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MASS TRANSIT AND THE FAILURE QF PRIVATE OWNERSHIP: THE CASE OF TORONTO IN THE EARLY TWENTIETH CENTURY*

Michael J. Doucet

During the last half of the nineteenth century several developments in the field of urban mass transit helped to greatly alter the spatial structure and the way of life in cities in Europe and North America. The most important of these innovations was probably the electric streetcar which evolved during the 1880s. More efficient and cheaper to operate than its predecessors - omnibuses and horsecars - the electric streetcar meant lower fares and a greatly expanded ridership. Moreover, the greater speed of the trolley increased the opportunities both for suburban residential development and for leisurely holiday and Sunday trips to outlying recreational facilities. Yet, if these advantages of electric traction were virtually universal, attitudes towards the operation and control of this important utility were quite different throughout the western world. As John McKay has recently noted, in France and Germany such utilities were in private hands but were regulated by strict governmental controls relating to levels of service, fare structure, and the expansion of facilities. Moreover, in most instances in these two countries, the ownership of the facility reverted to the municipality upon the expiration of the franchise. In Great Britain, on the other hand, municipal ownership was the norm from a very early stage. Finally, in the United States street railways were operated by private entrepreneurs under essentially laissez faire conditions. This lack of regulation often proved to be vexatious upon the

^{*}I wish to thank Isobel Ganton, Harvey Graff, Jim Lemon, Michael Katz, and the <u>Urban History Review</u>'s referees for their comments, and Rosemarie Schueler for her help in typing the manuscript.

expiration of franchises since it was seldom clear how the city should gain control and how much compensation the private entrepreneur should receive. 1

The history of mass transit operations in Toronto reveals a rather interesting intermixture of the attitudes towards ownership that had been evolving elsewhere. Nor did attitudes remain constant over time, and these shifting perceptions of public involvement in mass transit provide the major focus for this paper. In 1861, for example, when the first horsecars were introduced to the city, Toronto followed the example set in U.S. cities. The horsecars were seen not as a public utility but as a novelty, and the rights to their operation were handed over to private entrepreneurs in the form of a thirty-year monopolistic franchise. The city did regulate the fare structure (five cents) and some aspects of the operation of the horsecars (for example, hours of service) and it did tax the company's revenues, but in typical North American fashion the question of what was to happen when the franchise expired was not clearly spelled out. Instead, there was considerable bickering over the cash value of the utility as the first franchise drew to a close. By 1891 mass transit had become an essential part of life to many Torontonians. Some even advocated municipal ownership of the utility, and the horsecars were operated by the municipality while the civic leaders deliberated upon a course of action. Public ownership, however, proved to be too radical a step for most of Toronto's leading politicians and businessmen in 1891. In spite of the poor service provided by the private company during the last years of its franchise, most civic leaders still felt that transit had to be

John P. McKay, <u>Tramways and Trolleys: The Rise of Urban Mass</u>

<u>Transport in Europe</u> (Princeton, 1976). See also G. Smerk, "The Street-car: Shaper of American Cities," <u>Traffic Quarterly</u>, XXI (1967), 569-584; and G. R. Taylor, "The Beginnings of Mass Transit in Urban America," in J. F. Richardson (ed.), <u>The American City: Historical Studies</u> (Waltham, 1972), 125-157.

operated on strict business principles.² Torontonians still had to learn about the drawbacks of private ownership through experience. Another three decades under this system was a more than sufficient period for the education of the riding public.

The second street railway franchise, also for thirty years, was let to William Mackenzie and his associates in the Toronto Railway Company (TRC). Mackenzie was probably the greatest Canadian steam and electric railway magnate of his time, with interests that included the vast Canadian Northern Railway (later to become the Canadian National Railway) and other rail lines, along with street railway and electric power companies in such diverse places as Nova Scotia, Manitoba, Alberta, Mexico, and Brazil. In the TRC, as is most of his ventures, Mackenzie was joined by contractor Donald Mann. A third important TRC official was Robert John Fleming, a former mayor of Toronto, who joined the firm in 1905 as General Manager. It was often the "astute and affable" R.J., overseer of the day-to-day operations of the TRC, who bore the brunt of the criticism levellled against the company.

According to a recent analysis by historians Armstrong and Nelles, the primary reason for the granting of the franchise to the TRC

²See Christopher Armstrong and H.V. Nelles, "The Un-Bluing of Toronto and the Revenge of the Methodist Bicycle Company: The Fight over Sunday Street Cars, 1891-1898," paper presented to the Annual Meeting of the Canadian Historical Association, Kingston, 1973. For other discussions of the early transit history of Toronto see Harald Moras, "A Study of the Development of the Public Transportation System in the City of Toronto from 1861 to 1921," unpublished B.C. thesis, Department of Geography, University of Toronto, 1970, 43; and Louis H. Pursley, Street Railways of Toronto, 1861-1921, Interurbans, special volume No. 25 (Los Angeles, 1958), 16.

An Encyclopaedia of Canadian Biography, II (Montreal and Toronto, 1905), 21-2; John F. Due, <u>The Intercity Electric Railway Industry in Canada</u> (Toronto, 1966), 14, 82-7; and Pursley, <u>Street Railways</u>, 153.

⁴J.E. Middleton, <u>The Municipality of Toronto</u>. A History, 3 vols. (Toronto, 1923), II, 54.

This description in Pursley, Street Railways, 140.

was economic. ⁶ Thirty years of service by Toronto's first private operator, the Toronto Street Railway Company, had left the city with a system that was badly in need of both modernization and expansion. More specifically, to keep up with the latest developments in North American street railway technology, the Toronto utility had to be electrified. ⁷ This meant a large outlay of capital for new equipment which would have been well beyond the means of the municipality. It, therefore, called for tenders for a new franchise and made the responsibilities for refurbishing the street railway a part of the agreement between the City and the successful applicant. ⁸

For a time, the Toronto Railway Company made a conscientious effort to serve the citizens of Toronto. The car lines were completely electrified by 1894 and, between 1892 and 1910, the number of miles of single track increased by about 74 per cent, from 68.5 miles to just under 120 miles. Even though the population of the city had increased by about 102 per cent during this period, the growth of the street railway had been encouraging (Table 1). Furthermore, the fleet of electric street cars operated by the company had increased dramatically and at a rate that far outstripped population growth. In 1894 there had been 0.61 electric street cars for every one thousand Torontonians; by 1910, this figure had climbed to 1.91 per thousand of population.

⁶For a discussion of the reasons behind the rejection of public ownership at this time see Armstrong and Nelles, "The Un-Bluing of Toronto," 28-31.

⁷In spite of the fact that the first North American commercial electric railway began as an annual experiment at the Canadian National Exhibition in 1883 (see Mike Filey, Richard Howard and Helmut Weyerstrahs, Passengers Must Not Ride on Fenders (Toronto, 1974), 20), Toronto lagged behind many North American cities in the adoption of the new power source. For details of this see W.G. Ross, "Development of Street Railways in Canada," The Canadian Magazine, XVIII (January 1902), 276; and Harold C. Passer, The Electrical Manufacturers 1875-1900 (Cambridge, Mass., 1953), 216-55. On European developments see McKay, Tramways and Trolleys, 35-83.

