

8th

ANNUAL
REPORT

T O R O N T O T R A N S I T C O M M I S S I O N



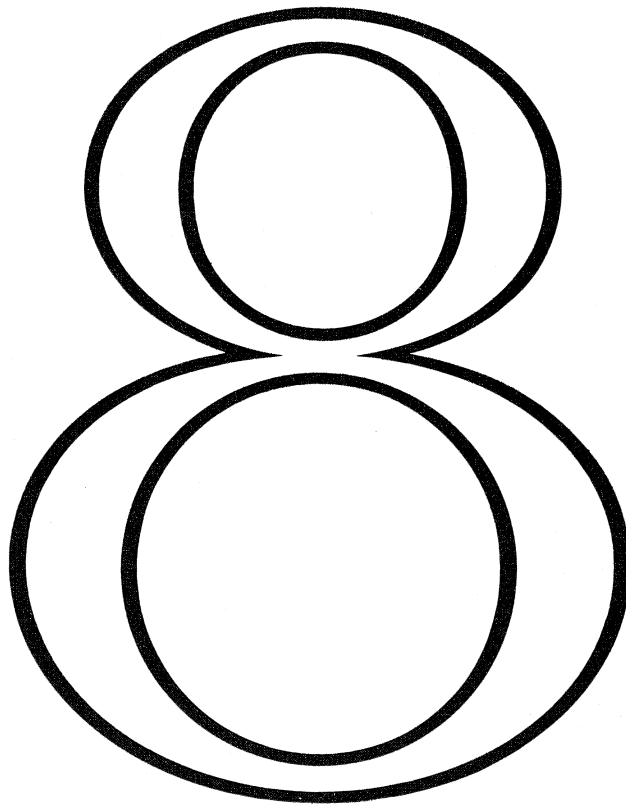
1961





This architectural rendering of the proposed \$15-million office-shopping complex over Davisville Subway Yard illustrates the scope of the project.

A swimming pool and parkette with fountain are planned to add glamour to the shopping centre and office facilities. An annual revenue of \$85,000 will be available for transit purposes from this attractive and practical rental of air rights.



EIGHTH ANNUAL REPORT TO THE
MUNICIPALITY OF METROPOLITAN TORONTO

Toronto Transit Commission 1961



C. C. DOWNEY, Q.C.



CHAS. A. WALTON



FORD G. BRAND



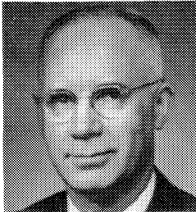
WM. G. RUSSELL



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 of Operations
- W. H. PATERSON, General Manager—Subway Construction
- H. E. PETTETT, General Secretary
- J. H. KEARNS, Assistant General Manager of Operations
- J. W. H. DAY, Q.C., General Counsel
- R. R. GILLESPIE, Treasurer
- W. H. C. SEELEY, Assistant Manager—Administration



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

Ladies and Gentlemen:

ANNUAL REPORT — 1961

The Commission is pleased to submit herewith the eighth Annual Statement of the Toronto Transit Commission covering the year 1961.

The net income for the year, \$375,422, reflects the attention given to efficient, economical operation throughout all departments.

Despite a 5% decrease in the number of passengers carried during 1961, the Commission continued its policy of extending its routes throughout the Metro area. In this connection, meetings were held during the year with elected representatives of East York, Etobicoke, Leaside, North York, Toronto, Scarborough and York Township. One new route was inaugurated and nine others were extended to serve new areas. In addition, hours of service were extended on five routes. In order to maintain a high standard of rush hour service and to extend routes to new districts, economies were effected by reducing the frequency of Saturday and Sunday service on some routes showing substantial losses. These adjustments were tailored to actual riding on the routes, and they affected relatively few riders. Although the decrease in passengers was 5%, it is pointed out that the total service operated by the Commission in 1961 was less than 1% below the previous year.

The decline in riding is a matter of serious concern to the Commission, and aggressive steps have been taken to encourage greater use of transit facilities. Effective May 1st, adult ticket rates were reduced, and, at the year end, after exhaustive study by its officials and independent consultants, the Commission decided upon a sweeping program to streamline and simplify its zone fare system by consolidating the existing five Metro area zones into two, effective February 1st, 1962.

This zone merger is of long-range importance both to the development of transit routes in Metro's outlying areas and to the growth and prosperity of the entire Metropolitan area.

