

## TORONTO AND THE STREET RAILWAY

Chairman of Transportation Committee's Memorandum  
—Revenues and Charges

Toronto's revenue from the street railway for 1911, as given in the city treasurer's last report was \$772,108. This is the gross revenue. It is this gross revenue which usually appears in the press and a great many people appear to regard it as net. The returns for 1912 exceed those of 1911 by about \$100,000. But in place of the city getting from \$800,000 to \$900,000 each year from the railway, the actual income to-day is only about \$125,000, states Alderman S. Morley Wickett in a memorandum submitted to the transportation committee of Toronto city council.

From a special return which I have been favored with and from additional information from other quarters the approximately complete figures for the last four years, which, as the latest may probably be assumed to be the most productive years, are as follows:—

The city's expenditure on street railway:—

	Pavements.	Repairs and Reconstruction.	Interest.	Total.
1909	\$24,882.77	\$232,251.62	\$160,000.00	\$417,134.39
1910	78,138.04	235,942.72	160,000.00	474,080.76
1911	342,094.51	201,359.70	160,000.00	703,454.21
1912	150,462.23	314,186.36	160,000.00	624,648.59

\$2,219,317.95

Re item of \$160,000 as interest: For some curious reason the city, states Mr. Wickett, has been assuming the entire cost of track pavement instead of charging a fair proportion to the local properties; thus Yonge Street properties, for example, pay only for pavements between the sidewalk and the track, the city paying for the surfacing of the area covered by the double tracks and devil strip. This means that altogether the city has paid for some \$4,000,000 of pavements, of which at least one-half might and should have been charged as a local improvement. Interest on this sum at 4 per cent. is \$160,000, which may be taken as a rough approximation. This item of interest, it will be noticed, is over one and one-half times the item of rental for right-of-way.

The city's revenue from street railway:—

	City's Percentage.	Rental of Right-of-way.	Taxes.	Total.
1909	\$507,827.49	\$82,127.62	\$50,326.34	\$640,281.45
1910	596,297.35	83,040.58	48,142.37	727,480.30
1911	687,650.44	84,458.20	50,119.60	822,228.24
1912	798,958.66	90,958.00	52,137.30	942,053.96

\$3,132,043.95

The surplus revenue over expenditure:—

1909	\$223,147.06
1910	253,399.54
1911	118,774.03
1912	317,405.37

\$912,726.00

which means a yearly average for the last four years of \$228,181. This sum, however, is subject to a proportion of the sinking fund charges on outstanding pavement bonds (\$1,300,000 net), which may be placed for each year at somewhat over \$100,000, thus leaving the city a net revenue from the railway company of \$125,000.

## Taxes and Revenue.

As regards the taxes paid by the Toronto Street Railway Company the rolling stock is exempt. The taxes indicate a valuation of approximately only two and a half millions for the company's land, buildings, machinery, poles, wires and tracks.

Out of the net railway revenue the city must in future meet interest and sinking fund on costs of railway pavements. The franchise expires 1st of September, 1921. In the past sinking fund charges have been issued on a basis of retirement in ten-year periods. From now on if all such payments are to be cleaned up by the expiry date of the franchise, the yearly charges for sinking fund will be higher in proportion, suggests the Alderman, to the growing shortness of the due date of the pavement bond issues. Even assuming that the city's gross railway revenue will increase substantially, this means that during the last year or so of the franchise the city may be paying out for railway pavements and sinking fund charges pretty much all the moneys it will be receiving from the company. The actual situation will depend on the earnings of the company, the class and extent of railway pavements the city lays and the condition of repair in which such pavements are maintained. The outlay for railway pavements will

likely be higher than in the past on account of the city laying heavier road-beds than formerly, and in view of the contemplated extensions to street railway lines.

## Outlook Compels Attention.

The outlook for the last few years of the franchise directs attention to the system of civic financing in connection with past surpluses.

In the first place, to appropriate these surpluses for general city purposes and then borrow fresh money for pavements is a costly and an unbusinesslike policy. It is a policy, moreover, which leads the public into imagining a larger surplus than really exists.

In the second place, to build street railway pavements entirely at the expense of the city, instead of charging a fair proportion as local improvements is not equitable.

Had the local properties been charged their fair proportion there would have been little if any outstanding liability such as now stands against railway pavements, and must be liquidated out of general taxes during the next few years. On this item alone the city is out about \$2,000,000.

If no action is taken the city will have to face an unnecessary bill of another million before many years are over, concludes Mr. Wickett.

Moreover, a decision on this point is advisable with a view to a civic policy in connection with our own lines. To charge the civic system with the entire cost of surfacing pavements places a burden on this system that cannot fairly be charged as part of capital cost.

## LONDON STREET RAILWAY COMPANY

The London Street Railway Company's annual report, showing the satisfactory progress the company is making, the principal returns are given below. Mr. H. A. Everett, president of the company, remarked that "the expected increases in gross earnings and surplus during the past year have been exceeded, and, as general business prospects in the city at present are good, our anticipations for the coming year are that it will be the best year in the company's history."

	1911.	1912.	Increase.
Earnings:			
Passengers	\$274,887.95	\$301,196.62	\$26,308.67
Miscellaneous	4,718.98	5,034.40	315.42
Gross earnings	\$279,606.93	\$306,231.02	\$26,624.09
Expenses:			
Maintenance:			
Ways and structures	\$22,325.01	\$23,743.37	\$1,417.46
Equipment	30,337.48	28,516.55	1,820.93*
Transportation:			
Power plant	\$35,556.80	\$40,015.09	\$4,458.29*
Car service	74,085.98	86,367.60	11,381.62
General	29,530.59	31,635.58	2,104.99
Total operating expenses	\$192,736.76	\$210,278.19	\$17,541.43
Net earnings	\$86,870.17	\$95,952.83	\$9,082.66

Deductions:			
Interest on bonds	\$28,750.00	\$28,911.00	\$161.00
Interest on overdraft	93.59	.....	93.59*
Total deductions	\$28,843.59	\$28,911.00	\$67.41
Net income	\$58,026.58	\$67,041.83	\$9,015.25

\* Decrease.

## CUNARD COMPANY WILL MAINTAIN WEEKLY SERVICE

In the Canadian trade we have last year had the advantage of a full year's working, and the results naturally show a great advance on those on the previous year, said M. A. Booth, chairman of the board of directors of the Cunard Company, at the annual meeting. When the two new steamers, Andania and Alaunia, are placed in the service, as they will be during the current year, we shall be able to maintain a weekly service between London and Montreal during the St. Lawrence season, and we shall then be able to look forward to still more satisfactory results.

The North-Western National Insurance Company, of Milwaukee, Wis., has been licensed to transact throughout Canada the business of fire, hail and tornado insurance. Mr. Guy M. Harris, Winnipeg, has been appointed the chief agent.