See The Charter of the Toronto Railway Company Together with Subsequent Statutes, Agreements and Judgements Relating to the Said Company and the Corporation of the City of Toronto from April 14th 1892 to December 8th 1905 (Toronto, 1906), and Statutes of Ontario 1892. The legislation establishing the TRC was 55 Vic., c. 99.

TABLE 1

Average Financial Statistics, Trackage, and Rolling Stock

Toronto Railway Company, 1892-1920

Period	Pop. (000's)	Passengers (millions)	Gross Earnings (i	Net Earnings n millions	Payments to City of dollar	Dividends Paid s)	Single Track	Streetcars in Service	Passengers per Car (millions)
1892-1895	172	21.6	0.92	0.38	n.a.	n.a.	86.1	96	0.23
1896-1900	188	29.1	1.22	0.62	n.a.	n.a.	92.2	263	0.11
1901-1905	220	53.1	2.17	0.96	0.37	0.35	96.8	475	0.11
1906-1910	296	91.8	3.71	1.77	0.56	0.52	109.8	614	0.15
1911-1915	434	140.6	5.63	2.55	1.01	0.86	133.0	764	0.18
1916-1920	487	170.8	6.79	1.65	1.31	0.48	139.0	767	0.22

Sources: calculated from figures in Louis H. Pursley, Street Railways of Toronto, 1861-1921. Interurbans, Special Vol. No. 25 (Los Angeles, 1958), 4 and 144; The Railway and Shipping World, II (January, 1899), 16; and the Toronto Railway Company, Annual Reports (1905, 1906, 1908-1920).

The TRC did not go unrewarded for its early efforts. Passengers increased by 473 per cent between 1892 and 1910 and the number of trolley trips per capita increased from 113 in 1891 to 320 in 1910, a figure that far outstripped patronage in European and most U.S. cities at that date. Even more important, from the private company's view, net earnings had grown by a hefty 830 per cent. By 1910, the net annual earnings of the TRC had passed the \$2 million dollar mark for the first time and the company was able to pay out more than \$500,000 in dividends to its shareholders. Two important trends clearly emerge from these figures - Torontonians were becoming increasingly dependent upon the street railway and the TRC had become an extremely lucrative property.

After 1910, the expansion of Toronto's street railway network was hardly spectacular. Indeed, in the interval between 1910 and 1920, only about 20 miles of single track were added to the system, a 17 per cent increase, and, of these, 8.7 miles were actually constructed by the City. The TRC, in fact, laid no new lines of its own after 1915. Population doubled in Toronto between 1910 and 1920; yet, in spite of the fact that public dependence on streetcars had increased to the point where every man, woman and child in the city took an average of almost 385 trips on the system, the ratio of electric cars to population had declined to 1.46 per thousand by the latter year. And, in spite of a deficit in its last full year of operation, the net earnings of the TRC for the ten years from 1911 to 1920, \$21.02 million, actually exceeded those for the first 19 years of the franchise, \$18.28 million, by almost 15 per cent. But if the company surpassed the expectations of its shareholders, it did not keep pace with the growth of the city. By the latter years of the franchise the extent of Toronto's street railway network (as measured by miles of track per

⁹McKay, Tramways and Trolleys, 194-198. Only New York, with 330 trips per capita, was ahead of Toronto in 1910.

thousand of population) did not compare favourably with the pattern in other Canadian cities (Table 2).

One obvious reason was the relationship between the TRC and the City, which was poor almost from the beginning of the franchise, a pattern that McKay found typical in most U.S. cities and in British cities prior to public ownership. 10 The granting of the second Toronto franchise had itself been shrouded in controversy and from a very early date, the TRC, like many other North American transit firms, attempted to have the contract altered to suit its needs and, generally, to increase profits, usually at the expense of service quality. 11 Legal battles between the City and the TRC were, therefore, numerous, with individual cases often being highly protracted affairs. These only served to inhibit the expansion of the system. One such case concerned the passenger loads being carried by the cars of the TRC. As early as 1899, the City was before the Courts to accuse the street railway operators of overcrowding their cars. 12 With the creation by the province of the Ontario Railway and Municipal Board (ORMB) in May of 1906 to regulate the operation of steam and electric railways and to hear appeals concerning municipal affairs, the operation of public utility companies, and labour disputes, a permanent battle ground was established for all such disputes. 13 It came to be well utilized by both parties.

The City quickly raised the overcrowding issue before the newly created ORMB. In May of 1907 the Board ruled that the TRC had indeed overcrowded its streetcars. The solution to the problem Board members felt, lay both in the provision of 100 new cars and the

¹⁰Ibid. 91-95.

¹¹ Armstrong and Nelles, "The Un-Bluing of Toronto," 4.

^{12&}quot;Toronto Railway Litigation," Railway and Shipping World, II (March, 1899), 92.

¹³ S.J. McLean, "Ontario Railway and Municipal Board," Railway and Marine World, IX (September, 1906), 505 and 507.

TABLE 2

Per Capita Electric Railway Statistics for Selected Canadian Cities 1915^{1}

City	Miles of Track/ 000 Pop.	Passengers	Gross Revenue	Net Revenue
Calgary	1.25	322	\$14.0	\$1.9
Edmonton	1.69	382	18.8	- 5.7
Halifax	0.26	157	10.8	5.1
Hamilton	0.30	172	6.8	1.1
London	0.56	225	8.3	1.7
Montreal	0.26	326	13.9	3.1
Ottawa	0.29	291	12.3	3.5
Quebec	0.25	143	6.1	2.4
Regina	1.02	130	6.2	-3.4
TORONTO	0.17	389	15.6	3.0
Winnipeg ²	0.80	394	15.9	6.5
Vancouver ²	2.42	461	46.1	10.5

Notes: 1) Calculated from figures in <u>Canadian Railway and Marine</u>
<u>World</u>, XIX (June, 1916), 241. Population figures based
on the Fifth Census of Canada, I (Ottawa, 1912), 535-45.

2) Figures include extensive radial railway operations, serving outlying areas, as well as intra-urban street railway facilities. Per capita figures for these cities are, therefore, inflated because the population figures for the catchment areas of the inter-urban lines are not included in the census figures for the respective cities. construction of 10 to 15 miles of new lines to relieve congestion in the downtown area, where many of the TRC's lines converged. ¹⁴ Furthermore, the ORMB judgement admonished the combatants to be more wary of the public's interest:

The City and the Company are co-partners in the enterprise of giving rapid transit to the people. The city contributes the right-of-way and the Company provides the capital, plant and labor. Both profit by the business and both owe a duty to the public in return for what the people pay. There is every reason why partners should agree rather than be at cross purposes.15

It took a number of years for the ORMB's orders to be carried The issue of track extensions proved to be particularly complex. A 1904 TRC policy had confined all track extensions made after that date to the boundaries of the City of Toronto as they had existed in 1891, when the franchise had been granted. To combat this and to assert its control over the streets the City, which had brought the problem of inadequate service before the ORMB, paradoxically attempted to prevent the company from making any extensions at all. On the instructions of the City Council, the City Engineer refused to approve a series of new lines proposed by the TRC for the downtown area during the first half of 1908. Once again the so-called 'transit partners' came before the ORMB. In December of 1908, the Board ruled that the street railway company had the right to select the streets upon which new lines were to be constructed and that, by trying to prevent the TRC from making its desired extensions, the City was in breach of the contract between the two parties. 16 Undaunted, the City appealed to both the Supreme Court of Canada and to the Judical Committee of the

Appeal Book in the Matter of an Application before the Ontario
Railway and Municipal Board between the Toronto Railway Company and the
Corporation of Toronto (Toronto, 1909), 70, Ontario Archives.