OTHER REVENUE SOURCES

The Commission is also giving close attention to other important sources of revenue such as transit vehicle advertising and the lease of air rights over the Yonge subway right-of-way, and efforts in these fields are meeting with success. For example, during 1961 a lease was signed for the development of a \$15-million office-shopping complex over Davisville Subway Yard at an annual rental of \$85,000 for the first twenty-five years. Negotiations were also completed for the construction of a \$6-million office building over Eglinton subway station. Rentals received by the Commission for these air rights will be used to provide transit service. In addition to the direct benefits to transit riders, these developments benefit the entire Metropolitan community by adding millions of dollars to the assessment rolls.

FINANCIAL SUPPORT FOR SUBWAYS

The Commission would be remiss if it did not acknowledge with grateful thanks the \$60-million loan approved by the Province of Ontario to be used to enable a speed-up in the construction of the Bloor-Danforth-University Subway. Plans have been pressed forward since the announcement of the loan, and the target date for final completion of the project has been advanced by 2½ years to 1967.

The Commission would also be remiss however, if it did not again point out the need for reappraisal by the senior government of its policies towards financial support for the rapid movement of people. Whereas subways are highly important for this purpose in the central portion of this large urban community, adequate provision for rapid bus movement on the surface is also very important. Lanes devoted exclusively to bus movement, either on expressways or as extensions of the subway system, will permit the rapid movement of large numbers of persons at high speeds throughout Metropolitan Toronto with minimum use of street space and at minimum cost. These bus facilities may, in some cases, be a private roadway or median strip in the middle of a divided expressway, or may be a single reserved lane, on a highway or street. Therefore, by the use of funds devoted in the proper proportions to the creation of highway, bus lane and subway facilities, the total cost for these facilities can be kept to a minimum.

TRANSFER OF ISLAND FERRY SERVICE

The Commission is appreciative of the Metropolitan Council's co-operative and constructive action in taking over the operation of the Island Ferry Service, thereby removing this substantial financial burden from the transit riders. The transfer of staff and all assets from the Commission to the Metropolitan Corporation was effected satisfactorily on January 1, 1962.

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

FINANCIAL RESULTS

The operations for the year 1961 produced net earnings of \$375,422 compared with \$1,159,820 in 1960.

A reduction in fare, effective May 1, 1961, together with a decrease in passengers carried and an increase in operating costs account for the decline of \$784,398 in net earnings.

Operating results may be summarized as follows:

Gross Revenue	\$40,620,852
Operating Expenses	37,995,083
	<u>\$ 2,625,769</u>
Less—debenture interest and discount	2,168,241
	<u>\$ 457,528</u>
Less—loss on Island Ferry Service	82,106
	<u>82,106</u>
Net earnings for the year	<u><u>\$ 375,422</u></u>

The total revenue from all sources was about \$561,000 below that for 1960 due largely to the reduction of 5/7ths of a cent in the basic adult fare on May 1, 1961, introduced in an attempt to encourage riding. Passenger revenue declined by about \$412,000, advertising space rental by approximately \$67,000, and interest income by \$91,000, while a net increase of \$9,000 was realized on all other income accounts.

A rise of \$224,000 in operating expenses is accounted for by an increase of \$313,000 in labour costs offset by a net saving of \$89,000 in other expense categories.

During 1961 the system continued the expansion of its motor bus services with mileage operated on motor bus routes being 486,000 greater than in 1960, reflecting the extension of services into ten new areas and increased hours of service on six other routes. However, the mileage operated in the inner zones was not as great as that in 1960, with the result that the miles operated on the whole system were 272,000 fewer than in 1960.

The number of revenue passengers carried on the zone-fare system during the year was 5.19% lower than in the previous year. This is no doubt a reflection of the more extensive use of the private automobile as shown by the increase in registrations in York County (including Metro Toronto) from 485,900 in 1960 to 526,000 in 1961.

FARE STRUCTURE

In order to encourage the travelling public to make greater use of their public transit facilities, the adult ticket fare in zones 1 and 2 was reduced on May 1, 1961, by 4.76%, the new rate being 7 tickets for \$1.00 compared with the previous rate of 5 for 75c. At the same time, the adult cash fare for these zones was increased from 15c to 20c. However, 2 for 30c tickets and tokens were retained as it was recognized that many workers were still unemployed and that there were many pensioners and others on fixed incomes who might find it burdensome to buy tickets or tokens in quantity. The balance of the fare structure remained unchanged.

The fare structure, in effect from May 1, 1961, is as follows:

Zone 1 – 1 ticket (7 for \$1.00 or 2 for 30c) or 20c cash

Zone 2 – 1 ticket (7 for \$1.00 or 2 for 30c) or 20c 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 (2 for 30c) or 15c cash

BALANCE SHEET – December 31, 1961

The total assets of the Commission, before the deduction of depreciation, increased by more than \$5,500,000 from \$169,826,000 at the close of 1960 to \$175,469,000 at the end of 1961.

