — 10c cash or 1 ticket (4 for 25c)
 Scholars — see above

Electric traction power consumption — kilowatt hours	179,351,000
Gasoline consumption in gallons — including Gray Coach Lines.....	1,394,600
Diesel oil consumption in gallons — including G.C.L. and Ferries.....	3,357,300
Taxes paid on gasoline and diesel oil	\$560,633
Property taxes paid	936,961
Other taxes and licences paid	328,839
Total taxes and licenses paid	\$1,826,433
Number of regular employees — including G.C.L. and Ferries.....	5,600
Gross payroll — including G.C.L., Ferries, etc.	\$27,419,036
Metropolitan Area population	1,540,634
Automobile registrations	486,000
Persons per automobile	3.3