^{15&}lt;sub>Ibid., 69.</sub>

¹⁶Ibid., 106-7.

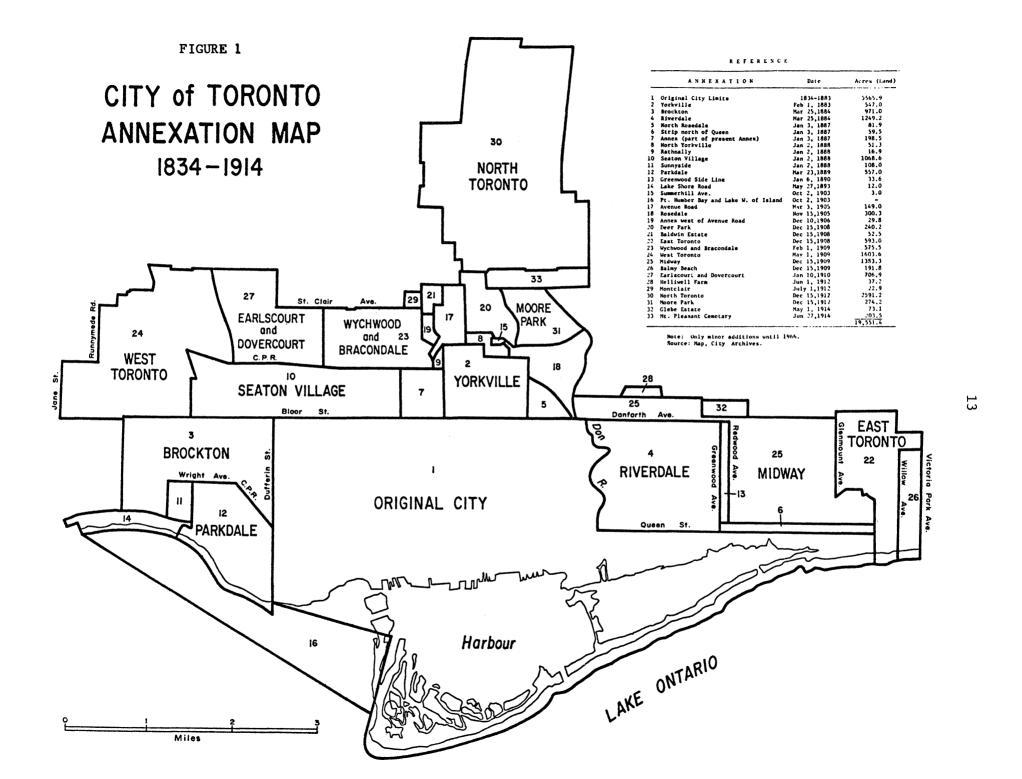
Privy Council in London, without success. The decision of the latter body, rendered in September of 1909, was unequivocal: the City had neither the right to prevent the TRC from making extensions within the 1891 city limits, nor the right to force the company to make them in the outlying districts. Years had been wasted in this legal battle, and, as a result, it was not until 1912 that the TRC was able to complete its desired downtown improvements. Delays of this nature were to become increasingly characteristic as the years passed.

None of the judicial decisions of this period did anything to provide improved transit facilities for the residents of Toronto's burgeoning suburbs. Since the City had annexed a number of outlying districts after 1891, on the understanding that street railway service would be extended into these areas, the City found itself in a real quandary (Figure 1). 19 People in the suburbs wanted a direct link with the centre, but the TRC would not comply. The solution for the City was to build its own car line (the Toronto Civic Railway) into some of the newly annexed areas. The first of these lines was begun in 1911, and by 1915 some 17 miles of civic double-track had been laid (Figure 2). While some areas were served for the first time by this civic venture, it was merely a stop-gap measure, for the City's car lines were neither integrated with the much more extensive TRC network nor, in most instances, with each other. In other parts of the suburbs, some sort of service was provided by two inter-urban radial companies, the Toronto and York Radial Railway and the Toronto

¹⁷ Report of the Proceedings in the Privy Council, "On Appeal from the Court of Appeal for Ontario in the Matter of an Application before the Ontario Railway and Municipal Board between the Corporation of the City of Toronto and the Toronto Railway Company" (Toronto, 1910).

¹⁸ Pursley, Street Railways, 28.

Figure 1 is reproduced, with permission, from J. Lemon and J. Simmons, "A Guide to Data on 19th Century Toronto," Dept. of Geography, University of Toronto, n.d., mimeo. A second, revised edition of this document will soon be available from its authors.



Suburban Railway. 20 Both companies had been purchased by the Mackenzie-Mann interests in 1904, and it seems highly likely that the TRC decision of that year not to extend streetcar service beyond the 1891 city limits was related to this purchase. 21 No attempt was ever made by Mackenzie and Mann to integrate the operation of the radials with that of the TRC, even though they followed the opposite policy in Winnipeg and Vancouver. Those radial sections within Toronto's boundaries generally passed through the densest parts of the city's suburban districts. They were profitable operations in their own right. By virtue of the 1891 franchise, integration with the TRC most probably would have meant a single fare on the within-city portions of the lines, but one fare would have meant a decrease in revenue. This, apparently, could not be tolerated by the private company. For the suburbanite of this period the public transit system was a source of constant irritation. At best, service was provided by two independent companies and, at the other extreme, there was no service close at hand. For the most part, new residential areas only emerged near existing transit lines during this period.