CASH INCLUDING INTEREST BEARING DEPOSITS

The amount of cash on hand and on deposit at December 31 was \$958,000 compared with \$1,865,000 in 1960. This reduction is due to expenditures on construction of the Bloor-Danforth-University subway being temporarily financed out of current funds pending the issuance of debentures.

ACCOUNTS RECEIVABLE

Accounts receivable shown in the balance sheet at \$565,000 including an accrued interest item of \$13,200, compares with \$431,000 at December 31, 1960.

INVESTMENTS

The Commission's investment portfolio at December 31 consisted solely of \$170,000 par value of Government of Canada bonds maturing on September 1, 1972, and having a current market value of \$163,200 as shown in the balance sheet.

Mortgages included under this caption are all in a good current position, and are considered to be well secured by the respective real estate holdings.

CAPITAL ASSETS

The total cost of capital assets owned of \$149,900,000 is down from \$150,200,000 at the close of the previous year. Additions amounted to \$1,200,000 and retirements to \$1,500,000. Major additions were property purchases of \$265,000, mostly for Wilson Yard purposes, and \$633,000 for construction of a new garage building in the Eglinton Subway Terminal area. Other expenditures of note were for track and overhead reconstruction, \$135,000, automotive service vehicles, \$42,000 and shop equipment and furniture, \$55,000.

Main retirements were thirty-three obsolete Witt street cars, \$553,000, twenty-three obsolete buses, \$389,000, and five parcels of land, \$126,000. The land sales were at Bayview Avenue and Blythwood Rd., at Henrietta St. and Runnymede Rd., at Mount Pleasant Rd. and Eglinton Avenue, at Spadina Avenue and Lake Shore Blvd. West and at Queen's Quay and York St. The three latter parcels were sold to the Municipality of Metropolitan Toronto. Other retirements were track and related structures to the extent of \$202,000, transmission cable, \$ 142,000, and automotive service vehicles, \$29,000.

BLOOR-DANFORTH-UNIVERSITY SUBWAY

Expenditures on the subway project to December 31, 1961 may be summarized as follows:

	Stage I	Stage II	Stage III	Total
Engineering and Administration \$	939,270	\$ 799,010	\$220,544	\$ 1,958,824
Construction of tunnels and stations	12,888,318	311,729		13,200,047
Installation of track	630,946			630,946
Supervisory control and track power system	220,883			220,883
Signal System	12,520			12,520
Land purchases — Greenwood Yard		294,613		294,613
Interest during construction	369,659			369,659
	<u>\$15,061,596</u>	<u>\$1,405,352</u>	<u>\$220,544</u>	<u>\$16,687,492</u>
Add—Expenditures to December 31, 1960				18,968,728
TOTAL CONSTRUCTION EXPENDITURES				\$35,656,220
Add—Cash on hand			\$ 186,772	
Miscellaneous receivables and prepaid expenses ..			466,085	
Proceeds of sale of debentures not yet drawn from Metro Treasurer			1,018,198	
Temporary investment — Government of Canada Treasury Bills			895,518	2,566,573
				<u>\$38,222,793</u>
Deduct—Accounts payable and accruals			\$1,311,097	
Contract holdbacks			3,364,309	4,675,406
				<u>\$33,547,387</u>
Total Expenditures on and Funds appropriated for Subway Construction				\$33,547,387

The funds required for expenditures to date have been provided in accordance with the Ontario Municipal Board order as amended, and at December 31, 1961 the contributions of Metro and the T.T.C. were as follows:

Funds Required	T.T.C. Share			Total
	Metro Share	Financed out of Current Funds	Balance of Debenture Proceeds per T.T.C. Accounts	
On expenditures to				
December 31, 1958	\$ 520,774	\$ 520,773	\$	\$ 1,041,547
On 1959 expenditures	1,185,915	1,212,419		2,398,334
On 1960 expenditures	5,779,188	4,812,971	4,874,674	15,466,833
On 1961 expenditures	8,325,464	2,309,287	4,005,922	14,640,673
	<u>\$15,811,341</u>	<u>\$8,855,450</u>	<u>\$8,880,596</u>	<u>\$33,547,387</u>

PROVISIONS FOR TICKETS AND TOKENS HELD BY THE PUBLIC

The liability for tickets and tokens in the hands of the public increased from \$275,000 at the end of 1960 to \$350,000 at the close of 1961.

