THE DOWNTOWN LONDON
MetroBulletin

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THE MAGAZINE FOR DOWNTOWNERS, CONSUMERS, MERCHANTS, CONCERNED CITIZENS & YOU

THE LTC

FACT

In 1990, the LTC subsidy will be $31 MILLION

FACT

From 1951 to 1971 the LTC never lost a cent & received no subsidies

FACT

The small DOWNTOWN RETAILER WILL PAY $750 TO THE LTC (in subsidy) IN 1990 ALONE!

FACT

The accumulated deficit by 1990 could buy every regular bus rider A BRAND NEW CAR!

$157,602,000 DISASTER

Late but Better

Yes, this issue is late, by 18 days to be exact. We apologize, but subscribers can take note that this is a giant 48 page issue, and we only promised a 16 pager. Wotta deal! And not to mention our 7-page BIA ANNUAL MEETING REPORT bonus subscribers received at no cost to their subscription on July 2. How do we do it?

All the sections are biggies this issue; the Dundas St. pedestrian mall concept is thoroughly analyzed, The BIA's BOARD IS grilled and interrogated, plus important miscellaneous'downtown'.The major piece is, of course, the devastating state of transit welfare in this city and its critical implications for all of us. This issue is being sent to all politicians, media, etc. and we hope they will publicize some of our findings.

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We apologize for not having the investigation of Bob Martin's career in Durham as promised, as well as the other submissions for the downtown logo, which we simply have not received, though we have inquired. Next issue for sure or you'll know why not.

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From the day our July 2 EXTRA came out to last week, there was a mail strike on so we have no letters this issue. Our circulation is now 51 core area businesses, not bad for only 2 full issues & a bonus EXTRA. Considering our market is only about 250 to 300 businesses, that's pretty good. Still, we need more $15 s bscriptions, and we want (naturally) as many subscribers as possible. (Infiltrators need not apply). CONVERT YOUR NEIGHBOUR TO RATIONAL CAPITALISM (a redundancy in terms there,actually), give the gift that keeps on expanding! (First issue 18 pages, 2nd issue 32 pages, NOW 48 pages and subscriptions are BARGAIN BASEMENT. Oh! -We do do it all for you!)

SEND LETTERS. Your editor loves a pat on the back. He even enjoys nasty notes of disapproval. Suggestions, detailed criticism or thoughtful comments are always appreciated. Remember, the 'other' government paper 'of the downtown' may have a print run of over 1,000, but who reads their junk? The intelligent downtowner is buying ours, so pontificate! Gossip, Blab. Write heated indignation. Will we edit you like the Free Press? Only cuts you approve if your letter is too long. (Fanny Goose take note, we like letters too.)

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Back issues available, only a few copies of #1 and the EXTRA. Write/Call the Editor at 438-4991. That number's good if you see some potential story, need info on anything going on downtown or require some assistance of any kind dealing with City Hall. (Don't worry, politicians don't have to know that you know me! And besides the Administration are the people with power and I get along fine with them.)

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Next issue out on October 6th. It, I pray, will not be over 28 or 30 pages.

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INVALUABLE THANKS TO G.K. MORNINGSTAR'S FINE BOOK ON THE LTC,'FROM DOBBIN TO DIESEL', back issues of THE LONDON FREE PRESS, the LONDON PUBLIC LIBRARY, THE LONDON ROOM (LONDON PUBLIC LIBRARY).

Let me know what you think, MARC

OFFICIAL CAPACITY

Marc Emery -Everything

The LTC EN ROUTE TO FINANCIAL CATASTROPHE

In the first issue of the MetroBulletin we discussed population shifts in the core and how maintaining a sound residential environment was imperative to our downtown business health. We also examined the costly impact on the consumer as a result of the price-fixing racket run by City Hall as regards taxi fares and taxi competition.

In the second issue we looked in depth at one example of how City government zoning by-laws and "Official Plans" are working counter to downtown's interest.

This issue, our major concern is the monopoly government transit system operating within the city, the transit system which is responsible for bringing tens of thousands of workers and customers into the core every day.

WILL THE LTC BANKRUPT US ALL?

The thrust of our final report is: Will the LTC eventually bankrupt us all? Sound outrageous? It isn't.

In 1971, the city owned transit system incurred no deficit and required no subsidy, as had been the case for the previous 20 years, the period when taxpayers were ultimate owners of city buses.

In 1982, the LTC will be on the dole for over $5 Million , a subsidy which has increased an average of 25.6% each year from 1977 to 1981 (averages from the earlier period of 1972 to 1976 would be 50% or more over the previous year).

In 1982, $2,600,000 will come from the municipality, or $338,000 from business and property owners in the downtown)

By 1990, our carefully constructed projections indicate that even with

a) conservative inflation & capital cost increases
b) modest wage hikes c) no strikes
d) fewer than we expect route expansions e) only small increases in the price of fuel;

THE SUBSIDY NECESSARY BY 1990 WILL BE $31,108,582.

This is 2½ times the current LTC budget total!

Although the City government's total budget in 1990 will be approx. $256,706,000 (it is currently $113,750,000), the city's portion of the LTC subsidy that year - $25,109,000 - will represent just under 10% of the entire City budget

According to some local politicians, THIS IS NOT AN UNUSUAL PRICE TO PAY to meet their perception of "accessible public transit".

In Kitchener for example, the losses of the Kitchener Transit for 1980 were $4.6 million out of total expenditures of 8 million. Only $3.36 million was received in fares, an increase of only 3% over the previous year.

Costs however, increased 22%.

The users of transit in 1980 supplied only 42% of the costs. Conversely taxpayers subsidized the service to 58% of its cost. Our projections show that won't become the case in London until mid 1986.

THE KITCHENER TRANSIT REPORT further states that costs in 1981 will rise by a minimum of 15% but revenue will climb by only 3%.

The Commission there recommends that " a small fare increase may be necessary to keep deficits in control " !

In London, that tactic has usually stalled free-spending politicians for about 6 to 9 months, when losses get out of control once again (while penalizing the consumer who cannot choose competitive services).

Kitchener's position next year is shown on the following chart:

USER REVENUE	INCREASE IN % OVER PREVIOUS YEAR	YEAR	OPERATING EXPENSES	LOSS	INCREASE IN % OVER PREVIOUS YEAR	SUBSIDY AS % OF TOTAL BUDGET
$3,360,000	3.5%	1980	$8,000,000	$4.4 M	22%	58%
$3,477,600	3.5%	1981	$9,200,000	$5.7 M	15%	62%
$3,598,000	3.5%	1982*	$10,580,000	$7.0 M	15%	66.3%

* estimate based on last 4 years trends

The amount of their loss is similar to our transit system, the rate of subsidy increase similar (although less! Only user revenue is significantly lower than London: ipso facto Kitchener's transit system will face catastrophe a few years earlier than London (under current fiscal policy).

THE CURRENT DEFICITS ARE HIGH ENOUGH, BUT THEY SKY-ROCKET WITH DOUBLE-DIGIT/ HYPER-INFLATION. This is now beginning to become a visible fiscal "chicken coming home to roost".

THIS IS THE DOWNTOWN ISSUE OF THE 80's

Who, if anyone, benefits?

Why was service better when the city lost no money?

How did losses massively occur in 1972? And then procede to double and triple?

In order to appreciate the full scope of political meddling and government committment to what might be described as the worst "noble experiment" in the City's history, a full history of transit and government in transit in London is necessary.

Now you might be asking: " Why should I, a downtown businessperson, care about this? Its just another government fiasco, right? "

Not <u>just</u> another fiasco, as:

A) Buses provide the major transportation to many of your employees and most of your customers

B) Service in the core area and central residential areas (our main market) has been sacrificed for suburban area expansion

C) A full 10% (9.8% actually)of your 1990 taxes will go to the LTC, who will then, following the current 10 year trend, have a $31,108,500 deficit that year, 2½ times their entire 1981 budget.

If we use your Editor's taxes as an example:
current home, business, & business premeses (property) 1981 total: $3,300
in 1990, this will total $7,780, $762.44 to bail out the mismanagement at the LTC

D) Catastrophe is in the process if suburban routes continue to expand as they are this September and further into the decade when the city annexes new areas and extends service to these areas.

E) SERVICE WILL DETERIORATE MASSIVELY OR CEASE ALTOGETHER IN 1992 or 1993 if current trends are not reversed EARLY (like in 1981 to 1983).

F) IT will be impossible to change this dangerous direction if we wait beyond 1984, unless the consumer accepts increases in price far beyond the recommendations in our last chapter: " BLUEPRINT FOR SOLVENCY"

G) The financial cataclysm that faces public transit is typical of all government fiscal problems and will be accompanied by other astonishing mushrooming service/social service bankruptcies.

By 1990, the downtown property-owner/businessperson will be paying an average of $3261 to the LTC. For that price you should have the full story. (WHAT???!!!!! Average payment of $3261 to the LTC???!!!!! Where did that come from, you ask. Here' how,

13% of city revenue is derived from the 1000 downtown core businesses and property owners. Often, as in the case of my City Lights, I am owner of business and property. The total of differing, tax-paying businesmen, businessmen-property owners, property owners only is about 1,000. Admittedly, London Life, Canada Trust, Northern Life, EAtons, etc. absorb much of the weight of that average, representing as 100,200, or even 300 times the taxes as you or I.

In 1990, the total City Budget will be $256,000,000. Multiply this by .13 for the downtowns share and then divide by 1000 and then multiply by .098 (the 9.8% of the tax bill going to the LTC) and you get the "average" LTC payment

For your own exact amount to the LTC in 1990, multiply your 1981 total taxes by 2.2 , divide by 10 and there you have it. See Appendix B & C for more)

In the beginning there were horses...

On January 23, 1875, the London Street Railway (LSR) began operations under an agreement with the city that was valid for 50 years.

The first horsedrawn bus car was on the street on May of 1875.

The LSR's original stock subscription totalled $35,000 and in its first year made a net profit of $2,846.24

Although it took the LSR two years to settle the regulations placed on it by the city & province (their licence was approved in early 1873), the first real encounter with the regulatory clench of government occurred almost immediately after. The company was privately owned and although the bus company paid for all track (the cars were of a railway nature pulled by horses), paid licence fees for the rental of the "city" land that the tracks were on; the bus company was prohibited by-law from removing snow from the tracks in winter. Spreading salt to melt the snow to prevent derailment was also prohibited.

Complaints from core area travellers, who found crossing bare tracks an inconveience on sleigh, pushed politicians into ordering the LSR into investing in sleighs (skis) for their winter season.

This forced the bus company to spend $1060 (2% of the value of the entire Co.) on winter skis. However, government snow removal in central London (then all of London) was so bad and 6 foot high drifts on main streets not uncommon, the winter buses would often have to leave their government licenced routes and divert to other streets.