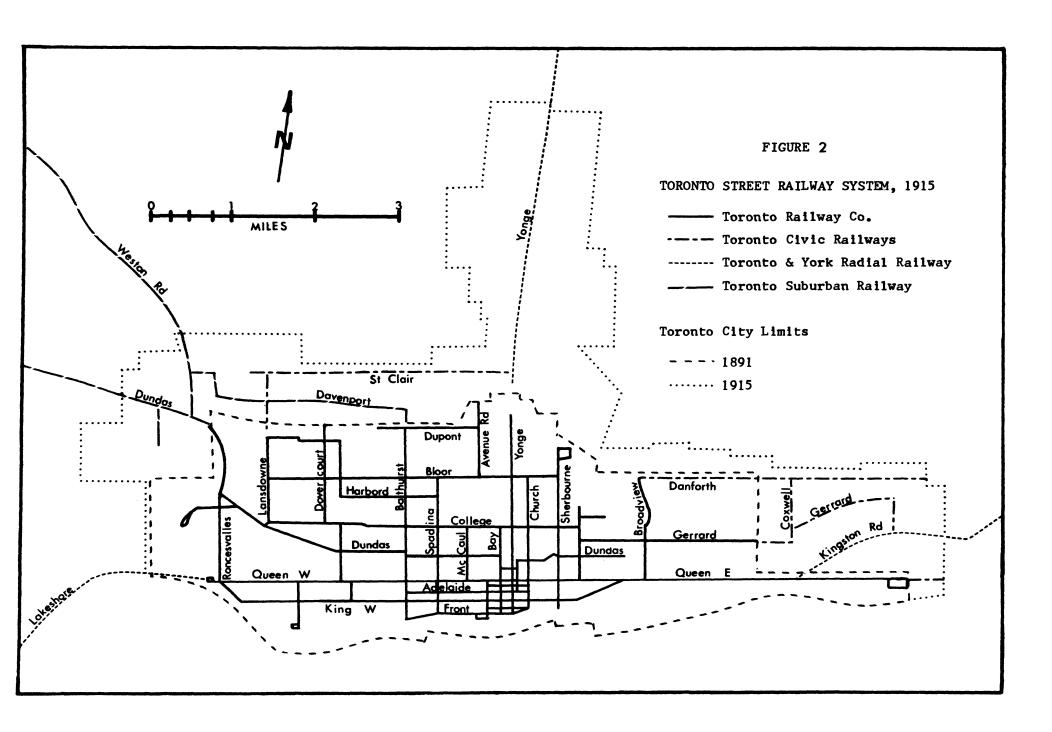
Some politicians felt that service within Toronto was little better at this time. At the behest of the ORMB, the City decided to strengthen its argument that the TRC's cars were overcrowded, through a detailed investigation of the system. On May 23, 1912, the Board of Control recommended that

the Corporation Counsel be permitted to secure a prominent railway expert as an official to be attached to his department for street railway traffic purposes;

The Intercity, 82-7; James V. Salmon, Rails from the Junction (Toronto, n.d.); and Ted Wickson, "The Radial Railways on North Yonge Street,"
Upper Canada Railway Society Newsletter, No. 326 (March/April, 1973, 44-58.

²¹Reported in Railway and Shipping World, VII (August, 1904), 269.

²²See J.E. Rea, "How Winnipeg Was Nearly Won," in A.R. McCormack and Ian MacPherson (eds.), <u>Cities in the West</u> (Ottawa, 1975), 74-87; and P.E. Roy, "The Fine Arts of <u>Lobbying and Persuading</u>," in D.S. Macmillan (ed.), <u>Canadian Business History</u> (Toronto, 1972), 237-254.



and also that funds to the extent of \$35,000 be provided for the securing of expert assistance required in connection with transportation matters.

This resolution was approved by City Council on May 28th, with the phrase "such expert or experts to be residents of Canada if such can be found satisfactory to the Corporation Counsel," added as an amendment. A suitable Canadian could not be found to head the investigation, so Chicago transit authority Bion J. Arnold was hired, with Toronto consulting engineer J.W. Moyes appointed to assist him, and they concluded, as the City expected, that the TRC needed "more tracks, more cars, more speed." Much of the failure of the street railway company apparently related to its economic policies:

it is paying to its owners a liberal return, and building up a large reserve fund. The crux of the situation, so far as present service is concerned, is that instead of this reserve fund being spent on the property to maintain it in condition to give adequate service, it has been distributed in the form of extra dividends, or is being allowed to accumulate, presumably for the purpose of protecting the securities outstanding against the property at the time of the expiration of the present franchise. 25

The shortage of cars and the operation of the system also troubled Arnold. In short, the Toronto system did not measure up to street car facilities in U.S. cities of similar size. In comparison with Washington, New Orleans, Baltimore, Cincinnati, Cleveland, Toledo, Seattle, and Milwaukee, Toronto had the lowest miles of track per capita and the highest receipts per mile of track. Arnold concluded that the Toronto system had not kept pace with the recent growth of the city. Seven

Toronto City Council Minutes, 1912 (hereafter, Council Minutes), Appendix C, 9 and Appendix A, 741.

By this date, Arnold had at least two major transit analysis to his credit. See Bion J. Arnold, Report on Engineering and Operating Features of the Chicago Transportation Problem (Chicago, 1902); and Report on the Pittsburgh Transportation Problem (Pittsburgh, 1910). The quotation is from Bion J. Arnold, Report on the Traction Improvement and Development of the Toronto Metropolitan District (Toronto, 1912), 3.

²⁵Arnold, Report on the Traction, 1-2.

²⁶<u>Ibid</u>., 13.

existing routes, he felt, should be extended and eight new cross-town lines (four east-west and four north-south) should be constructed. Moreover, Arnold recommended no fewer than eleven so-called 'development lines' that should be constructed in areas that were either newly developed or that would be developed in the near future. According to Arnold, these new and extended lines, combined with a number of downtown re-routings and the general upgrading of the TRC's rolling stock would be sufficient to remedy Toronto's transit problems.

The City had its study of transit conditions; yet in the past it had been able to do very little to force the street railway operators to improve their service. At the suggestion of the ORMB, the Corporation Counsel met with the Counsel for the Company to discuss Arnold's report in December of 1912, but with no visible result. 28 An impasse seemed likely, but instead of renewed litigation, Mayor Horatio C. Hocken and Sir William Mackenzie held a number of conferences in an attempt to arrive at a mutually acceptable solution. And their solution proved to be quite simple: Mackenzie, for reasons that remain unclear, would let the city buy up his Toronto area utility holdings, including the TRC, the Toronto Electric Light Company and the within-city portions of his radial railways. 29 It only remained to fix the sale price. By October the price had been finalized--\$22 million for the street railway and \$8 million for the electric light company. 30 In presenting these figures to Council, Mayor Hocken took time to justify the idea behind the proposed purchase:

²⁷Ibid., 15-22.

²⁸ Council Minutes, 1913, Appendix C, 8.

Acquisition of the Assets and Franchise Rights of the Toronto Railway Company (and Subsidiary Lines) and the Toronto Electric Co. (Toronto, 1913), 46-57, Toronto Public Library.

³⁰ Council Minutes, 1913, Appendix C, 110-115.

We find ourselves with a monopoly of the surface transportation in the hands of a company enfranchised twenty—two years ago, upon such terms as make it impossible for the municipal administration to economically or satisfactorily provide transportation for nearly one—half of the present area of the City. This company has a franchise terminating eight years hence, with no inducement to maintain an efficient service, but with every reason from the standpoint of the shareholders to deteriorate both the service and the equipment. I believe that I am within the mark when I say that hardly a single thoughtful citizen expects from the present company reasonable consideration of their needs during the remaining period of the franchise. 31

To be on the safe side, the Mayor sent the valuations of the Mackenzie-Mann properties to Toronto chartered accountant John Mackay for appraisal. In a report dated November 17, 1913, Mackay stated that he had

no hesitation in advising the completion of the transaction on the conditions stated herein, nor, in my judgment, is there any need for the Ratepayers or the Light and Power Consumers of the City entertaining the slightest doubt or fear as to the outcome, provided the basic conditions stated are observed. 32

The way now seemed clear for a speedy public take-over of the Mackenzie-Mann utilities, but continued political infighting and the uncertain economic climate that accompanied the onset of World War I would combine to create more delays.

At least one politician had some doubts about the entire purchase scheme. Enter Thomas L. Church, lawyer and member of the Board of Control. By 1913 Tommy Church could be classed as a veteran of Toronto civic politics, a classic example of a politician who had worked

^{31&}lt;sub>Ibid</sub>., 108.