It is estimated that a greater number of tickets was in the hands of the public at the end of 1961 than at the end of the previous year because of the increase in sale of tickets, and reduction in cash fares, following restoration on May 1, 1961 of the differential between the cash and ticket fare.

CAPITAL DEBT

The capital debt of the Commission as at December 31, 1961, amounted to \$70,598,002, composed of the following:

Debentures issued in 1950 repayable serially to 1980.....	\$10,600,000
Debentures issued in 1951 repayable serially to 1981	16,345,000
Debentures issued in 1953 repayable serially to 1983	25,338,000
Debentures issued in 1954 repayable serially to 1984.....	3,389,000
Sinking fund debentures issued in 1955 repayable in 1980 ...	1,684,506
Sinking fund debentures issued in 1956 repayable in 1986 ...	2,305,677
Sinking fund debentures issued in 1960 repayable in 1990....	5,100,776
Sinking fund debentures issued in 1961 repayable in 1991....	4,193,000
Foreign exchange premiums received, less discounts paid on transfer of proceeds of outstanding debentures issued in United States funds	1,642,043
Net debt	<u>\$70,598,002</u>

Interest rates payable on these debentures range from 2½% to 5½%.

Of the foregoing debt outstanding at December 31, 1961, \$44,560,677 is repayable as to principal and interest in United States funds, so that the cost of servicing this portion of the debt is influenced by the rate of exchange on the U.S. dollar.

On March 28, 1961, a new issue of sinking fund debentures having a par value of \$4,193,000 was sold in the local market by the Municipality of Metropolitan Toronto under authority of By-law 1387 which was passed by Council on March 7, 1961. These debentures, dated March 1, 1961, were issued for a term of thirty years to mature March 1, 1991, carry a 5½% interest coupon and were sold at a discount to yield 5.82%. The purpose of the issue was to provide funds on account of the Commission's share of the cost of the Bloor-Danforth-University subway.

Capital borrowings required by the Toronto Transit Commission are made through the issue of Metropolitan Toronto debentures. However, the servicing of these debentures, both as to principal and interest payments, has always been carried fully by the Commission.

EARNINGS RETAINED IN THE SYSTEM

At January 1, 1961, the balance of earnings retained in the system totalled \$5,145,151, and to this figure was added the net earnings for 1961 of \$375,422, plus \$282,829 representing profits realized on sale of property, as well as \$45,434 for foreign exchange gains on debentures redeemed in U.S. funds, bringing the balance at the year end to \$5,848,836.

TAXES

The following comparative table of tax costs for 1961 and 1960 gives an indication of their impact on operating costs.

	1961	1960
To the City of Toronto	\$ 913,857	\$ 878,093
To other Metropolitan municipalities	59,847	59,060
To the Federal government	213,982	229,613
	<u>\$1,187,686</u>	<u>\$1,166,766</u>

These figures do not include license fees of \$105,125 and gasoline and diesel fuel taxes of \$563,540 paid to the Province of Ontario in 1961.

As noted in previous reports, taxes continue to place an unreasonable 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.

LOSS ON ISLAND FERRY SERVICE

The financial results of the operation of the island ferry service were better in 1961 than they have been for some years. Revenue increased by \$40,673 over 1960, rising from \$267,016 to \$307,689. Expenses increased only moderately by \$4,125 from \$385,670 to \$389,795. The deficit of \$82,106 is an improvement of \$36,548 over the deficit of \$118,654 in 1960. Passengers carried increased from 1,020,377 in 1960 to 1,172,612 in 1961, a gain of 152,235.

Under the provisions of a 1961 amendment to the Municipality of Metropolitan Toronto Act, the assets, and responsibility for the operation of this service, were taken over by the Municipality of Metropolitan Toronto on January 1st, 1962, thus relieving the Commission of any further responsibility in connection therewith. In compensation for the assets transferred, the Commission received from the Municipality the sum of \$1.00, plus \$132,648.04 which is the undepreciated balance of the cost of the ferry boat 'Thomas Rennie' as shown by the books of the Commission.

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 1960 and is currently engaged in his 1961 review.



Latest addition to the many fine commercial and office buildings erected in the Eglinton-Yonge area since the Yonge subway was built is the 17-storey office building shown above which is now under construction over Eglinton subway station. It is scheduled for completion in March 1963.

OPERATIONS



NEW ROUTES AND EXTENSIONS

Noteworthy transit service extensions and improvements were carried out throughout the Metropolitan area during 1961. One new route was inaugurated and nine others were extended to serve new districts, as follows:

SOUTH DUFFERIN — A new route operating on Dufferin Street from St. Clair Avenue to Queen Street.