Council objected to the "diversion" routes and by the 4th year of "winter buses' (1884), the local gov't forced the bus company to buy special licences for "diversions" due to snow which the city would not allow them to clear!

Thus, for a price, the LSR was required to pay-off the city for the gov't's own negligence.

Consumers responded to the growing bus service in increasing numbers and where there were 7 "buses" in 1875 drawn by a stable of 6 horses, there were 28 buses and a stable of 146 horses by 1884.

Finally in 1892, the LSR got nervy enough to purchase a snow plow and used it on their routes without arousing complaints from City Hall.

Well aware of the competitive forces around them, the directors of the LSR had to give serious consideration to electric power and its use for street transportation.

In fact, this concern was acute because another newly formed bus company had applied to the provincial gov't to be "permitted" to compete with the LSR: it was a group headed by businessman C.H. Ivey (of the "Ivey" family) called the Electric Street Railway Co.

A hearing was held but for some undefined reason the Provincial gov't refused to grant the new Co. permission until City Council approved the new ESR Co. The City approved.

While the L.S.R. was privately owned, Its actions were entirely controlled by Council

In panic, the LSR countered with their own plan to extend and electrify its system and asked for a cancellation of the City's charter with the ESR co. Council did just that. It cancelled the legal sanction of the new group, but in exchange for the following:

- that the LSR pay a new mileage tax
- a percentage of their gross earnings
- mandatory service extensions
- over a dozen other financial, licence, or service payments or guarantees.

We must bear in mind that while the LSR was entirely privately owned (general stock issue), its actions were entirely controllable by Council with powers given to it by the Province.

One might say about the LSR in regard to the new taxes, restrictions, etc. " You asked for it."

If the LSR had not opposed the new application and instead insisted on competitive co-existence of electric rail lines, the LSR would have made more money and expanded its service further in the long run.

As we shall see, the city went on to regulate, bind & control fares on the LSR to such an extent that although the Co. performed its task tolerably (excellent under the circumstances), the return on its investment over the next 60 years was amongst the worst possible.

Their monopoly made this unavoidable. (It is no coincidence that all government monopolies lose money, those regulated into monopoly status are close behind)

With competition, they would lose their monopoly; but ultimately in later years the LSR would be forced to make far more drastic concessions to the city gov't, who in 1951, " municipalized" the Co. anyway.

Competition would have made this far more difficult, as the City would not be offering "protection" from competition; protection that would ultimately ruin the LSR's opportunity to make any money due to the concessions that had to be made for such a privilege.

It might be noted that Mr. Ivey was not one to miss a piece of the action (smartly enough) , and by the time the LSR received its "electric" ratification from the province, Mr. Ivey was the attorney for the LSR.(and shareholder).

Throughout the period from 1897 to 1916, the LSR expanded with more routes, shorter waits, quicker service; no fare increases were ever requested.(Permission had to be obtained from Council in such a case).

For 19 years, the company managed an adequate profit despite violent bus driver strikes, a riot in downtown London in 1899 (destroying much of LSR property), a massive flood in 1904 which destroyed much of the expensive Springbank Park to downtown route:

a fire which destroyed most of the garage and maintenence shop also occurred in 1904.

The LSR also produced its own power at a steam generator plant until 1914.

Throughout this period however, the City intervened to cause the LSR to provide unprofitable services at a loss; usually due to pressure applied to politicians by "concerned citizens" or "petitioners".

For example, a number of citizens wanted Sunday bus service and the issue of whether a private Co. like the LSR should be forced to provide this (no matter what the cost) was put on a ballot at election time.

As expected, people voted overwhelmingly for Sunday service (not their money!) but failed to ride the bus on Sunday in similar numbers.

This incurred a considerable drain on LSR resources when the Sunday service was initiated in February 1914.

Along with Sunday losses, the federal gov't began in 1917 its now notorious " 1916 War Tax" , a "war-time only" tax supposedly to pay for the war effort. It was never repealed and is now known as the federal income tax or, for business, the corporate income tax. The 1918 influenza epidemic curtailed use of buses as thousands died and even greater numbers were quarantined away from work or travel. This on top of mileage taxes, percentages of gross receipts, etc.

By 1918, the company was in a precarious position financially.

Since 1895, cost of materials had increased by 3 to 8 times, especially the expensive track(rolling stock), wages had doubled; yet the company had not asked permission for a rate increase.

At the end of 1918, they asked for a nominal increase.

The City refused!

Consequently, in 1918 & 1919, capital improvements were continued but reduced, the Directors believing that Council would eventually become reasonable and assent to an increase.

The Directors launched an advertising campaign, pointing out that in 1895, a dozen eggs were 8¢ a dozen, in 1918, eggs were 65¢ a dozen, yet the quality of eggs had not improved. Yet the LSR was asking for only a 25-30% increase, and service had improved and expanded impressively.

It didn' happen.

In 1920, the company's policy of giving annual wage increases (of its own accord, no union yet) was impossible to continue that year due to the fare freeze: workers went on strike inprotest!

The City gov't then seized control of the LSR by-law and then ordered the workers back! Service was resumed, though the City gov't was directly responsible for the dispute in the first place!

Council prohibited workers from receiving higher wages, and passed a law allowing Council to set the wage structure.

In March 1922, workers wages were ordered lowered by 5%! At the end of 1921, the company had halted all expansion, capital improvements, cut costs and was nevertheless in dire straits.

IN 1918, AFTER 23 YEARS OF EFFICIENT AND EXPANDING SERVICE; COSTS HAD INCREASED 300%, WAGES 100%, AND NO FARE HIKES WERE ASKED, A 25% HIKE WAS REQUESTED.

Giving up on the City gov't, the LSR appealed to the Province to supercede the authority of the City to freeze fares.

In late 1922, the province granted a 16% increase, just enough to stave off immediate collapse.

Meanwhile, the daily London Advertiser and London Free Press carried numerous stories quoting politicians and members of the citizenry saying the City gov't should buy out the LSR so " Londoners can have cheap, reliable railcar service ". (If only they could see the future -Editor)

This talk was most prominent during the government caused strikes and service stoppages.

In answer to curtailed expansion in 1922 and 1923, private motorized bus companies started to compete with the LSR system. This was an example of the market demand for services, private buses charged more and were in less busy areas, and yet the operations were viable. Motorized buses were, by a technicality, legal.

Predictably though, Council passed bylaws which made impossible demands and restrictions and literally ruined the companies within 2 years. Laws were ostensibly passed to protect the safety of passengers. Curiously, this was not a concern of previous Councils in the pre-electric era when buses were "legally" encouraged to derail at snow banks due to anti-snowplow laws(see pg. 5).

The LSR bought one of the competitive operators buses(the LSR's first motor-bus) after the competitor had been by-lawed out of business. The LSR then offered motorized bus service on Quebec St.

This was illegal for the LSR to do however, as they had not (and could not get) a licence to operate a bus on Quebec St. (although the competition was forced off as well, leaving Quebec St. without service with 2 companies willing to provide it.)

A clever solution was quickly found. The bus remained in the name of the previous owner, and the LSR collected all fares, supplied the drivers and maintenance. Quebec St. received service despite the government.

With the 16% increase in fares in late 1922, the company recommended workers wages be increased by 6%, attempting to reverse the Council decision earlier in the year which cut workers' wages by 5%. It was quietly approved.

More motorized competition appeared in 1925, even complying with outrageous City by-laws.

The Council approved monopoly of the LSR was eroding, and the company began to experience further diminished revenues; as the Co. was prohibited from competing directly with motorized buses in areas they had no licence or route approval. The LSR was also not permitted to operate motorized buses at this time.

BUS COMPETITION SHOWS UP TO MEET MARKET DEMAND

Council passes bylaws to force them out of business

LSR bankruptcy near; City freezes fares

The L.S.R., regrettably for the consumer and ultimately the LSR, requested Council extinguish the competition by law.

Council was oddly slow to procede with the LSR request; possibly because demand for competitive services was great and Council wanted the LSR " back in line " and making them suffer a bit would do it.

The LSR having paid the City the devil over for their monopoly decided to flex their muscles. To show it wouldn't tolerate'illegal' competition, the LSR Directors ordered all transit halted for 7 cold winter days in January 1926.

(The flexing was motivated by the signing of a new agreement between the City and the LSR in December of '25, a month earlier. It gave the LSR exclusive motorized and electric car bus privileges beginning January 1926 and the LSR wanted this enforced. Many concessions were made by the company in exchange for a renewal of their monopoly; probably including a few that weren't on paper and will remain hidden from us for obvious reasons).

At the outset of the service stoppage, the Mayor (in a classic two-face) responded that he would let anyone in the City operate a bus or cab service, but it was illegal to charge a fare without a licence. Licences were unavailable at that time for that purpose! (Catch-22 or what!)

Donations proliferated.

Mysteriously, renegade buses continued to operate competitively until December 1929, when a plebiscite of voters gave the LSR a monopoly -mandate on their ballot (in exchange for promises by politicians of fare-freezes and uninterrupted service!) Fools!

After December, 1929, the competitors were forced to cease operation.

In fairness to the LSR, the company was not able to compete fairly as well. Their attitude towards competition is appreciable when one learns that the 16% fare hike, put into effect in late 1922, WAS RESCINDED BY COUNCIL, WHICH SUBSEQUENTLY ORDERED THEM TO RETURN TO THE 1895 FARE RATE. This was because pressure was applied by the citizenry about increase fares in times of curtailed expansion!

The City announced this bombshell on Dec. 14, 1925 (when new competition whose rates were not frozen appeared), and the next day the LSR told the City that the Co. would be bankrupt and that service would be suspended the next day!

All December 16, the City & the LSR jockeyed and negotiated a system of varying and unstable rates, generally arriving at a 16% average increase, or the same as the amount the Provincial gov't approved and Council had fought against for 7 years. The agreement was signed and, as mentioned, came into effect January 1, 1926, when the LSR suspended service to enforce the new agreement.

The CITY GOV'T on Dec.14,1925 ordered fares lowered to the 1895 level.
The LSR said it would bankrupted by such a law and stated it would cease service 2 days later.
NO DIVIDENDS PAID ON LSR STOCK IN 23 YEARS

No dividends had been paid to shareholders in the last couple of years and these investors large and small were becoming understandably snarky at the Directorship.

By 1930, no dividends had been paid for 7 years! Stock value was becoming dubious. IN FACT, NO DIVIDEND WAS EVER PAID FROM 1923 TO 1951, WHEN THE CITY " BOUGHT " THE COMPANY.