John Mackay, <u>Interim Report on Proposed Street Railway and</u> Electric Light Purchase (Toronto, 1913), 10, Toronto Public Library.

his way up through the ranks. 33 He emerged as the chief opponent of Mackenzie-Mann transit empire in general, and of the 'purchase deal' in particular. In June of 1913 he moved in Council that the negotiations between Mackenzie and the Mayor be abandoned. This motion was easily defeated. When the cost of the public take-over was revealed in October, Church again took the offensive. Feeling that the public should be asked to approve such a large outlay of civic funds, he moved on November 11 that the specific details of the purchase of the various utilities be set before the electorate. This motion was approved, but in an amended form that called only for a vote on the idea of the purchase, not on its specific details. 34 The plebiscite could not be prepared in time for the forthcoming municipal elections, but Church was returned to office. In January of 1914 he moved that the City Council abandon the purchase negotiations, procure a judgment from the ORMB for a better general transit service, and build more civic lines. 35 This motion, in various forms, was defeated by Council on January 12, January 26, and February 9. The purchase question then remained dormant until June, when Church moved that the purchase and all the details surrounding it be put to a public vote at the next civic election, January 1, 1915. 36 This motion carried unanimously. 37 Tommy Church had succeeded in

The Canadian Who's Who (Toronto, 1948), 169, notes that Church served as School Trustee from 1899-1904, Alderman from 1905-1909 and as a member of the Board of Control from 1910 to 1914.

Council Minutes, 1913, Minutes, 492-4.

³⁵ Council Minutes, 1914, Minutes, 5.

Even Mayor Hocken agreed that little had happened during this interval. He attributed this to the fact that Mackenzie had been deeply involved in negotiations with the Dominion Government over the purchase of the Canadian Northern Railway. See <u>Council Minutes</u>, 1914, Appendix C, 115.

³⁷ Ibid., Minutes. 290.

his efforts to prevent a snap vote by Council on the Hocken-Mackenzie agreement. Both sides would now have to prepare for a plebiscite on the issue. But the matter never got to the ballot paper. The outbreak of World War I intervened and made the financing for the scheme highly uncertain. On September 21, 1914, Mayor Hocken reported to Council that

I have . . . consulted with our Treasurer and taken counsel with other financiers as to the probabilities of the duration of the war, and the possibility of floating bonds for such a purpose at the conclusion of hostilities. I am advised that, even should the war end in six or nine months, the financial market will be in such a condition that it will be impossible to secure the funds necessary except at an exorbitant rate of interest.... In view of all the circumstances, therefore, I suggest to the Council that the negotiations for the acquisition of these properties be discontinued. 38

Council approved the Mayor's suggestion on October 5th and the 'purchase deal' episode drew to a close. 39 More than a year had been consumed in negotiating the agreement. Quite naturally, few improvements had been made to the transit system during this interval, and when the negotiations were terminated, the joint prospects of war and renewed bickering over the details of the street railway franchise did not bode well for a rapid solution to Toronto's transportation difficulties.

In the meantime developments had taken place on other fronts. After the judicial setbacks of 1909, the City had waited until 1911 before it again did battle with the TRC in the courts. In November of that year, the Corporation came before the ORMB to present a list of alleged franchise defaults by the company and defects in the service provided. At the head of the list was the overcrowding issue, and the City used the findings of Arnold's report to substantiate

^{38&}lt;u>Ibid.</u>, Appendix C, 115-6.

³⁹ Ibid., Minutes, 425.

its case. Since this study had dealt with an area that was considerably larger than the corporate limits of Toronto, the ORMB decided to commission its own investigations into transit conditions within the city proper. For this purpose, the services of C.R. Barnes, a man with 20 years experience as the Electric Railway Expert of the New York State Public Service Commission, were engaged. presented his report to the ORMB on May 15, 1914. Basically, his findings corresponded to those of Arnold, and the members of the ORMB reacted favourably to the findings of the Barnes Report turning its seventeen specific recommendations into direct orders to the company. 41 For the most part, the TRC either ignored the Board's orders completely or else employed the excuse that due to the war the company could not obtain the necessary resources for it to comply with the ORMB's directives. Yet company profits remained respectable even during the war years (Table 1). In 1917, the City requested that the ORMB force the TRC to comply with the Board's original orders. The company again refused to provide more cars and in 1918, the ORMB levied a fine of \$24,000 against the TRC. This was a small price to pay compared to the cost of the 200 streetcars that the Board had ordered built. 42 Once again prolonged litigation had failed to bring relief to the transit-riding public.

^{40&}quot;Ontario Railway and Municipal Board Order Re Toronto Railway," Canadian Railway and Marine World, XVII (December, 1914), 349; and ORMB, Ninth Annual Report (Toronto, 1915), 21. The final report was C.R. Barnes et al., Report to the Ontario Railway and Municipal Board on a Survey of Traffic Requirements in the City of Toronto (Toronto, 1914). This came to be known simply as the Barnes Report.

Barnes Report, 196-198. The extensions were to be on 1) Wilton (later Dundas Street) and Pape Avenues, 2) Terauley (later Bay) Street, 3) Bloor Street West, 4) Harbord Street, and 5) Dupont Street. See also ORMB, Tenth Annual Report (Toronto, 1916), 16-9.

⁴² Canadian Railway and Marine World, XXI (April, 1918), 163 and (September, 1918), 398.

While all of this had been going on in the courts, some interesting events had taken place at City Hall. Following the failure of the 'purchase deal,' Horatio Hocken had decided not to seek reelection for the 1915 term. One of his staunchest Council allies, Controller Jesse O. McCarthy, immediately went after the soon-to-bevacated Mayor's chair. His opponent was none other than Tommy Church, and the handling of the purchase deal emerged as a very important campaign issue. The Star and the Globe both opposed Church's candidacy, claiming he was the only person the Conservatives could get to run against the Liberal's man, McCarthy. But federal and provincial political affiliations were not to be the basic issue in this municipal contest. Church was enthusiastically supported by the Evening Telegram and the reasons behind this paper's support were summarized in a pre-election headline

CHURCH'S RECORD AT CITY HALL SHOWS WHY WE SHOULD VOTE FOR HIM....FOUGHT THE PURCHASE DEAL....CONTROLLER CHURCH LEAD IN STRUGGLE AGAINST THE MACKENZIE-MANN FORCES AND WON. 43

To the <u>Tely's</u> delight, Tommy Church soundly defeated McCarthy, outpolling him 26,042 to 19,573. The day after his victory, the new Mayor summarized one of the key reasons for his victory in an exclusive <u>Telegram</u> interview

the people have given me an excellent expression of their opinion of the neferious street railway company and have shown for all time to come that they will have no patience with such dealings with the street railway company to which they have been subjected to for the past two years. 45

There would be no deals between the Mackenzie-Mann company and the new Mayor and, since Church occupied that office until 1921, no real peace on Toronto's transit scene until after the public take-over of that year.

From the outset, Tommy Church gave every indication that he would be a man of action, willing to take the transit bull by the horns.

⁴³ Evening Telegram, December 28, 1914, 12.