ANGLESEY — Extended to provide all-day service to the Eringate district.

BATHURST — Extended north of Finch Avenue to a new loop at Patricia Avenue.

BROADVIEW — Extended to serve the fast-growing Thorncliffe Park district of Leaside.

DAWES — 'Birchmount' branch extended to a new loop at Winston Churchill Collegiate.

LAWRENCE — Two extensions made during the year. In June the route was extended from Caledonia Road to Timothy Drive, and in October, Lawrence buses commenced operating to Weston Road. Weston citizens now have direct 'no-transfer' service via this route to Eglinton subway station in rush hours.

MORTIMER-MAIN — Two routes, 'Mortimer' and 'Main', were combined and extended to provide a crosstown service through East York Township.

NORTH YONGE-SENLAC — Extended to a new loop serving Branson Hospital. Hospital workers and visitors now enjoy 'no-transfer' service to Eglinton subway station in rush hours.

SCARBORO — A branch of this route was extended north of Kingston Road on Markham Road to a new terminal at Painted Post Road. This extension provides service to Scarborough's new Cedarbrae Secondary School.

WILSON — Extended to Habitant Drive and Weston Road, providing service to Emory Secondary School.

In addition, hours of service were extended on six routes, BATHURST, DON MILLS, WILLOWDALE-SENLAC, EGLINTON EAST, BRIMLEY and WILSON. Prior to the year end, the Commission approved an extension of the WOODBINE bus route to coincide with the opening of the new Providence Villa and Hospital on St. Clair Avenue East at Warden Avenue early in 1962.

REROUTINGS

Two street car lines were rerouted during 1961 to accommodate major construction projects. In June, DUNDAS street cars discontinued operation on Louisa and Albert Streets in preparation for the construction of Toronto's new City Hall and Civic Square. In August, Ferry Loop at Queen's Quay and York Street, the terminus of the DUPONT street car line, was abandoned to facilitate construction of the Frederick G. Gardiner Expressway. A temporary loop was built on Harbour Commission property on the west side of Bay Street between Queen's Quay and Harbour Street.

SPECIAL SERVICES

An aggressive bid for new Express Bus Special Service business was successful in 1961. Almost 100,000 riders were carried on six Express Bus routes inaugurated to provide direct service to the Canadian National Exhibition. Express services to hockey, football and horse-racing continued to be popular with many thousands of fans, and the Commission will be alert to new opportunities to extend and improve these special services.

Week-end bus service was again operated to Edwards Gardens from May to October, and, although traffic declined from the previous year, more than 13,000 riders were carried. Christmas Light tours of the Metro area were operated every night from December 18th to 30th, carrying 3,269 'light-seeing' passengers.

VEHICLES

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	92

Subway Cars	140
Trolley Coaches	145
Motor Buses	551
Service Vehicles:	
Rail-Surface	32
Rail-Subway	6
Automotive	102

TOTAL	1,812

In addition, 23 unlicensed buses were being held in storage, some available for service in an emergency and others awaiting disposal.

Thirty-three old Witt street cars were sold as scrap during the year and a rail grinder car was sold to the Ontario Historical Railway Society. Twenty-three old buses were sold.

The Commission's high fleet maintenance standards were continued. In addition to regular preventive maintenance work, 303 passenger vehicles received major body overhauls and complete repainting.

TRACK AND ROADWAY

Track renewal and re-alignment work on Lake Shore Road between Humber Loop and Brown's Line continued during the year in conjunction with the Metropolitan Toronto repavement project. The section from 5th Street to 23rd Street in New Toronto was completed in 1961. All work on this project will be completed in 1963.

Reconstruction of the track on Prince Edward viaduct was completed. This work was started in 1960 in conjunction with Metropolitan Toronto's bridge rehabilitation project.

Other work completed during the year included replacement of special trackwork at the intersection of College and Bathurst Streets; conversion of manually-operated track switches to electrical operation; replacement of subway rail on the curve south of Davisville Station and replacement of special work in the crossover track at the entrance to Eglinton subway station.

At December 31st, 1961, total miles of single track in service were:

Surface Track	198.03
Subway Track	13.40
	<hr/>
TOTAL —	211.43

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

Trolley bus	25.84
Motor bus	293.55
	<hr/>
TOTAL —	319.39

BUILDINGS AND PROPERTY

In connection with the previously mentioned 17-storey commercial building to be built over Eglinton subway station, work was started on a two-level parking deck over the garage and yard area south of the station. Coincident with this work, construction started on an extension to the Commission's repair and storage garage.