Competition still lurked outside the City Limits, in the popular Sprinkbank area (village of Byron) where buses were not subject to City government regulation.

The LSR went into the depression with a fare increase in April 1930, inadequate nevertheless and the company continued to lose money.

The cost of buses had increased from \$3,338 in 1913 to \$8,876 in 1931.

Wage cuts, staff reductions, limited expansion, threats of strike all plagued the fare-frozen company all through the Depression.

Losses were growing ominously. By 1940, the Co. had lost \$217,679 in the last 10 years, which it borrowed to stay afloat.

Finally, it was "permitted" expansion in new areas and granted a small fare increase in 1940.

This extra revenue allowed the company to recover its losses by 1949. In 1950 the company would have finally made a profit, though apparently too small.

One more fare increase was granted to the LSR in 1948, approved by the Province and steadfastly opposed by the City.

Profits of the company for 1950 were too dismal due to all the years of government interference and in 1950 the LSR refused to renew their monopoly contract with the City! The shareholders had decided to divest and sell the company or its assets. They had two prospective buyers.

A third buyer appeared -good old City Hall. The City, on a 3rd plebiscite in 8 months, conned voters into purchasing the LSR for \$1,000,000.

"NO ONE KNOWS THE TROUBLE I'VE SEEN"

FOLK SONG "SAGA OF THE L.S.R."

(you ain't seen nothin' yet!) — CHORUS

A "London Transit Commission " was established by the City.

The City, in a rare moment of collective sanity, decided that all costs of purchased would be recovered, including the \$36,923 spent on the 2 plebiscites that involved the purchase.

Thus the LTC would be legally bound to make a profit of 10% a year in order to pay back the City its "loan", a privilege of earning that was never extended to the LSR.

The new Transit Commission was also bound by-law not to incur deficits, though again, this was a privilege that was not extended to the previous owners.

Now that the shoe was on the other foot, the City also had no qualms about raising rates immediately and with little debate!

From 1895 to 1950, the LSR rates increased 4 times; from 7 tickets for 25¢ to 7 tickets for 50¢; averaging 1.5% increase in fares per year. The City, in its no-loss period from 1951 to 1972, raised rates 7 times, from 10¢ a ride in 1952 to 30¢ a ride in 1952.

In the period of deficits to follow, fare increases still occurred accompanied by mushrooming deficits.

The year the City bought the bus company, passenger volume declined and continued to do so (in ridership per capita) each and every year to the present day; ostensibly because in 1951 car use became more pronounced.

Losses were responsibly avoided, but fiscal disaster was in the making when the LTC expanded their service radically (at the request of Council) into new suburban areas. The city had annexed huge tracts of planned residential areas all around the perimeter in 1961.

The Commission wisely pointed out (since deficits were not permitted)to Council this new service to suburbs would place a considerable burden on existing service and the system's fiscal integrity.

> "While the idea of subsidization is generally repugnant to City Council it merits further consideration."
>
> ***—Mayor Stronach, 1961, considers selling out his principles***

The Commission was autonomous in certain balance sheet decisions, but Council reserved the right to demand route changes and additions.

The LTC started a zone-fare system whereby passengers paid double fare riding to or from the Inner Zone (old city) to the Outer Zone (annexed areas). A single fare applied within these zones.

Prior Commission studies established this was financially necessary; politicians however,answer to a different drummer and when objections were aired by residents of the newly annexed areas, politicians soon abolished the two-tier system.

Private bus operators in these areas, operating before annexation, charged a graduated rate based on the distance travelled, so residents were no unfamiliar with such rates.(But where there's a politician, there's a way).

As you might guess, private operators in these areas were forced out of business.

When the two-tier system was abolished on Nov. 29, 1965, all fares had to go up to cover the difference!

It was at this time, considerable political hub-bub about government subsidization became prominent.

The hue and cry for subsidies came after the City annexed the new areas in 1961. (This should serve as a warning to those who wonder about the implications of the annexation scheduled to happen over the next 5 or 10 years).

In 1961, Mayor Gordon Stronach said the LTC " had a smooth running, efficient organization in the old city", but that the post annexation demand for services " required a different approach." Mr. Stronach was being truthful, the new areas would incur an inefficient and costly burden on the taxpayer, certainly a " different approach."

In classic political double-talk, the then-Mayor said:

" While the idea of subsidization is generally repugnant to City Council, it merits further consideration. " (!!!!!)

While being pleased with the LTC, the Mayor who had such a tough-guy image was certainly bendable at points:

" New routes have been laid out in many of the new areas at the request of many petitioners..In most cases these extended service routes have not proven profitable."

In response to questions on more government aid, G.K. Morningstar, the then

General Manager, stated at Council (April 19,1962): " THE LTC has enjoyed working as an autonomous body" separate from political influence or interference, as he perceived it. The General Manager said the transit system had no problems with legislation which forced the LTC to break even or make a profit.

'LTC Chairman, J.D. Harrison, said"the LTC should resist adding unwarranted and unprofitable routes or extra losses to meet the demands of one group. It would be compelled to listen and act on every groups' demand for extra service.

Outside of blind people, it is our opinion everyone should pay his own way." '

(Free Press)

SUBURBAN SERVICE → FISCAL DISASTER

The LTC management had anticipated that the 7 new Council-requested suburban routes would lose money. From 1961 to 1967, they lost $55,100. This was modest indeed since one suburban bus on a route can lose twice that amount in one year in 1981. Still, it was a hint that suburban routes, which keep enpanding, would radically accelerate the deficits which appeared in 1972. Not coincidentally, the subsidy program came into being to specifically promote suburban route expansion.

How are they doing 10 years later?

The Chart below says it all. The buses are arranged in order of profitability to minor losses to correctable losses to fiscal disaster. All suburban buses are losing substantial amounts of money. (descending order of subsidy required per route)

The month chosen is April 1980, at random.

(Note: buses in peak hours cannot be said to divide into total daily passengers completely accurately. Most routes are more heavily travelled in peak hours than in off hours when there are less buses in use. This will tend to soft-pedal the truly "empty" state of suburban buses in non-rush hour periods in any case.

(C)= core area buses (S) =suburban buses

BUS ROUTE	# OF BUSES IN PEAK HRS.	REVENUE RECEIVED FOR EVERY $1 COST	PROFIT/ (SUBSIDY) %	PASSENGER VOLUME PER BUS PER DAY
RICHMOND (C)	7	$1.11	11% profit	1274
DUNDAS (C)	9	.98	(2%) subsidy	1037
WAVELL (C)	9	.86	(14%)	903
OXFORD EAST (C)	10	.80	(20%)	742
HAMILTON ROAD (C)	8	.77	(23%)	602
CHERRYHILL (C)(S)	4	.73	(27%)	710
HURON HEIGHTS-WESTMOUNT (S)	8	.68	(32%)	635
COLBORNE (C)	4	.65	(35%)	566
ADELAIDE (C)	6	.65	(35%)	714
WELLINGTON/WESTMINSTER (S)	6	.63	(37%)	521
KIPP'S LANE (S)	6	.62	(38%)	542
WONDERLAND (S)	3	.53	(47%)	464
OXFORD WEST (S)	2	.47	(53%)	568
SPRINGBANK (S)	4	.47	(53%)	480
WHITEHILLS (S)	3	.47	(53%)	436
WHARNCLIFFE SOUTH (S)	3	.45	(55%)	385
HIGHBURY (S)	3	.42	(58%)	361
ORCHARD PARK (S)	2	.36	(64%)	357
DUNDAS EAST (S)	1	.33	(67%)	285
OAKRIDGE (S)	2	.30	(70%)	346

ENTER THE 'PROVINCE'

In 1972, the 20 years of service at no cost to the taxpayer came to an end (except the City's initial purchase, which had appreciated in good value)

In fact, over the 20 year period, the fleet was entirely modernized & expanded.

In 1972, Council decided to subsidize the LTC rather than raise fare prices, particularily since the Province was now offering grants that would pay for 50% of the losses.

The year previous, Alderman Tom Thomsom told the Board Of Control on November 17, 1971, that the LTC, to obtain any provincial funding; " The City must first place its system in a deficit situation."

Alderman Thomson pointed out the current efficient circumstances and pointed out the City would have to "radically expand its service to deliberately force it into debt."

At the same time, the Conservative Provincial government made these funds an incentive for more civic governments to "municipalize" private transit systems. The Queen's Park government would not subsidize any privately owned local transit systems in the province.

In 1972, cities like Sarnia, Chatham,St. Thomas paid or allowed private bus companies to provide transit.

St. Thomas Mayor Eber Rice at the time said: " Municipally owned transportation systems are very costly. We're very satisfied with the service provided by the current bus company. But St. Thomas, in light of government proposals, will have to consider a city owned system."

It seems City Treasurer Dennis Date saw the future of "public" transit (even if he didn't see the Development Fund Disaster coming) that year. He also seems to have recognized the punishing effect on taxpayers and bus-riders alike;

' Dennis Date... said the object of the provincial subsidy program" appears to be to improve standards of public transit to a point which would be economically impossible...(to maintain) a reasonable fare structure such as 30¢ per ride." '

(Free Press)

Some Councillors raised objections to subsidy that were prophetic, and sadly unheard of since. Alderman Marvin Recker opposed the subsidy because:

" deficit financing is an inefficient way to run a business and breeds the kind of apathy that says 'to hell with costs, someone will cover us' "....

"TO HELL WITH COSTS"

The taxpayer began "covering" the LTC in 1972, with a total subsidy of $229,615; $78,901 from the City government and $150,704 from the Province. The subsidy amounted to 5.88% of the total budget for the LTC that year, and represented less than ⅛ of 1% of the total City budget.

As suburban routes expanded to accommodate new suburbs, a political solution was found that would satisfy any and all groups: all Londoners should have to walk no further than ¼ mile to catch a bus, including the farthest outreachs of the city, no matter how sparse the demand.

I saw this political solution operate firsthand at an LTC meeting in the middle of May this year. On this day, the Commission consisted of two members of Council and 3 appointed citizens, including Chairman Don Crawford. This terms representatives from Council are Bruce Martin and Jim Tiller, both socialists.

Mr. Martin's attitude toward fiscal responsibility vs. his personal political fortune was appropriately played out before me.

On the wall in the Commission meeting room was a map of the city indicating all areas served within ¼ mile of a bus stop. This includes pretty well the whole city by now excepting a few scattered areas, but particularily one area called "the Triangle". While the rest of the map was in red, this area was shaded in white. It means people will have to walk ¼ to ½ mile to catch a bus, and this is the area in the Hamilton Rd. district along the CNR tracks from Adelaide to Highbury; including Florence, Egerton, Trafalgar areas.

Now this also happens to be Bruce Martin's ward.