^{44&}quot;Mayor Church Mayor by 6,469," Evening Telegram, January 2,1915, 13.

^{45&}quot;By His Own Fireside Good News Found T.L. Church," Evening Telegram, January 2, 1915, 9.

In his inaugural address to Council he noted that

it is true that the purchase agreement and negotiations are of the past, but the problem of the street railway and its inefficient and insufficient service is still with us and must be solved. There is only one possible policy now before the people, and that is fast traction. 46

The new Mayor was determined to expose once and for all the inadequate service provided by the Mackenzie-Mann traction companies. One of his first acts was to set up a committee composed of R.C. Harris, Commissioner of Works, F.A. Gaby, Chief Engineer of the Hydro Electric Power Commission of Ontario, and E.L. Cousins, Chief Engineer of the Toronto Harbour Commission, to investigate transit conditions in Toronto. their report these civil servants noted that in 1915 more than 31,000 people resided beyond the 1891 city limits and that many of the city's newer areas were entirely without car service. They felt that the goal of Toronto's public transit system should be to provide a level of service such that all citizens living within a six mile radius of King and Yonge streets could be transported to that junction within thirtyfive minutes. Harris, Gaby, and Cousins also urged the City to quickly announce its intention to take over the streetcar system immediately upon the expiration of the TRC's franchise in 1921. 47 The transit utility was increasingly coming to be viewed as a necessary part of Toronto life, something that could no longer be left to the whims of private capital. 48 As the Mayor's transit investigators noted:

> The future growth and development of the City of Toronto will be largely dependent upon the provision of adequate transportation facilities, properly located.

⁴⁶ Council Minutes, 1915, Appendix C, 4.

Toronto Civic Transportation Committee, Report on Radial Entrances and Rapid Transit for the City of Toronto, 2 vols. (Toronto, 1915).

 $^{^{48}}$ Armstrong and Nelles, "The Un-Bluing of Toronto," 20-31, and 44.

The extension of these facilities should and usually does, precede the population, but in Toronto of late years, the conditions have been reversed.⁴⁹

Mayor Church, himself, could not have written a more convincing indictment of the TRC.

Like its two predecessors, the report of the Civic Transportation Committee had very little impact upon streetcar operations in the Toronto area. The ordinary transit rider still remained poorly served. Nor did any of the court action initiated during Church's term of office do much to alleviate the city's transportation problems. TRC officials were willing to admit that overcrowding existed, but they did very little to come to grips with the problem. For the most part, the company's attitude was summarized by General Manager R.J. Fleming's cavalier comment that passengers could "take the next car." 50

While the complex court room drama surrounding the over-crowding question was certainly protracted, and undoubtedly annoyed and inconvenienced many people, it did not arouse nearly as much public interest as did the question of the provision of car service in the recently annexed North Toronto district (Figure 1). There, the only service was provided along Yonge street by the Metropolitan Branch of Mackenzie and Mann's Toronto and York Radial Railway. This company had received its franchise from York County in 1885 and, due to subsequent changes in the boundary of Toronto, a quarter-mile portion of its trackage came to lie within the 1891 limits of the city. The franchise on this section (Figure 2), situated between the C.P.R. tracks (just south of Summerhill Avenue) and the 1891 northern city limit, Farnham Avenue, was due to expire on June 25, 1915. Mayor

⁴⁹Toronto Civil Transportation Committee, <u>Report</u>, 4.

⁵⁰"Just Take Next Car," <u>Evening Telegram</u>, February 6, 1915, 8.

⁵¹Wickson, "Radial Railways," 51 and "Buy Out Metropolitan Railway Some Say," Evening Telegram, June 23, 1915, 6.

Church saw this as an opportunity to take the offensive against the Mackenzie-Mann empire by asserting the right of the City to control the use of the streets. The Mayor and his supporters, witnessed by what was termed a "great turnout of people," made absolutely certain that the franchise would terminate at the appointed hour. A newspaper headline succinctly described their night's work: "CITY CUTS METROPOLITAN TORE UP TRACKS AT MIDNIGHT." A 1,320 foot gap, extending up the steep Gallows Hill, now existed between the termini of the TRC and the Toronto and York Radial Railway. 52 Citizens of North Toronto not only had to pay two car fares to get downtown, they had to walk a quarter of a mile to do it! Tommy Church assured the citizens that the inconvenience would be temporary. Once again, those supposed champions of the transit riders, the civic leaders, proved to be inconsistent. Bickering over who would run the cars over this section, and under what terms, took so long that individual citizens were forced to take the matter into their own hands. At least two solutions emerged.

The first citizen-inspired remedy attempted to provide an alternative transportation service. Along with other North American cities that were being poorly served by mass transit, Toronto became caught up in the jitney craze of 1914-5. Jitneys were simply private automobiles that were used by their owners to transport passengers along pseudo-routes for the payment of a five-cent fare. They had first appeared in Los Angeles sometime in 1914, and within a short time the idea had reached Toronto and other Canadian cities. Yonge Street was by far the most popular Toronto jitney route, especially after Tommy Church's midnight theatrics, and, at one point, more than 700 of the vehicles plied that thoroughfare.

⁵² Evening Telegram, June 26, 1915, 8. This hill forms part of the ancient shoreline of glacial Lake Iroquois.

^{53&}quot;The Jitneys are Coming, "Star, January 29, 1915, 8 and "Jitney Automobile Operation in Canada," <u>Canadian Railway and Marine World</u>, XVIII (June, 1915), 230. See also P.E. Roy, "Regulating the British Columbia Electric Railway: The First Public Utilities Commission in British Columbia," BC Studies, 11 (Fall, 1971), 3-20.

^{54&}quot;Only Eleven Jitneys Now on Yonge Street," Globe, November 24, 1915, 9.

In spite of the noticeable relief that jitneys brought to the Yonge Street gap and other parts of the city, civic officials greeted the cars with mixed feelings. The police commission, with the support of City Council, enacted a very stiff set of regulations to control the operation of these vehicles. The daily press strongly attacked such measures, with the Globe noting that

people have put the jitney sign on their cars coming to work in the morning and again on their way home in the They have actually carried passengers, much to their own profit and the satisfaction and comfort of the passengers carried. It has been a mutual advantage which in the eyes of a certain class of legislators is a contemptible, detestable, pernicious thing, to be suppressed by every lawful means. When no lawful means can be found the law must be changed to provide some. If the city lawmakers had only been wise enough to do nothing with regard to the jitneys for a few weeks the street railway managers would have seen the necessity of meeting the public convenience and would have wisely abandoned the policy of stinting the service and forcing the nuisance of overcrowding. Competition, the great regulator, would work a transformation.56

The "great regulator," however, was not to be allowed to take its proper course. Attempts by the jitney operators to establish a formal bus service in the city were not accepted by City Council, which feared that the TRC would sue the City if competition was permitted to violate the street railway company's monopoly. 57 Moreover, by virtue of the franchise

The Evening Telegram, October 23, 1915, 17, in an article entitled "Jitneys are Dropping Off," reported that the restrictions were:

all passengers must have a seat,

maximum load set at seven,

³⁾ no smoking in the cars,

⁴⁾ all owners must take out a \$1,000 insurance policy,

⁵⁾ each year owners must purchase jitney, cab, and chauffer licenses. Needless to say, the net effect of these regulations was to greatly reduce the profitability of jitney operation.