When completed, this addition will provide heated storage for 95 additional vehicles. Three new fuel and service islands, additional vehicle hoists and inspection pits, and new steam cleaning facilities will improve the efficiency of Eglinton garage. A new modern fire alarm system has also been installed.

Alterations to the Yonge Street subway were undertaken in preparation for the extension of the subway north on University Avenue. These changes include installation of signal, traction power and electrical feeder equipment, and modifications of platforms to permit the operation of longer subway cars.

Bright, attractive aluminum and glass passenger shelters were erected at St. Clarens, Gilbert and Ferry loops.

LABOUR RELATIONS

Collective agreements with two of the three labour unions which represent the majority of the Commission's employees were renewed late in 1961 after negotiations lasting several weeks. The agreements are effective for a two-year period ending December 31st, 1963. The agreement with the third union, Local 2, National Union of Public Service Employees, was referred to a Board of Conciliation appointed by the Minister of Labour for Ontario.

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

PUBLIC INFORMATION

Keeping the public fully informed about routes, schedules, fares, stops and other information about the system continued to be an important part of the Commission's activities. The telephone information staff answered 661,400 inquiries during the year, an increase of 27,000 over 1960.

To provide up-to-date details on new routes, extensions, schedules and other service changes, 400,000 bus time tables were distributed by drivers, T.T.C. Guides and direct mail. Requests were filled for more than 60,000 system route maps. In addition, a take-one folder, "Headlight", was published monthly to keep transit riders and others in the community informed about their transit system.

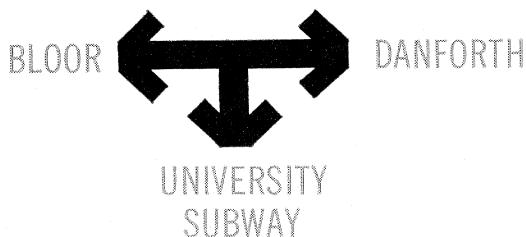
SAFETY PROGRAM

The Commission is proud of its achievements in the field of traffic safety, and is pleased to report that another new all-time record was established in 1961 with a 12% improvement compared to 1960.

Awards were received from the National Safety Council of Chicago for traffic safety and from the American Transit Association for employee safety.

In the last ten years the Commission has reduced the number of traffic accidents per million miles by 64% and its passenger accident rate by 40%. This record is unmatched by any other major transit property in North America. This excellent safety record is founded on sound basic training, on continuous safety education, on refresher training courses, and on the diligent efforts of the drivers and operators.

SUBWAY CONSTRUCTION



At the year end, heavy construction work on Stage 1, the University Avenue section of the Bloor-Danforth-University Subway, was nearing completion. The year 1962 will see the completion of such work as installation and testing of escalators; the interior finish of the six stations; installation of track and signals and their testing in preparation for the opening of this section in the spring of 1963.

Labour strikes delayed the subway contractors from time to time during the year. The delays, although serious, were in most cases of shorter duration than the actual duration of the strikes. These labour difficulties handicapped the contractors and sub-contractors in their efforts to meet rigid construction schedules, which in this stage are largely interdependent because progress on one contract determines the commencement of the next one. A total of 160 contract days lost time was incurred due to these strikes.

One serious repercussion was the cessation of the tunneling under the Parliament Buildings, which necessitated special precautionary measures to avoid loss of ground and building settlement.

Notwithstanding these setbacks, the overall tempo of construction progress was recovered, and at the year end work was close to schedule.

STAGES 2 AND 3

The east and west branches of the Bloor-Danforth-University Subway, formerly scheduled for construction in two separate stages, have now been combined for earlier completion as a whole. This was made possible by the previously mentioned loan of \$60-million from the Provincial Government to Metropolitan Toronto. As the result of this loan the Ontario Municipal Board subsequently approved the application of Metropolitan Toronto to schedule

these two stages for completion together, ready for operation early in 1967. Needless to say, the Commission, which had strongly urged a speed-up in subway construction, is gratified with this development.

Progress on these two stages as at the end of 1961 may be summarized as follows:

Preliminary engineering and design work for Stage 2, which is from St. George Station east to Greenwood Avenue, including the Greenwood Yard maintenance and repair shops, 65% complete. Contract drawings and specifications have been issued for the following contracts:

- D-1 — Cut and Cover structure from Avenue Road, including completion of the east leg of the Bloor-University wye, and east to Yonge Street including Yorkville Station. Awarded to the Foundation Company of Canada on December 19th, 1961, valued at \$5,144,168 for commencement in January, 1962.
- D-2 — Tunneling — Twin tunnel structure from Yonge Street, east to Sherbourne Street. Awarded to Robert McAlpine on December 29th, 1961, valued at \$2,739,575, for commencement in January, 1962.
- D-7A — Excavation and grading — Greenwood Yard site. Awarded to Swansea Construction Company Limited on November 21st, 1961, valued at \$742,440. Work started on December 26th, 1961.