While munching a sandwich, he queried General Manager Gord Arblastar forcefully as to why the Management refused to provide a bus into this area.

Mr. Arblastar politely replied that this had been looked at several times due to past Commissioners' "requests", but he said " there was no 'justification' for such service.

Mr. Arblastar pointedly said "these people do not work.", a blunt reference to the fact that the area is a mixture of retirees, ethnics, poor, unemployed and transients who have no need for bus service and if they did , the walk to Dundas or Hamilton Rd. would not kill them.

In classic socialist style, Mr. Martin shot back " these people have earned the right to decent public transit."

OBVIOUSLY, ALDERMAN MARTIN DOES NOT REGARD BUSES AS A BUSINESS THAT MUST JUSTIFY ITS COSTS, BUT A PLAYTHING TO MILK THE ELECTORATE ON ONE HAND;WIN VOTES ON THE OTHER.

Obviously, Mr. Martin does not regard the buses as a business that must justify its costs, but a plaything for politicians to milk the electorate on one hand and win their votes on the other.

By the end of the meeting, Mr. Arblastar had been pressured by his "bosses" to add this area to one of the 7 new routes premiering this September. All 7 routes will lose more money.

The bus company could raise its rates to cover such services; as Mr. Arblastar told the Commission that meeting: " riders do not put high priority on price. It is comfort and speed they regard the most."

Mr. Arblastar was attempting to field a vague proposal that fare increases would not reduce ridership (sort of 'hint,hint').

The bus company could raise its rates to cover the entire deficit, as well as abandoning certain rarely travelled routes and reduce coverage on others, but the protests & petitioners!...

And it is so easy to dip into the tax till!

(The MetroBulletin BLUEPRINT FOR SOLVENCY is enclosed however)

In 1976, the province announced it would soon level off its provincial subsidy to levels that would match the rate of inflation, leaving the municipalities to hold the bag. Previous subsidy increases from 1972 to 1975 were often over 100%.

(The reader should be aware that "provincial" money is not really a collective contribution from taxpayers in the province to the people of London, although this is a common fallacy.

But in fact London taxpayers contributed more to the Provincial treasury than the city received in grants & subsidies. Thus any money "we" receive is paid for directly at a premium price.

The problem is that when London receives fewer subsidies, our taxes to the province are not reduced; no incentive is in place for rewarding responsible municipal management.)

In anticipation of reduced Provincial subsidies, cutbacks in service were necessary. In the old days of no subsidies or deficits, buses were able to run on Sunday.

In late 1975, Sunday service was cancelled (until 1978 when political pressure brought it back)

When management tried to cut costs, politicians were always in the way.

Liberal-cum-Conservative MPP Marvin Shore, in a letter to the LTC wrote:

" There is no question that economic and fiscal responsibilities must be paramount at this point in time, when there is great need to stress effiency and restraint.

However, in my opinion, the Commission's decision to cut Sunday service is unacceptable."

Now, we look at that letter , reprinted in the Free Press at the time, and note three things:

1) the word "paramount" means: supreme,chief in importance
2) no reason was cited as to why this was unacceptable
3) Mr. Shore later turns coat and joins the ruling party that made these cuts necessary

At 5.05, Oxford West moving West contained 2 passengers, the Oxford East moving East (at Adelaide) contained 5 passengers at 5.05 p.m. Sunday.

On November 20, 1975, the LTC eliminated Sunday service to save $300,000 a year, which reduced the subsidy increase the following year to 3.5% (previous increases in 1973,1974 & 1975 were 118%,71% and 191% respectively!)

Mr. Shore is a specialist in bankruptcies so an explanation of why these obvious cutbacks were unacceptable would be interesting.

Obviously Mr. Shore was paying lip service on one hand to "restraint" but on the other was bad-mouthing its implementation. Petitioners, public criticism, etc. will do this to a politician.

As suburban routes continued to expand each year, which were all the major money losers (see chart pg. 10), a funny fact came to light.

The more passengers the LTC carried, the greater its losses accelerated. In periods of user-revenue paying costs, this was impossible. But in a period of subsidy, where every rider is being carried at a loss, increasing ridership increases losses. Conversely, when ridership declined, losses also accelerated! It was, and still is, a disasterous no-win situation.

Worse, the General Manager was confronted by criticism that downtown routes had been sacrificed for suburban routes.

LTC G.M. Arblastar told Nick Martin of the Free Press on October 25, 1978:

" Most cuts in service have been made in the core are (which made money -Editor) to add to suburban service to meet Council's directive that every citizen of London have a bus within ¼ mile of his door.

In 1967, there was a 14 minute wait between evening buses on Colborne St. today every 45. On Dundas, the evening wait has increased from 11 to 18 minutes, Hamilton Road from 10 to 22 minutes and on Adelaide the evening wait went from 14 minutes to 30.

Sunday service was better in 1967 when a Dundas bus came every twelve(12) minutes, today every 30; the Sunday Wavell in '67 every 12 minutes, now every 30 and the Adelaide used to be every 15 minutes and is now 40 minutes."

Mr. Arblastar then said that the only way to improve the number of passengers and revenue (as 1978 was the 28th straight year of declining ridership), was by improving the level of service.In fact, " I've been saying that for 5 years now."

Mr. Arblastar unfortunately had it all backwards. Revenue decreases with an increase in passengers (see Appendix E for latest confirmation of this).

D'Arcy Clark, the current Marketing Director for the LTC told us information which completely contradicts this. He said an increase in the number of passengers actually INCREASES LOSSES FOR THE LTC.

When asked to explain(even I was surprised), Mr. Clark calmly responded:

" With an increase of, say, 50 persons per hour in any one area or route, we'll need a new bus, which means a capital investment of $140,000 (although the Province "pays" 75% of this cost,ultimately the same to the taxpayer), another driver hired, increase maintenance, more fuel,etc. Fares really don't begin to pay for all that."

And although Mr. Arblastar said " I've been saying that for 5 years" when it comes to saying more service equals more revenue; it was 6 years earlier, in the first year of Mr. Arblastar's job as General Manager, also the first year of subsidies, when perhaps his naivete brought out the most honest soul in him. On December 20, 1972, the General Manager noticed that passengers and revenues had increased sharply over the last 4 months. But...

" It's a funny thing to say, but the more riders we get, the greater the deficit.

The LTC has been budgeting for deficits, after years of break-even financing, ever since the province and city have been kicking in support," (started at the beginning of that year.)

Mr. Arblastar used the same explanation in 1972 as Mr. Clark does today:

" the increase cost comes when an extra bus must be put on a route to handle the extra riders, yet the bus isn't riding to optimum capacity".

Wharncliffe South at 3.30 p.m. This justifies a route?

From 1972 to 1981, subsidization increased rapidly. The chart on the next page indicates the climb in financial involvement from government. The extension chart (APPENDIX AZ) is on page 21.

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Wavell buses at 12.30 p.m. A noon-hour rush?

APPENDIX A

YEAR	NET COST OF SUBSIDY TO LONDON TAXPAYERS	SUBSIDY INCREASE OVER PREVIOUS YEAR	FINANCED BY CITY	FINANCED BY PROVINCE	% INCREASE IN PROV. OVER PREV. YEAR	USER REVENUE	TOTAL OPERATING EXPENDITURES	SUBSIDY AS % OF TOTAL BUDGET
1969	nil	N/A	nil	nil	nil	$3,031,000	$3,071,000	profit from '66-68 deferred
1970	nil	N/A	nil	nil	nil	$2,981,000	$3,267,000	(as above)
1971	nil	N/A	nil	nil	nil	$3,479,000	$3,544,000	(as above)
1972	$229,615	Total Amount	$78,901	$150,714	T/A	$3,674,000	$3,903,000	5.88%
1973	$500,107	118%	$ 210,700	$289,407	92%	$3,895,000	$4,395,000	11.38%
1974	$ 857,191	71%	$ 433,595	$423,596	46%	$4,255,000	$5,111,000	16.7 %
1975 *	$1,635,923	91%	$ 832,961	$802,962	89%	$3,463,000*	$5,171,000	31.6 %
1976+	$1,693,092	3.5%	$ 866,956	$826,546	3%	$5,264,000+	$7,026,969	24 %
1977	$2,036,931	20.3%	$ 688,956	$1,347,975	60%	$5,651,000	$7,757,916	26.25%
1978	$2,571,672	26.2%	$1,101,835	$1,450,165	7% (#)	$5,777,000	$8,427,131	30.51%
1979*	$2,524,694	- 1.86%	$ 934,427	$1,590,267	9%	$6,594,000*	$9,243,889	27.3 %
1980	$3,308,934	31. %	$1,555,536	$1,753,398	10%	$6,738,000	$10,320,243	32.1 %
1981	$3,908,000	18 %	$1,801,000	$2,107,000	20%	$8,374,000	$12,100,000@	32 %
1982(b)	$5,023,000	28.5%	$2,600,000	$2,423,000	15%	$8,976,000	$13,673,000	38 %

TOTAL TAXPAYER LOSS BY 1982: $24,289,159

AVERAGES:	1977-1982	25.6%		see next col.	12%	7.2% increase (1972 -1980)	13% increase (1972 - 1981)	

SYMBOLS:
- * Strike: service cancellation late in fall for 2 months in 1975, shorter strike in 1979
- \+ Sunday service cancelled, saves $300,000 resulting in only minor subsidy increase in 1976
- (#) Provincial government announces reduced subsidies beginning in 1978

Notes: The increase in revenue for 1981 is 24% due to fare hike, costs however increased by 19%. 1982 projections are derived from published reports regarding the costs of route extentions and bus additions due to begin in September 1981. It is suspected that this will increase costs in the latter part of 1981 as well.

Citipass users will also diminish revenue, particularily if their use increases, as is likely. Without a rate hike in 1981 or 1982, the average of 7.2% can be applied to 1982 revenue increases.

For future projections, the above averages are used. Inflation may well increase expenditures beyond 13% (as in 1981), particularily since these 13% average increases(1972-1980) occurred in the period when inflation was 6% to 9%. Now that this is 13% generally, 40% for fuel, etc. expenditures will likely increase at rates greater than 13%. However, if rates are raised for fares more often than in the past, revenue could rise more than 7.2% a year (but fares would have to raised every year to seriously break out of the 7.2% average, which includes 3 increases in the 1970s. Better to err on the side of caution, since our critics are watching.

the current situation

From 1972 to 1981, subsidies increased rapidly.