⁵⁶"Street Traffic Relief," <u>Globe</u>, June 25, 1915, 4.

A number of different schemes were proposed. By far the most ambitious of these was put forward by one A.D. McBride, who intended to spend \$250,000 to establish bus lines on a number of city streets including Yonge, King, Queen and Dundas Streets and Avenue, Kingston and Lake Shore Roads. For details of this plan see "Controllers Fear Motor Bus Franchise," Star, June 15, 2.

agreement between the TRC and the City, the former was compelled to pay a specified portion of its gross revenues to the latter. 58 The City thus had a vested interest in protecting the monopolistic features of the street railway franchise. In the end, unfair legislation, timidity on the part of civic leaders, and the poor cold weather performance of the jitneys themselves combined to ensure their virtual disappearance by the middle of autumn. 59

Even before the failure of the jitneys, however, the disadvantaged citizens of Toronto's north end were seeking other remedies to their transportation woes. In this regard, the North Toronto Ratepayers' Association emerged as an active and vocal pressure group. At first, it was content to send deputations to City Hall to protest the Yonge Street situation, but eventually talk of secession from Toronto was heard at the meetings of the Association. This movement died

⁵⁸The Charter of the TRC, 16, prescribed that the company pay to the City the following percentages of gross revenues:

^{8%} of the first \$1,000,000,

^{10%} of the next \$500,000,

^{12%} of the next \$500,000,

^{15%} of the next \$1,000,000,

^{20%} of all gross revenues in excess of \$3,000,000. During its franchise, the TRC paid the City more than \$14 million according to this schedule. Fully forty-five per cent of this amount was paid out after 1914. The rigidity of this formula and a fixed fare combined over the length of the franchise to make the profit picture in later years less impressive than it might have been under unregulated market conditions.

⁵⁹"Only Eleven Jitneys Now on Yonge Street," <u>Globe</u>, November 24, 1915, 9.

For an account of these activities see "Get Control of Yonge Street," Evening Telegram, August 11, 1915, 11 and "Deputation to City Hall," Evening Telegram, September 1, 1915, 6. A full record of the activities of this organization can be found in the "Minutes of the North Toronto Ratepayers' Association," MS, Ellis Family Papers, Ontario Archives. For a discussion see Daniel J. Brock, "The Genesis and Demise of a Secession Movement within a Twentieth Century Metropolitan Centre: A Case Study of Toronto, Canada," unpublished term paper, Department of Geography, University of Toronto, April, 1971; "North Toronto Nears End of Its Patience," Globe, September 27, 1915, 7; "North Toronto Folk Talk of Seceding," Globe, October 11, 1915, 7; and "An Uprising in the North,"letter to the editor, Star, December 29, 1915, 5. The Minutes

out early in 1916 after the TRC had complied with the ORMB directive to provide service along the Yonge Street gap. ⁶¹ It remains, however, as an example of the extreme lengths to which some citizens were willing to go in their search for transit relief.

The lengthy overcrowding case, three major investigations (all critical of the TRC), and the Yonge Street affair had all served to point out the shortcomings of Toronto's transit system. Increasingly, as in the earlier case of hydro-electric power, people had begun to question the wisdom of private ownership of a utility designed to serve the general public. The Star noted that

private ownership has in nothing so clearly revealed its motive as in the trolley business. It is out to make money. In the trolley business private ownership is not content to take the fat with the lean - it wants to make money not only on the annual service, but it gets down to minute details and aims to give only such service as will make money every day, every hour, and on each journey that every numbered car makes. A car shed is like a livery stable. The vehicle stays in the barn unless its use is paid for.... The trolley is still indispensable, but private ownership of it has been a failure. 62

Hope for the future came to be associated with the public take-over of the transit system. This issue of public ownership was finalized by a plebiscite held in 1918. On January 1st, by a ratio of 11 to 1, Torontonians voted in favour of the public take-over of the street

of the North Toronto Ratepayers' Association reveal that a motion to secede was discussed at meetings held by that organization on September 21 and 25 and October 9, 1915. No action, however, appears to have been taken on the motion.

According to "Black Eye for the City. Railway Gets Yonge Street,"

Evening Telegram, September 11, 1915, 15, the order to the TRC was issued on that day, with the company given until December 1, 1915 to put the extension into service. Typically, this was not done until early in 1916. During the interval, an estimated ten to fifteeen thousand people daily trudged along the Yonge Street gap.

^{62&}quot;Trolleys and Jitneys," <u>Star</u>, April 28, 1915, 6. For a thorough discussion of the public electric power movement in Ontario see H.V. Nelles, <u>The Politics of Development: Forests</u>, <u>Mines</u>, and <u>Hydro-Electric Power in Ontario</u>, 1849-1941 (Toronto, 1974), 237-306.

railway network upon the expiration of the TRC's franchise in 1921. 63
The TRC waited more than a year to respond. In an obvious last-ditch attempt to save its franchise, the company proposed a scheme called "Service at Cost." Under this plan, the private owners would continue to own the system, but, as in France and Germany, the directions as to its operations and expansion would come from the City. Fares would be geared to pay the costs of operation and improvements, and to give the owners a return of six per cent on their investment. 64 The citizens, however, had had their fill of private ownership. There was to be no retreating from the 1918 decision and by 1920 Toronto Transportation Commission had been established by an act of the Provincial Legislature to oversee the shift to public ownership. In September of 1921, Toronto's street railway became a public utility.

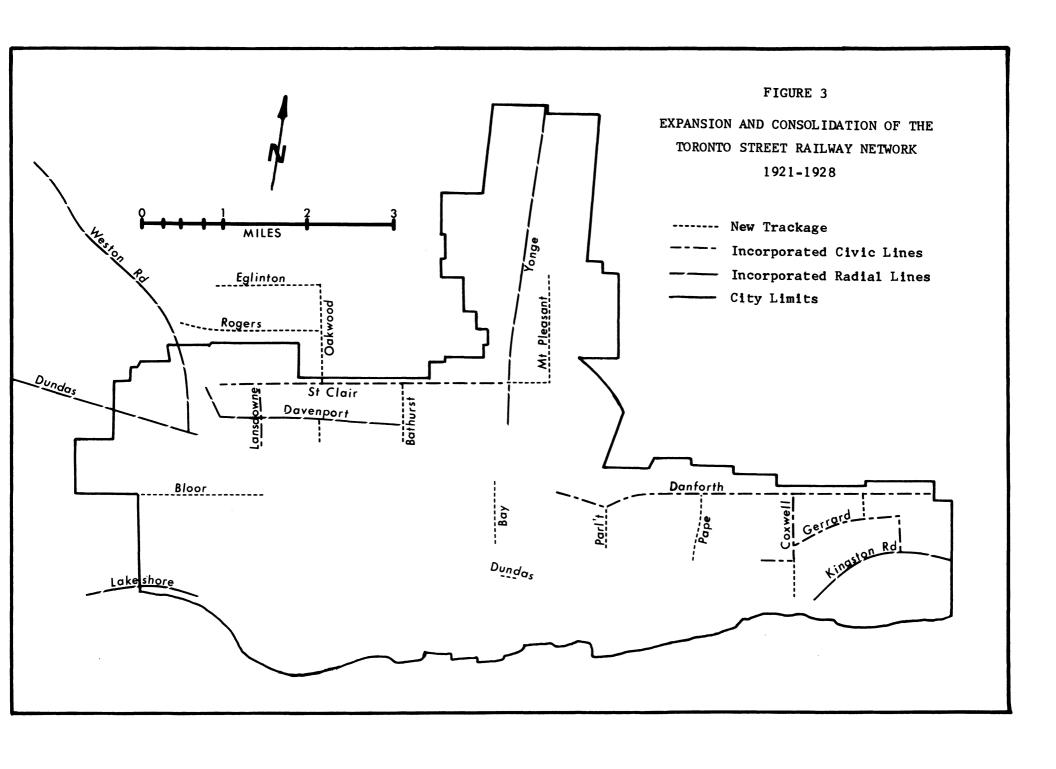
Much work was needed to get Toronto's transit system into shape in the years after the public take-over. Among other things, the Toronto Transportation Commission scrapped more than 400 of the obsolete TRC cars, purchased 575 new cars, totally rebuilt 57 miles of single track (more than one third of the system), and extended services into the newer areas of the city by building new lines and consolidating the existing radials with the rest to the system (Figure 3). In addition, feeder bus lines were inaugurated in those areas where the population density was not sufficient to support a car line. Funds for those improvements were

