

**Financial Probabilities:**

Considering the question as to what financial results subway schemes are likely to obtain, we present to you the two aspects of the case:

- (a) That of a Yonge Street subway operated in opposition to the present street railways.
- (b) That of the ideal subway scheme we have outlined as Scheme No. 1, and operated in conjunction with the present street railway system, extended into the various districts to points about 6 to 8 miles from City Hall.

In the first case (a) the present Toronto Railway Company would still retain the short haul traffic within the City limits. The true function of a subway, we have said, is not so much to take short haul traffic as to move masses of travellers rapidly and cheaply from the congested business area to the surrounding areas of residential districts. A subway such as this competing directly with a surface line must be at a great disadvantage, and a subway has its own needs and its own functions, and by recognizing this and working on those lines alone, success may be assured in many cases, whereas by attempting to compete with the short haul facilities afforded by a surface line, failure may be the result. Apropos of this, it is of course not at all necessary to give any thought to the accommodation of both rapid and local transit in Toronto by a four-track subway.

We have made a study of the amount of traffic now taking place over the various surface car lines, and believe that during the year 1910 about 104,000,000 passengers will be carried on the surface lines in the City of Toronto.

We have also taken observation of the relative number of transfers at the transfer points throughout the City. This information has been plotted diagrammatically, and is shown in Figure 8.

With the above conditions we forecast that on this subway line up Yonge Street in three years' time, which is the earliest date at which such a subway could be put in operation, there would be traffic for the first year of 7,000,000 passengers. We have assumed twenty miles of single track radial lines to be built in conjunction with this subway and operated as a single system on a five-cent fare; the gross income would be \$350,000 for the first year. On the basis of a five-cent fare and taking into account this rather insular operation and the unusually long haul per passenger, we estimate the operating expenses would be about 75 per cent. of the gross earnings. On this basis the operating charges would amount to about \$262,000 per annum. Taking an average of the cost of the various lines we have outlined on Yonge Street, the cost of construction of the subway part will be \$4,500,000; for radials to the extent noted above, \$500,000, and for equipment, \$75,000. The total figure, including interest during construc-

|           |           |
|-----------|-----------|
| 4,500,000 | 5,775,000 |
| 4,500,000 | 235,000   |
| 500,000   |           |
| 775,000   | 6,010,000 |
| 5,775,000 |           |

Equipment