Some points worth noting:

A) Total subsidy per year has gone from $229,615 in 1972 to approximately $4,000,000 in 1981

B) The average annual increase in subsidy over the previous 5 years ('77-'81) has been 25.6%

C) The average provincial subsidy in the last 4 years has averaged 12%. Provincial policy is to be around the inflation level.(We use a frozen 12% in our projections, but this is balanced by a very conservative frozen 13% expenditures increase)

D) 1982 will include new routes, large fuel increases, a new wage contract as will be the case in 1984 (routes & wages) and probably in 1987 as annexation begins

E) In 1972, the subsidy composed 5.88% of the total operating budget of the LTC , in 1981 it was 32%

F) The municipal portion of the subsidy in 1972 was less than $\frac{1}{9}$ of 1% of the total 1972 City budget. In 1982, it is 2.2% of the likely 1982 City budget

G) By 1986 - 1989, the city plans to annex chunks of land around the city large enough to add 65,000 homes to the city. Under current policy, buses will be out there the day houses pop up.

H) Operating expenditures of the LTC from 1972 to 1981 averaged a 13% increase annually. User revenue increased annually by only 7.2% in the same period

I) From 1972 to 1981, ridership decreased per capita each year. In 1981 however the Citipass users are making an average of 54 trips a month, continually representing more of LTC's riders. Normal fares however would incur $27 for 54 trips, Citipass is only $18. Citipass is like a 33% off discount card! Amounting to the biggest price cut ever in a time when expenditures are hitting the route. The people who are buying Citipass are mostly regular riders who would be paying $27 a month anyway. Thus the LTC is slashing revenue in its bread & butter market.

J) More routes are expanding into suburban areas where losses are catastrophic. (see chart, page 10)

....is bad but not unique

London's situation is bad, but not unique. Impending doom lurks over all State owned or controlled transit systems throughout the continent.

The Globe & Mail(May 19,1981) on Toronto:

" The TTC (Toronto Transit) suffered a kind of mid-life crisis in the mid-70s. Self-supporting since its inception in 1921, it suddenly found itself with annual deficits and a declining ridership..."

TIME magazine(March 30,1981) in a cover story on the collapsing state of the U.S. gov't controlled transit system:

" Who did we get into this mess?

1) <u>Pusillanimous politicians who refused to risk their constituents wrath by asking for fare increases when they were unquestionably essential</u>.

2) Inept managers who, despite handsome salaries and generous expense accounts, proved incapable of managing

3) Inflexible unions that pushed labour costs sky-high

" Aggravating the situation were a number of long term trends. In the 1950's

(TIME quote continued) transit ridership declined precipitously. Railroads (gov't controled) were left to deteriorate and Americans fell in love with the automobile, honeymooned on new highways and married in the suburbs. "

All this is relevent to the situation in London.

TIME found, as well:

" From 1970 to 1975, while inflation was rising 40%, fares were not increased at all in many cities.

As labour and energy costs continued to shoot up, fares generally were paying only about ½ the operating costs

Increased ridership actually excaberated the problem: rush hour crowds require heavier overhead, but do not generate enough revenue to cover off-hour operations."

50% of all people reported they would drive their cars even if public transit charg~ ed no fare at all!

The U.S. federal government has picked up a great deal of the tab for U.S. transit deficits, similar to London's provincial subsidy.

In 1981, the U.S. federal subsidy will be 4.3 billion dollars.

But U.S. President Ronald Reagan would like to eliminate this subsidy entirely, returning the full costs of gov't transit to the cities; the right moral and utilitarian choice but a decision sure to bankrupt many urban transit systems in the U.S.

The alternative is draconian fare increases or complete gov't disavowal of involvement & interference with transit.

President Reagan may have a point in forcing that upon the cities. One New York newspaper conducted a survey of over 1,000 transit users that showed over 50% of them would PAY DOUBLE THE CURRENT FARE if it meant reliable, uninterrupted and safe service. This is similar to the LTC's findings that fare price is important only to politicians as top priority.

From TIME:

"...for example, the octopus-like Massachusetts Bay Transit Authority serves 79 communities. In an attempt to cut costs, the Director laid off 45 executives and 100 employees; but not one of the 200 "door guards" who pull down as much as $33,000 a year for making sure that automatically operated doors open & close.

Fares were doubled from the ridiculously low 25¢ that crippled the service, to 50¢. The Authority had planned to eliminate Sunday service and school bus transportation but...politicians ordered the cuts reduced in the face of public protest.

At this rate...the MBTA will be broke and unable to operate at all by the fall."

We can see that suburban bus services are politically obvious carrots to throw out to new suburbs, particularily when annexed areas have to automatically pay twice as many taxes as they were to the township. Concessions made to the province to justify annexation usually include the dangerous guarantee of bus service.

But is there any legitimate market potential for these areas? Are there potential riders at all?

The reputation of 'a home in the suburbs, 2.4 children and 2 cars in the garage ' did not come into use for nothing.

Canada's free-spending federal gov't found this out in a survey entitled " The Future of the Automobile in Canada " (Pierre is thinking of banning them perhaps?). That study concluded car owners and their cars are not easily parted. Car owners like their cars and only radical cost increases will change their minds.

The Toronto Transit Commission found in their public attitude survey:

1)in suburbs,50% of people never use public transit,vs. 30% in the central area

2)50% of all people reported they would drive their cars even if public transit chargedNO FARE WHATSOEVER!

3) 60% of the car committed group said they would use their car regardless of substantial increases in the cost of gasoline.

THE FACTS

The chart on the next page takes the data accumulated from the 1970 to 1982 period and makes projections based on cautious and conservative use of that data. The circumstances were cited two pages previous. Bear in mind that facts not listed on the chart have a role to play, decreasing ridership, expanding routes and decreasing revenue per mile, a consistently higher % of the City budget going to the LTC.

Where this takes us by 1990 is shocking.

As we said, all averages are conservative; any strikes, route expansions of a major degree before 1987, high wage settlements, big fuel jumps, greater drops in revenue (Citipass style or greater than normal decline in ridership), greater increase than normal in the bus fleet, will worsen the expenditure side.

Operating expense increases averaged 13% from 1971 to 1981, but inflation was only 6%- 9%. If we made projections proportionate to inflation, one might expect expenditures to be 18% in 1981*, 20% in 1982, 24% in L984 and increasing upwards. But thats a complete nightmare on a wicked scale that may well come true. The chart figures could be moved up by two or three years. Remember, regular fare increases are already built into the revenue averages (7.2%).

(* in fact, expenditures were 19% in 1981, leading one to believe things may well be worse than we predict)

For the 1984 estimates in expenditures we have shown a 15% increase over the previous years to account for new suburban routes, and to 16% by 1986

All the figures are corroborated. The reader can note that all totals mesh within 10% accuracy, amazing when you consider the intricacy of the statistics. The difference can be made up if you think things will really be worse than we feel, or if you believe the City will see the light at some point.

All the very real doom notwithstanding, the reader must bear in mind LONDON IS IN A FAR BETTER POSITION TO TURN THINGS AROUND AS COMPARED TO KITCHENER, TORONTO or any U.S. city, who are well into the 1984 to 1988 circumstances (see chart)

FREE THE BUSES!

The Editor would most emphatically suggest that the City should sell the LTC back to private interests and not incur any regulations (deregulating the taxi industry as well)

This is the easiest thing to do, will eliminate taxpayer losses and allow competitively low rates to exist in highly travelled areas where the real demand exists anyway.

However, this will probably not happen, though it is in the best interest of both transit riders, the City, and the taxpayers.

On the following pages are a series of recommendations that should be used in the current government context, or even if the LTC were privatized and competition permitted.

but failing that we offer our (see pg. 22)...

YEAR	TOTAL CITY GOV'T BUDGET	Municipal portion only % OF TOTAL BUDGET USED AS TRANSIT SUBSIDY (not including PROVINCIAL SUBSIDY)	NET COST OF SUBSIDY TO LONDON TAXPAYERS	SUBSIDY INCREASE OVER PREVIOUS YEARS	FINANCED BY CITY	FINANCED BY PROVINCE	% INCREASE PROVINCE SUBSIDY ABOVE PREV. YEARS	USER REVENUE 7.2%	TOTAL EXPENDITURES	SUBSIDY AS % OF TOTAL LTC BUDGET
1969	$ 45,015,895	o%	nil	N/A	nil	nil		$ 3,031,000	$ 3,071,000	0
1970	$ 48,517,505	o%	nil	N/A	nil	nil		$ 2,981,000	$ 3,267,000	0
1971	$ 48,909,369	o%	nil	N/A	nil	nil		$ 3,479,000	$ 3,544,000	0
1972	$ 52,809,776	.12%	$ 229,615	T/A	$ 78,901	$ 150,714	T/A	$ 3,674,000	$ 3,903,267	5.88%
1973	$ 50,567,172	.42%	$ 500,107	118%	$ 210,700	$ 289,407	92 %	$ 3,895,000	$ 4,395,000	11.38%
1974	$ 54,075,963	.8 %	$ 857,191	71%	$ 433,595	$ 423,600	46 %	$ 4,255,000	$ 5,111,742	16.7 %
1975	$ 59,057,427	1.4 %	$1,635,923	91%	$ 832,961	$ 802,962	89 %	$ 3,463,000	$ 5,171,606	31.6 %
1976	$ 69,663,273	1.2 %	$1,693,092	3.5%	$ 866,956	$ 826,546	3 %	$ 5,264,000	$ 7,026,969	24 %
1977	$ 78,095,892	.85%	$2,036,931	20.3%	$ 688,956	$ 1,347,975	60 %	$ 5,651,000	$ 7,757,916	26.25%
1978	$ 85,132,827	1.35%	$2,571,672	26.25%	$1101,835	$ 1,450,165	7 %	$ 5,777,000	$ 8,427,131	30.5 %
1979	$ 91,676,493	1.1 %	$2,524,694	-1.86%	$ 934,427	$ 1,590,267	9 %	$ 6,594,000	$ 9,243,889	27.3 %
1980			$3,308,934	31. %	$1555,536	$ 1,753,398	10 %	$ 6,738,000	$10,320,243	32.1 %
1981	$113,750,000	1.58%	$3,908,000	18. %	$ 1801,000	$ 2,107,000	20 %	$ 8,374,000	$12,100,000	32. %
1982	$124,830,000	2.1 %	$5,023,000	28.5%	$ 2600,000	$ 2,423,000	15 %	$ 8,976,000	$13,673,000	38 %
1983	$136,690,000	2.6 %	$6,308,900	25.6%	$ 3595,000	$ 2,714,000	12 %	$ 9,623,000	$15,450,000	42.75%
1984	$148,920,000	3.9 %	$8,907,000	25.6%	$ 5867,000	$ 3,039,500	12 %	$10,316,000	$17,767,000	52.5 %
1985	$163,067,000	4.7 %	$11,082,100	25.6%	$ 7678,000	$ 3,404,180	12 %	$11,058,000	$20,432,000	56.8 %
1986	$178,558,000	5.5 %	$13,621,870	25.6%	$ 9809,000	$ 3,812,600	12 %	$12,708,000	$23,496,000	60.68%
1987	$195,521,000	5.8 %	$16,807,450	25.6%	$11430,000	$ 4,270,200	12 %	$13,623,000	$27,255,000	64.5 %
1988	$214,096,000	7. %	$20,548,900	25.6%	$14937,000	$ 4,782,600	12 %	$14,604,000	$31,616,000	68. %
1989	$234,435,000	8.3 %	$24,937,550	25.6%	$19411,438	$ 5,356,500	12 %	$15,656,000	$36,674,000	71. %
1990	$256,706,000	9.8 %	$31,108,600	25.6%	$25109,000	$ 6,000,000	12 %	$16,783,000	$42,541,000	76.5 %

Percentages & figures below the line are projections based on information & trends indicated in body of article.