⁶³ The Evening Telegram, January 1, 1918, 9 ("One Great Shout of Aye!"), reported that the actual vote was 39,979 in favour of public ownership and 3,769 opposed.

Toronto Railway Company, Public Service Topics, No. 6 (April 19, 1919), 1. This publication was a four-page newsletter that was issued every two weeks by the company. Extant copies (Ontario Archives) exist only for the March 29 to June 7 portion of 1919.

Toronto Transportation Commission, Wheels of Progress, 5th ed. (Toronto, 1953), 120-1. The relevant legislation was contained in "An Act respecting the City of Toronto" (10-11 Geo. V., C. 144).

Toronto Transportation Commission, Wheels of Progress, 35-64. See also John F. Bromley, T.T.C. '28 (Toronto, 1968), 3-8 and Robert McMann, "All About TTC's Track Rehabilitation Program, 1920-1924," Upper Canada Railway Society Newsletter, No. 308 (September, 1971), 131-8.



raised through the issuance of municipal debentures, a process authorized by the legislation that created the TTC.

The Toronto transit problems of the early twentieth century were the result of a number of interrelated factors. Most certainly they were precipitated by the refusal of the operators of the private company to extend service beyond the 1891 city limits and to do anything, in spite of considerable judicial, legislative, and public pressure, to improve the quantity and quality of the service offered on existing routes. No doubt the war made improvements difficult, but the service had begun to fail the public long before 1914. And all the time that the transit riders suffered, the owners of the TRC made a fortune. As one editorial writer put it

the Toronto Street [sic] Railway Company has fought the city on every clause of its contract that was designed to ensure the rights of the passengers and the public generally, and the result is that if the strap-hanging population of Toronto could find other means of conveyance they would not worry very much about the loss of business to the company. 67

But if most of the blame must fall on the private operators of the street railway system, at least they were true to the goals of capitalism. Civic officials, on the other hand, did not always act with such consistency. The purchase deal, for example, was probably not in the best interests of the citizens. Certainly the way in which its proponents tried to speed its implementation was somewhat irregular, given the vast sum involved. Tommy Church carefully guarded the public purse in this matter, but he showed little regard for the plight of the ordinary transit rider when he carried out his late night raid on the Metropolitan's tracks. Indeed, Mayor Church, for reasons that remain unclear, seems to have let his personal feelings about Mackenzie and Mann influence his actions on a number of occasions. This prompted Chairman McIntyre of the ORMB to accuse Toronto's civic leaders of "quibbling and chicanery" and to suggest that they

^{67&}quot;The Jitneys," <u>Star</u>, February 4, 1915, 6.

usually opposed anything tending to aid in a solution to the transportation problem, that they frequently took unreasonable attitudes in contesting these attempts at a solution, railing at the board when it failed to adopt the same attitude and that they threw the whole blame on the board or the railway company for delays for which they were chiefly responsible. ⁶⁸

Clearly, the street railway was not the only exploiter of the public interest.

The persistence of streetcars and the vitality of the mass transit system today combine to make Toronto unique among North American cities. To a large degree, both of these factors owe their existence to the timing of the public take-over of mass transit in Toronto. Had public ownership come at the end of the first franchise, then it seems likely that Toronto, in common with many U.S. and British cities, might have scrapped its streetcars in the 1920's and 1930's. 69 In many cities. incidentally, this marked the beginning of the end for mass transit. since they received almost nothing for what had once been very expensive capital plants. At this time, however, Torontonians had just spent several decades in trying to secure good mass transit. Within ten years after the public take-over of the system \$50 million had been expended in the pursuit of this goal. 70 Indeed, compared to other Canadian cities, the growth of Toronto's street railway network was outstanding (Table 3). The stake in public transit was too high for Torontonians to adopt another course. And since most of the money had been expended on the street railway network, the trolley was also assured of a place in the mass transit future of Toronto.

 $^{^{68}}$ "City Officials Stupid Before Railway Board," <u>Globe</u>, November 12, 1915, 7.

McKay, <u>Tramways and Trolleys</u>, 190-191.

Toronto Transportation Commission, Ten Years of Progressive

Public Service 1921-1931 (Toronto, 1931), n.p. For some comparisons
see Herbert W. Blake, The Era of Streetcars and Interurbans in
Winnipeg, 1881 to 1955 (Winnipeg, 1974); R.D. Tennant, "Capital Traction: An Outline History of the Street Railway System of Ottawa,"
Upper Canada Railway Society Newsletter, No. 273 (October, 1968),
118-22; and S.I. Westland, "Steel City Hamilton Traction," Upper
Canada Railway Society Newsletter, No. 304 (May, 1971), 69-74.

TABLE 3

Street Railway Expansion in

Selected Canadian Cities

1922-1931

City	Miles 1922	of	Track ¹ 1931	% Increase 1921-31	% Population ² Increase
Calgary	66.5		77.0	15.8	32.3
Edmonton	33.3		54.5	63.7	34.6
Halifax	12.6		24.0	90.5	1.5
Hamilton	17.4		34.3	97.1	36.3
London	27.5		29.4	6.9	16.7
Montreal	142.8	:	283.7	98.7	32.3
Ottawa	26.6		52.4	97.0	17.6
Quebec	20.5		33.5	63.4	37.2
Regina	25.6		28.6	11.7	54.5
TORONTO	93.5	:	222.6	138.1	20.9
Winnipeg	63.6		106.4	67.3	22.2
Vancouver	245.8	:	302.3	23.0	51.1

Notes: 1) Canadian Railway and Marine World, XXVI (December, 1923), 595 and Canadian Railway and Marine World, XXXV (October, 1935), 525.

²⁾ Calculated from figures in the <u>Seventh Census of Canada, 1931</u> (Ottawa, 1933), III, 8-13.