Preliminary engineering and design work for Stage 3, from Greenwood Avenue, east to Woodbine and also from St. George Station west to Keele, is well in hand, with exploratory soil borings and topographical field surveys keeping ahead of design requirements.

RIGHT-OF-WAY

The Metropolitan Subway Property Committee completed the acquisition of right-of-way for Stage 1 early in the year; has completed nearly all of the acquisitions of Property required for Stage 2, and is now well advanced with right-of-way requirements for Stage 3.

GENERAL

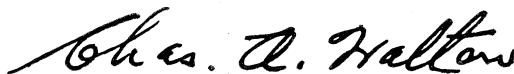
The Commission wishes to pay tribute to its loyal and competent employees who enable the Commission to continue to provide dependable service to the community.

The Commission also expresses its appreciation to Metropolitan Council, and to all civic authorities in Metropolitan Toronto and to the public generally for their support and co-operation during the past year.

Respectfully submitted,



Chairman



Vice-Chairman



Commissioner



Commissioner



Commissioner

TORONTO TRAN

BALANCE SHEET

ASSETS

CURRENT AND WORKING ASSETS:

Cash including interest bearing deposits	\$	957,611	
Accounts receivable less allowance for doubtful accounts		565,372	
Gray Coach Lines, Limited – current account		402,616	
Working funds advanced to employees and agents		364,213	
Materials and supplies valued on the basis of cost less allowance for obsolete items		2,128,313	
Unexpired insurance premiums and other prepaid expenses		342,341	
		-----	\$ 4,760,466

INVESTMENTS:

Canadian Government bonds, at market value	\$	163,200	
Mortgages receivable on property sold		532,552	
		-----	695,752

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

1,000,000

UNAMORTIZED DEBENTURE DISCOUNT

1,394,951

CAPITAL ASSETS:

Land, buildings, subway, power distribution system, trackwork, rolling stock, buses, ferry boats, franchises, etc., at cost	\$	149,881,748	
Less – Accumulated depreciation		68,625,527	
		-----	81,256,221

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

Expenditures on and funds appropriated for construction of the subway	\$	33,547,387	
Less – Capital contributions received from The Municipality of Metropolitan Toronto		15,811,341	
		-----	17,736,046

\$106,843,436

IT COMMISSION

DECEMBER 31, 1961

LIABILITIES

CURRENT LIABILITIES:

Accounts payable and accrued liabilities	\$ 3,271,657	
Debenture interest accrued	471,208	
Debentures maturing and sinking fund payments due in 1962	2,315,521	
	<hr/>	\$ 6,058,386

PROVISIONS:

For tickets and tokens held by the public	\$ 350,000	
For workmen's compensation and public liability	1,500,000	
	<hr/>	1,850,000

CAPITAL DEBT:

The Municipality of Metropolitan Toronto:		
For serial debentures maturing in annual instal- ments from 1962 to 1984 (including \$42,255,000 debentures payable in United States funds)....	\$ 55,672,000	
For sinking fund debentures maturing between 1980 and 1991 (including \$2,599,000 deben- tures payable in United States funds), less sinking fund balance of \$769,041 (Note 2)	13,283,959	
	<hr/>	\$ 68,955,959
Less — Debentures maturing and sinking fund payments due in 1962 shown as current liabilities	2,315,521	
	<hr/>	\$ 66,640,438
Foreign exchange premiums received less dis- counts paid on transfer of proceeds of out- standing debentures issued in United States funds	1,642,043	
	<hr/>	68,282,481

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	5,848,836	
	<hr/>	30,652,569
		<hr/>
		<u>\$106,843,436</u>

TORONTO TRANSIT COMMISSION

STATEMENT OF EARNINGS FOR THE YEAR ENDED DECEMBER 31, 1961

REVENUE:

Passenger services	\$39,340,172	
Rental of equipment and buildings to Gray Coach Lines, Limited, municipalities and others	520,430	
Rental of advertising space	432,873	
Interest earned	108,931	
Dividend from Gray Coach Lines, Limited	75,000	
Miscellaneous	143,446	
	\$40,620,852	

EXPENSES:

Wages, salaries, vacation and holiday pay and other employee costs (pensions, sick benefits, hospital insurance, compensation)	\$25,580,290	
Electric traction power, not including maintenance and operation of sub-stations	2,225,308	
Gasoline and diesel oil, including provincial tax	1,003,365	
Taxes and licences — municipal and other governments	1,292,964	
Provision and insurance for public liability	462,556	
Depreciation	3,837,808	
Other expenses including cost of materials used, rents, etc.	3,592,792	
	37,995,083	
	\$ 2,625,769	
Debenture interest and discount	2,168,241	
	\$ 457,528	

ISLAND FERRY SERVICE:

Revenue	\$ 307,689	
Expenses, including employee costs \$214,333 and depreciation \$24,118	389,795	
	82,106	
Loss on Island Ferry Service	82,106	
Net earnings for the year	\$ 375,422	

TORONTO TRANSIT COMMISSION

STATEMENT OF EARNINGS RETAINED SINCE JANUARY 1, 1954

Balance December 31, 1960	\$5,145,151
Net earnings for the year 1961	375,422
Profit realized on sale of property	282,829
Net foreign exchange gain realized on debenture debt retired in 1961 which was payable in United States funds	45,434
Earnings retained at December 31, 1961	\$5,848,836

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 1961

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, 1961, The Municipality of Metropolitan Toronto has undertaken to contribute \$108,093,000 toward the cost of constructing the Bloor-Danforth-University subway. The total cost of the subway is estimated in the amended Ontario Municipal Board order at \$206,533,000.

Expenditures on and funds appropriated for construction of the Bloor-Danforth-University subway to December 31, 1961 were:

Construction costs	\$35,656,220
Miscellaneous costs and receivables	466,085
Cash in Bloor-Danforth-University subway bank account...	186,772
Temporary investment — Government of Canada Treasury Bills	895,518
Portion of proceeds of debenture issue receivable from The Municipality of Metropolitan Toronto	1,018,198
	\$38,222,793
Less:	
Accounts payable and accruals	\$1,311,097
Contract holdbacks	3,364,309
	4,675,406
Balance at December 31, 1961	\$33,547,387

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 \$108,093,000 referred to above.

NOTE 2:

At December 31, 1961, the Commission had an apparent equity, which is not reflected in the financial statements, of \$33,025 in the excess earnings of the sinking fund of The Municipality of Metropolitan Toronto in respect of sinking fund debenture payments. An amendment to the Municipality of Metropolitan Toronto Act, passed in 1962, provides that at such time as the sinking fund committee of the Municipality applies a sinking fund surplus to any of the purposes set forth in the Act, the Commission will share in such distribution of the surplus in the proportion that its contributions to the sinking fund bear to the total contributions made to the sinking fund account.

NOTE 3:

The Statement of Earnings reflects charges of \$1,070,502 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:

Effective January 1, 1962, The Municipality of Metropolitan Toronto assumed the operation and purchased the assets of the island ferry service on payment to the Commission of \$132,648 representing the net book value of the ferry boats.

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, 1961 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, 1961 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.

Price Waterhouse & Co

Toronto, May 24, 1962.

Chartered Accountants.

TORONTO TRANSIT COMMISSION

1961 STATISTICS

Revenue passengers carried — zone fare system	267,582,600
Revenue passengers — normal week day average zone fare system	875,500
Miles operated — including chartered and special services	48,936,539
Miles operated — normal week day zone fare system	150,000
Miles in single track	218.75
Bus route miles	293.55
Trolley coach route miles	25.84
Street cars	836
Buses	574
Trolley coaches	145
Subway cars	140
Ferry boats	4

Fares

Zone 1

Adults — 20c cash or 1 ticket (7 for \$1.00 or 2 for 30c) or token (7 for \$1.00 or 2 for 30c)
(Books of 21 tickets for \$3.00)

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

Scholars — 1 ticket — (10 for \$1.00)

(1 scholar's ticket good for ride anywhere in Metropolitan Area)

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

Zone 2 — same as Zone 1

Zone 2 and 3 combined

Adults — 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	175,494,000
Gasoline consumption in gallons — including Gray Coach Lines	1,094,400
Diesel oil consumption in gallons — including G.C.L. and Ferries	3,549,400
Taxes paid on gasoline and diesel oil	\$563,500
Property taxes paid	973,700
Other taxes and licences paid	319,300
Total taxes and licences paid	\$1,856,500
Number of regular employees — including G.C.L. and Ferries	5,600
Gross payroll — including G.C.L., Ferries, etc.	\$27,959,400
Metropolitan Area population	1,566,200
Automobile registrations	526,000
Persons per automobile	3.2