THE FULL STORY

APPENDIX AZ

BLUEPRINT FOR SOLVENCY

GOALS

1. To eliminate all losses immediately
2. To make a profit to expand high volume routes,
3. To raise fares at a level below inflation regularily on January 1st of each year so the riding public gets used to fare increases
4. Keep the bus service completely independent of the political process

NOTE: For those skeptics who at this point remain unconvinced anything can or should be done to end deficits, we posed this key question to D'Arcy Clark, the Marketing Director at the LTC:

> " If a private corporate Board of Directors came to you today, assuming the LTC was privatized, and said that by 1982 this bus company must break-even and return at least 10% profit on investment in 1983, how would you do it?"

Mr. Clark:

> " That's an easy question to answer but I'm not going to be the one to answer it. Anyone here in the management could answer it. But they won't."

Mr. Clark was not anxious to engage in a conversation which would, understandably, have repercussions from the political apparatus. His response does invite the possibility that, not only can it be done, it can be done NOW.

RECOMMENDATION #1	SAVINGS
ELIMINATE THE OXFORD WEST ROUTE - This route from Sanatorium Road to Fanshawe College along Oxford is overlapped at 80% of its route by other buses. Passenger use from eastern points is very low as the more frequent core-area destination Oxford East serves this area. In the west, the Oakridge could and does serve this area adequately. The new route changes by the LTC for OXFORD WEST in September 1981 will increase losses, as the route will then use 3 buses at peak periods.	- currently losing 53¢ on every $1.00 cost - save $301 a day will save $109,879 per year - 2 buses sold back to the province

RECOMMENDATION #2 SAVINGS/GAIN

REDUCE OAKRIDGE BUS SERVICE from 2 full service buses to one bus operating from 7 a.m. to 6.30 p.m., with a tripper from 3.15 to 5.30 p.m. — $43,252 per year

This will double wait time, but will still serve hard-core bus riders and use the bus to an optimum level.

Evening use of current service hardly exists.

The new route changes for Oxford West in Sept. '81 will increase losses as 3 buses are alotted to this fiscally horrid route.

RECOMMENDATION #3

ELIMINATE THE WHARNCLIFFE S. bus — $317.60 saved daily; $115,933 annually; sell off 3 buses

- 80% of this route is covered by the Wavell and Huron Heights buses.
  The remaining loop at Glendale is rarely travelled

(these calculations are done in this formula
# of buses multiplied by the deficit multiplied by passengers per day multiplied by 365 (annual total)

ie. 3 x (55% of 50¢ fare)
.275 x (daily passeng)
385 x
365 = $115,933

RECOMMENDATION #4

ELIMINATE DUNDAS EAST BUS. This has been recommended for Sept. 1981 by the Commission. — $34,207 annually; sell off one bus

RECOMMENDATION #5

ELIMINATE ORCHARD PARK ROUTE — $89,395 annually; sell off 2 buses

-This route goes from Orchard Park to Stoneybrook, a northern route that is adequately covered by Whitehills in the west and Adelaide(Grenfell/Northridge) in the east.

RECOMMENDATION #6

ELIMINATE SPRINGBANK DRIVE BUS ROUTE — $185,712 annually; sell off 4 buses

- This route travels a great distance down Sprinkbank Dr. to Byron, In September of '81 a new Riverside Drive bus will adequately service Byron. The Coves, Southcrest, Berkshire will be serviced by the Wonderland bus. The remaining areas are high to extremely high income and rarely use public transit.

RECOMMENDATION #7 — $75,175 annually; sell off 2 buses

REDUCE KIPPS LANE SERVICE from 6 buses to 4 for optimum use

RECOMMENDATION #8 | SAVINGS/GAIN

ELIMINATE THE HIGHBURY BUS
- This route is overlapped by 7 other routes at every single point. In the Fairmount subdivision, riders can use the Hamilton Rd. to Colborne to get downtown (presently they transfer to the Dundas bus). The Wavell services Highbury Ave., between Brydges and Dundas, and Huron Heights serves the north

$114,318 annually
sell off 3 buses

RECOMMENDATION #9

REDUCE BUSES IN THE GRENFELL/NORTHRIDGE section of the ADELAIDE BUS.
- This will permit more time on the main Adelaide artery.

certain fuel, driver savings.

RECOMMENDATION #10

REMOVE THE POLICY REQUIRING MINIMUM BUS PERFORMANCE IN SCHEDULING.
- Currently buses are required to be at every bus stop every 30 minutes or more frequently, during the day, and a minimum of every 60 minutes in the evening. This is absurd. Times would be arranged based on demand

fuel, driver, savings

RECOMMENDATION #11

CANCEL OR REDUCE MANY EVENING BUSES FROM SERVICE.
- possibilities include evening service from Thursday to Saturday only, (demand days) and eliminating evening service from some routes altogether where demand is insufficient

variable depending on extent

RECOMMENDATION #12

ELIMINATE SUNDAY & HOLIDAY SERVICE WHERE DEMAND IS UNWARRANTED
- possibilities include 10 a.m. to 6 p.m. only or operating only moderate & high use bus routes

variable depending on extent

$600,000 if Sunday service is done away with totally.

RECOMMENDATION #13

RAISE RATES FROM 50¢ (ADULTS) TO $1
FROM 25¢ (CHILD) TO 35¢
FROM 25¢ (SENIORS) TO 35¢

Notes: The Transit service will lose about 5% of its ridership due to route cancellations, as wellas an additional 10% in the first year of increased rates. These will come back over the next three years

No more riders will be lost because

1) The average cab fare for any one route is still $3.00 to $7.00, average $4.25 This means the bus will be 3 to 7 times cheaper.
2) The 90% who will remain as riders do so largely because they cannot afford cars and the costs involved. They will have no choice but to use Transit
3) Alternate forms of transit like cycling are impossible in winter, inclement weather and unsuitable roads. Cycling is, except in rare instances, recreational
4) Even at $1 a ride, THAT IS STILL CHEAP. Because rates have inched up over 5 year periods and were fractional amounts, riders for 10 years have been insulated from the real costs
5) This will permit a profit of AT LEAST $4 MILLION in 1982, and increasing profits every year thereafter. The interest on this profit will be deferred to the following year to only allow for a 5% increase in fares from 1983 to 1986. By 1987, a reserve of $27 million will have accrued, providing perpetual cushion against inflation. Sunday service resumes 1986
6) By 1987, fares will be $1.25 and hold permanently with no deficit. Reserve interest will match all inflationary increases. (See Profit/Fare Chart)

RECOMMENDATION #14

PERMIT PRIVATELY OWNED BUSES TO SERVE AREAS THAT FEEL DISENFRANCHISED FROM ADEQUATE SERVICE

- politicians would love this. Keep 'em quiet out in the boondocks.

NOTES

Although with such a respectable profit, the Commission could easily afford to maintain the routes that incur the greatest losses -at first. By 1985, these routes would lose so much that profit would disappear and larger fare increases would be necessary to provide service to a small minority

The reader must bear in mind that the "profit" is a sure sign that actual demand is being met. Routes that would be cancelled experience isolated and minimal use and WERE LARGELY POLITICAL IN ORIGIN.

The rider should get used to annual increases in rates, though with a healthy profit invested to offset inflationary cost increases, these will be considerably less than the inflation rate. (The profit should not be returned to the tax pool at City Hall!). 5% increments on January 1st of each year are recommended. This way the public anticipates and recognizes the need for such an increase, and surprise is circumvented.

On January 1st, 1983, fares will go from $1.00 to $1.05. The company expenditures will be 15%. On January 1st, 1984, fares will go to $1.10 , until $1.25 in 1986.

By 1990, prices in the market will have generally tripled since 1982, but transit costs will have risen only one-tenth of that after the first & only major fare increase (see Profit/Fare Price Chart)

Transit will be a bargain to the consumer, exist at no cost to the taxpayer! This is cheaper than if rates were raised 15% every year until 1990 (just keeping up with inflation) and that plan would <u>not</u> end subsidies!

This Blueprint has built in protection against galloping inflation because early profits are invested at current market interest rates

These recommendations would achieve the following:

* $131,000,000 from 1982 to 1990 in London Taxpayers funds SAVED!

* Eliminate peripheral routes which are accelerating losses at catastrophic increments

* Allow consistent, long term planning by management for responsible route expansion

* Would get the political influence - thus the heeding of minority demands for service - out of transit.

* No future cut-backs will be necessary unless ridership drops <u>on a certain</u> route

* Flexibility in marketing special services like Sunday & evening service, when the Commission can, in an over-all profit position, afford minor losses to drum up business

* <u>It will be the only efficient urban transit system on the continent running!</u> Other systems in other cities will be bankrupt, deteriorated, unsafe, or will be charging fares far beyond our recommended 1990 fare of $1.25 per ride

While others lose hundreds of millions (as London will if it doesn't change) <u>and</u> still face disaster in the 1990's, London could be experiencing truly cheap, efficient transit.

Let's take a look at my tax bills as they'll be from 1982 to 1990, as we have seen, this years amount is a total hundreds of small businesses submit.(See LTC TAX Chart) <u>If things don't change, I'll pay $3,059 to the LTC ALONE IN MY TAXES BY 1990.</u>

Put another way, the $131,000,000 that will be <u>lost</u> on the LTC (or has been lost) could buy, graduated properly over the period of subsidy from 1972 to 1990, every single regular transit user A BRAND NEW CAR! (Car calculated at an average price per car over the 18 years as $10,000 per car). <u>13,000 cars.</u> (At late '80s inflated prices at that). Gas at that point is comparable to taking the bus. And remember, those cars could be bought with the SUBSIDY ALONE! The user revenue could be... well, you get the point.

LTC TAX CHART (BASED ON TOTAL CITY BUDGET)

TOTAL TAXES	YEAR	PRECENTAGE TO LTC	TOTAL LTC PART
$3,300	1981	1.58%	$ 52.14
$3,630	1982	2.1 %	$ 76.23
$3,993	1983	2.6 %	$103.81
$4,392	1984	3.9 %	$171.28
$4,831	1985	4.7 %	$227.00
$5,314	1986	5.5 %	$292.00
$5,845	1987	5.8 %	$339.00
$6,430	1988	7. %	$450.00
$7,073	1989	8.3 %	$587.00
$7,780	1990	9.8 %	$762.00

note: The percentage to LTC is based on the percentage of the Total City Budgets percentage allotment to the LTC.
And then add your provincial tax "contribution".

LTC

PROFIT ~ FARE PRICE CHART

YEAR	FORMULA	REVENUE	EXPENDITURES	PROFIT/ ACCUMULATED PFT. DEFERRED INTEREST
1982	$8,374,000 x 1.072 x 1.8 x .85*	$13,734,000	$10,545,273+	$ 3,188,727 $ 478,309# DI
1983	$13,734,000 x 1.05 x 1.03 plus $478,309	$15,331,630	$11,916,000	$ 3,415,472 PFT $ 3,604,200 AP $ 990,630 DI
1984	$15,331,630 x 1.05 x 1.03 plus $990,630	$17,571,800	$13,465,000	$ 4,106,720 PFT $ 10,710,920 AP $ 1,606,638 DI
1985	$17,571,800 x 1.05 x 1.03 plus $1,606,638	$20,610,540	$15,215,450"	$ 5,395,090 PFT $ 16,106,010 AP $ 2,415,901 DI
	SUNDAY SERVICE RE-INSTITUTED on Jan.1 1986			
1986	$20,610,539 x 1.05 plus $2,415,901	$24,056,967	$17,793,458@	$ 6,263,500 PFT $ 22,369,510 AP $ 3,355,426 DI
	NO MORE FARE INCREASES!			
1987	$24,056,967 plus $3,355,426	$27,412,396	$20,462,476	$ 6,949,920 PFT $ 29,319,430 AP $ 4,397,914 DI

RESULTS: ANY LEVEL OF INFLATION WILL BE IRRELEVENT AS INTEREST WILL NOW MATCH ALL INCREASES IN EXPENDITURES. FARES PERMANENTLY HELD STABLE AT $1.25. SERVICE IMPROVES WITHOUT DISRUPTING SYSTEM. NO MORE CUTBACKS.

SYMBOLS: * - original formula is (1981 LTC revenue) x 7.2% annual increase x (new increase in rates) 1.8 x (riders less 5% in canceled routes plus 10% who leave public transit but return over '83 to '85 period) .85

\+ - original formula is: (route cancellations and specific route reductions), (cancellation of Sunday service), (evening cancellations unspecified)(reduced staff by 10 drivers)(reduced maintenance staff)(abolished minimum performance times) all subtracted from 1981 expenditures and then multiplied by annual increase of 1.13. ($2,700,000 subtracted from $12,100,000 x 1.13 is $10,545,273)

#-interest on profit passed to next year

"-expenditures now 15% over previous year

@-includes $600,000 cost of Sunday service

DI- invested at 15%.

Aug 12

Londoners increase bus use but room for improvement seen

By Nick Martin
of The Free Press

Londoners are getting into busing — but London Transit Commission chairman Don Crawford still sees plenty of room for improvement.

City bus ridership rose 10.4 per cent this year to the end of June compared with the same period last year, despite last fall's 25-per-cent fare increase. Preliminary figures for July could boost ridership beyond an 11-per-cent increase, Crawford said Monday.

That doesn't necessarily mean there are 10.4 per cent more individuals riding the buses, Crawford explained. The new monthly pass introduced in October has encouraged more frequent use of the bus system. Market surveys have found the average pass-holder takes 54 rides a month, six more than expected.

Nevertheless, more Londoners are using public transit each month, Crawford said, and politicians at all levels soon will have to make a crucial decision about the philosophy of public transit.

The LTC is pursuing a course that produces as many transit riders as possible while government still considers profit-and-loss figures the most important aspect, he said.

"There has to be some change in the thinking among the powers-that-be. We may have to look at public transit being as necessary as garbage collection, removing snow or paving streets."

The commission's budget aims at a minimum of 65 per cent of costs coming through the fare box, with the city and province splitting the deficit. There is no federal transit aid in Canada.

"At 65 per cent of the total cost, we're one of the highest transit systems in North America," said Crawford. Although he felt a fare increase could be necessary by late 1982, Crawford urged government to carry a greater load in financing transit systems.

This year, city council approved a budget increase to allow route improvements but defeated a commission bid to improve the frequency of service to the minimum set by city council several years ago but never implemented.

The route changes take effect Sept. 6. "That's going to be of considerable help."

Elimination of a meandering loop will shorten the ride for Oakridge passengers. Byron residents will be able to travel to Westmount Mall or go north of the Thames River to Oakridge Mall without riding downtown to transfer.

The Trafalgar bus will travel on portions of York and Florence streets to pick up east-enders who now live beyond the maximum one-quarter mile from bus service, which is the city's policy.

Londoners living southeast of Dundas Street and Clarke Road will be able to ride to Oxford Street directly north without having to go to Dundas and Highbury Avenue to transfer.

"We're getting away from this business that everything has to end up at Dundas and Richmond," said Crawford.

The LTC's planned construction of four transfer terminals in the city's corners will be delayed by the second phase of the city's urban transportation study now under way, he said.

The stations will not open before the spring of 1983, he said. Crawford does not expect the study to have direct repercussions on the LTC but felt the city would benefit from a cohesive transportation policy. Exclusive bus lanes have been suggested but he feels they would not be feasible without considerable widening of major traffic routes.

London is lacking in late-night bus service, Crawford said. "We should take a look at extending the evening hours," not only by beefing up the frequency of service between rush hour and midnight but also by extending service until 1 or 2 a.m. on Thursday to Saturday.

Crawford said his 33 months on the commission have shown him the LTC is being run as economically as possible. "There doesn't seem to be any fat in the LTC." !

If further improvements are to be made, he said, it will be up to the politicians to provide the financing. "We have shown that transit is more viable in this city."

The Detroit News

Sunday, August 16, 1981

Higher city taxes and limited bus service

By Robert E. Roach
News Staff Writer

Detroit made its deadline but the costs are going to be high.

A "crippled" city bus service and higher city income taxes are among the penalties Detroiters can expect to pay for Mayor Coleman A. Young's economic bailout plan.

Like many other cities teetering toward financial collapse, Detroit must pay off millions in debts for bond payments, pay increases and other concessions to city unions in exchange for a two-year freeze on pay and cost-of-living increases.

Concessions the city made to obtain the freeze on police salaries are expected to cost the taxpayers about $4.3 million in the fiscal year starting next July.

BIA NOTES

B.I.A. Executive Director Bob Martin began his $100 a day job "co-ordinating" the efforts of the Board Of Management July 20.

He held an interview for the media, saying little of anything specific other than that he favoured the closed-traffic pedestrian-only mall, and "that it was a good thing".

Having been in London only 2 days, we find that such a broad statement on television is inappropriate considering Mr. Martin has not personally contacted any " members " of his BIA to find outif that is what merchants want. Or does he just listen to the Board Of Management?

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On Monday, July 27th, your Editor filed a lawsuit against the Board Of Management of the B.I.A. (and the City, as they must supply legal defence & provide the funds for BIA expenditures)

The lawsuit asks that:

1) All monies paid to Michael Lerner,(minimum of $5,000, possibly more) for legal services at the OMB hearings on mall expansion must be recovered

2) The BIA Board to be prohibited from spending money on lawyers who hardly qualify as expenditures " for promotion or beautification"

3) That the City gov't be restrained from giving the BIA any more money until such a time as the $5,000 to Mr. Lerner is returned

This lawsuit, which will be defended by the City, will take about a year to resolve unless they see the light earlier, will be watched by government and business as a key case in determining the limits on fund use. If they win this, then expect trips to trade shows in Rio De Janeiro, urban planning conference junkets to Washington D.C., all under the guise of "obtaining ideas for beautification or promotion".

Let's face it, their Council approved budget passed last December has been changed to add Executive Directors, consultants' studies, BIA seminars in Toronto, lawyers, etc. And this is only their second year.

Are there no limits to their methods? We shall see.

My comments that were broadcast on CFPL and CKSL news sum up much of my view:

CFPL: I oppose the spending of taxpayers' money on lawyers to engage in this type of action because everyone has a right to compete in the market. What made this country great was the freedom to pursue your interests without gov't interference. For businessmen to engage in these tactics sorely maligns the interests of the consumer and businesspeople in both the long and short term."

CKSL : Let's face it, they've got a lot of money and it's all going to line the pockets of Liberal Party hacks."

The Free Press descibed it well:

Emery wants the board to be restrained from paying more ratepayers' funds to the lawyer, Michael Lerner of London, the city restrained from paying funds to the board because of the retainer and a mandatory injunction compelling the board to recover any other legal fees.

McKinnon said the retainer (estimated at a minimum of $5,000) is outside the powers given to the board of management by the Ontario Municipal Act and the city bylaw creating the board.

He argues that Section 361 of the act does not permit the board to divert its funds from its original purpose of beautifying and promoting the downtown business improvement area.

In a news release, Emery said the criteria for dispersing business improvement area funds require that they be used for "physical beautification or promotion" and they be approved by council bylaw.

But, he said, neither of these criteria are met by the business improvement area's use of funds to retain a lawyer to attend OMB hearings in an attempt to "block competition."

As well as being illegal, Emery said the board's action is "anti-consumer, anti-freedom and a regressive socialist measure intended to preserve established interests at the expense of the consumer."

Emery said small business people required to pay 12-per-cent surtaxes for the business improvement area are contributing to the legal costs involved in the lawsuit.

Emery lost a lawsuit last year when he tried to get the courts to rule that the downtown London business improvement area budgets were illegal.

Bob Martin, executive director of the downtown London business improvement area, said he had no comment on Emery's latest lawsuit.

Incidentally, CKSL radio told me that both Betsy Hamilton (secretary $7.50 an hour) and Bob Martin ($100 a day) were not in the BIA office from 12.30 p.m. to 3.00 p.m.

In fact, no radio station was able to get a quote from anyone at the BIA office that day.

Legal fees are being paid for by your Editor and 9 other core area businesses. Pledges of any amount from any core area merchant in sympathy are certainly welcome.

Even if we win the lawsuit however, the money Michael Lerner will return can then be spent on other absurd things that as we have seen for 18 months, are within the law no matter how irrelevent or unethical.

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For anyone who would like the 7 pg.'special BIA annual meeting report(issued for subscribers only on July 2 after the "Annual meeting -Open Forum"), call Editor at 438-4991 for a copy. Its hot stuff!

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We hear BIA exec Bob Martin was quite depressed at being labelled a "socialist' in our July 2 Extra. If the shoe fits....

Our source of inside-info (we hear everything that goes on at these meetings) who we'll call from now on Deep BIA' (a tribute to the name of the source of a certain cover-up incident in Washigton D.C. in the mid-70's. Used to talk alot to guys named Woodward & Bernstein. And they thought they had a cover-up...) also told us:

- The Board of Management, or some of them, would still like me to join because I'm so'knowledgeable'. One feels they've missed the point about why I do this. If there wasn't the coercive use of taxes and it was really an open, voluntary outfit, I'd be there in a flash.
- Deep-BIA tells us that all Board members read the MetroBulletin now and are very upset with all the criticism.

  Do they deny its true?" we panted to our source.

  " No " says our inside man " they don't even discuss particulars or whether its true,relevent, false, or helpful, they don't even understand the point of your facts. All they know is that you're gumming up the works.

  But they're going to try to ignore you
- Do you ever wonder what happened to the thousands of " Discover Downtown -Its Luverly" decals, matchbooks, T-Shirts, etc that thousands of dollars of your and my hard-earned BIA taxes were spent on?

  You do?

  Well,it seems that literally crates and crates of matchbooks, T-Shirts an other paraphernalia are (or were in mid-July) just sitting in Betsy the Secretary's garage and its all beginning to get in her way. Awwww.

  Just as we go to press, we see the BIA's dynamic duo (the two kids on minimum wage who do more useful -though thats not hard - work than Bob Martin, Betsy, & the whole Board of Management together) giving boxes and boxes of of "Luverly" matches to anyone who'll take them. Call for your supply now!

  What we want to know is, why wasn't this done last year? Now the BIA, in its never ending pursuit of excellence, has a'new logo' for the downtown (we paid for it) and is reprinting that inthe media . The radio jingle that is not umpleasant is available for any merchant to use in their radio ads. You paid for that, so you might as well if its your cup of tea.

  Both the logo and the jingle are an improvement over last year (what wouldn't be?) but that's hardly the point since the money to finance them are stolen from merchants (via City Hall) against their better judgement.

****

Four out of ten of the 1981 Board of Management have resigned since February, almost one a month.

If we're lucky, the trend will continue.

The four replacements are: Dennis LeBlanc - Mercantile Bank (representing the financia community)

Mr. Ray Western - Simpsons
('representing' Dept. stores)
Mr. Robert Smeenk - Pin Ball Palace
(representing retail(?) stores)
Mr. Wayne Eddington- Campeau Corp.-Wellington Square
(representing downtown malls)

The ominous appointment is that of Mr. Wayne Eddington of Wellington Square, or more appropriately, Campeau Corporation.

Campeau's designate on the Board is to make sure the BIA continues to be used as an instrument to oppose suburban mall expansion. This policy was initiated last year, largely under the influence of Ken Forrester of Eaton's (see MB July 2 EXTRA)

Campeau supplied BIA hired attorney Michael Lerner with $35,000 worth of info for use against free trade in the city.

Campeau has launched a most vigorous campaign at the OMB hearings to block all competition from expanding.

Even if that doesn't bother you, it is ominous that a group "that receives no financial reward" and does all this out of the goodness of their heart is now procuring Board members that have only the benefits to their specific company in mind. (Oh, did I say this would happen last year when I circulated the anti-BIA petition? I did?!Gosh.)

Which brings us to Robert Smeenk. Does he feel he can reduce the negative flak about pin ball arcades by getting on the inside? The Board itself has attributed loitering to these places. What's <u>his</u> angle? (Rob runs a quality place, so his wanting to be on the inside seems like self-preservation. But isn't this what this group is turning out to be? A "let's cover-our-asses and ask questions later" group?)

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The make-up of the Board is a peculiar one; 2 representatives from youth-teen amusements (SAM THE RECORD MAN, PINBALL PALACE), one real estate man (Sorrenti), a bank (MERCANTILE), a chartered accountancy conglomerate (PRICE-WATERHOUSE), a dept. store conglomerate (SIMPSONS), a mall conglomerate (CAMPEAU CORP.), a clothing store (owned by the real estate man , ARTISTIC LADIES WEAR), a hotel conglomerate (HOLIDAY INN) and a leather goods merchant (TRAVELLER).

Talk about 'the established interests' or what. How they let PINBALL PALACE and THE TRAVELLER in makes one wonder.

****

The city, after advertising for 6 weeks for applicants to two Board positions, received only 2 applications! (Downtown, I'm proud of -Editor)

One of the nominees was unaware he was even nominated and accepted by Board Of Control until the MetroBulletin informed him. Apparently, a well meaning associate was responsible for the deed.

The surprised gentleman has accepted the position nonetheless, though we're sure he isn't sleeping as well now as he used to.

****

The TIMES OF DOWNTOWN LONDON made its appearance as promised (shock!) on August 13 (a portend, let's hope).

Are we going to be negative about this first issue? Are we going to point out that it was mostly ads from the Board of Management, self-congratulatory nonsense, wasted space? Are we going to talk about the Mayor's Seal Of Good Housekeeping (and speaking of cleaning house, isn't he busy enough on Dufferin with his Development fund?) and the silly letter of Congratulations from the province? Are we going to quote and make fun of the outrageous editorial that was in there? And more?

You bet, in detail!

Point by point:

1) 4 pages of complete advertising from Board members businesses!
2) various ads for the paper that total ½ a page, leaving 3½ pages of "content"
3) a letter from both the province & the Mayor on how great this paper is

going to be (with Al's smiling face,too)

4) Content consists of:

pg. 1 = the B.I.A.'s midnight madness sale. Outside of the serious point that its paid for out of our 890-business taxes and will benefit only 75 businesses, this is legit information

pg. 2 the new office address, an invitation to write letters, letter from the province

pg. 4 Jogging downtown article (what?), a beautification report which claims the downtown kiosks are " shabby and crooked " and that they asked the city to spend $10,000 to get rid of them. BIA has offered to give the city $5,000 towards a street sweeping machine for sidewalk cleanliness (although downtown pays $14,690,000 a year in taxes, we have to pay more to get the sidewalk clean -Editor), etc. Not a bad report really. While its not much it indicates that Brian Stewart (beautification Committee) has done something.

pg. 5 a hideous article lacking any warmth, about Rowland Hill shoe store. Written like Rona Barrett (and we know she isn't on Tv anymore.. A note of thanks to advertisers and a curious ending to the article: "With help and support we will soon extend our area of distribution and influence beyond the core." A sales representative has been hired, it indicates, to sell advertising

pg. 6 - a hilarious editorial about a certain crusading individual in the core who is gumming up the works (see more below), a listing of the entertainment at all downtown bars(?)

pg. 7 - Bob Martin writes a fluff article entirely devoted to why it was a great idea for the Board to hire him, some examples; " the Board has taken a great step forward with the hiring of an Executive Director" and " with the appointment of a full-time director, greatly increased impact will be achieved".

Other interesting remarks are " The downtown core seems quite healthy " and this zinger " The <u>development of a close and harmonious relationship with City Hall is a very necessary part of achieving our objectives,</u> and particular attention will be paid to this sector". With Big Al on the cover, the Province on page 2, this group on the dole 100% to the tax process, (even this paper can be honestly said to be: The first government owned newspaper in London! It is, its paid for by taxes which comes from the city gov't, and that's surely going to compromise free expression)there isn't one gram of independence left.

With a corporate ruling elite (3 exceptions) running the Board, cushy deals going on with the politicos, you can bet this BIA will be run just like LIBERAL/NDP/ CONSERVATIVE Party machinery. You kiss my a__ and I'll kiss yours. Appalling.

Pg. 3 and 8 are full page ads. Some paper. (If this were privately owned, I'd ignore it, it really wouldn't be my business to be so scathing, but we 890 are paying for this slop in our taxes every issue)

The editorial is amazing. Called "United We stand, Divided we fall", it is a tirade against yours truly. Never mentioning my name, you understand. If they had anything to boast about,none of this stuff would be necessary. Instead, they give me credibility and the satisfaction I'm getting to them.

To wit:

> " However, it must be clear to all that the wishes, concerns, and convictions which are expressed are those of a clear majority, freely expressed in public debate.
>
> We must not allow the constant screeching and inaccurate innuendo of the individual (however loud) to be thought of as representing the majority!
>
> Self-seeking,publicity grabbing, ego trips (Oh, I love it! -Editor) have no place in the freedom loving democratically instituted society of

today.

There are those among us today who have had the unfortunate experience of bearing witness to both perverted propaganda, and perverted bending of the democratic process, by individuals in recent history, and who by the misguided strength of their own inaccurate beliefs brought their societies to fascism."

Up to the word fascism, we're never really sure their describing me or Hitler, but this is their way of using their frustrated anger to finally say, as some sort of cryptic warning:

" This cannot and will not happen in the London Downtown Improvement Area ".

Before we procede further, let me point out that this has already happened to the Board. Perverted propaganda? Does the BIA supply fact filled issues with parking surveys, maps, transit analysis of scholastic quality, taxi studies, zoning studies. No, they accuse their critics. With evidence? No way, confused editorials will suffice here.

Perverted bending of the democratic process? Did they go out and get signatures on a petition showing they had majority support. We did. Last summer 354 signed a petition protesting and demanding the rescinding of the BIA. Council ignored it.

Brought "societies to fascism"?

Fascism is rule by the elite class. First off, fascism means you have control of gov't and the tax system. The BIA has our taxes, and they are an extension of the government. They have the Canadian Establishment of BIAs if there ever was one. They are <u>elite</u>.

There are those amongst us who have witnessed perverted propaganda? Yes, 890 of us, and by the time your Editor is through, everyone will witness it: The BIA- role model for fascism.

Further, Bob Martin <u>is</u> a socialist, and he proves it. He constantly cites " individuals " who "abuse" the system and create "fascism" . It is sleazy manipulators of the system like him (I mean, who's getting paid $25,000 a year here?!) that is ruining the individual's ability to conduct his own business, lead his own life.

The proof is in the pudding though. The MetroBulletin hasn't wasted away a ¼ million dollars of other peoples money and then accused someone else of exploiting democracy.

Theres more, but read it, -and weep.

****

Don't forget to read the Highlights Of the Pedestrian Mall package that was given out at the BIA annual party. Its on page 40.

****

Incidentally, our worst hopes were confirmed when Deep-BIA called to give us the latest. He reviewed the attitude of the latest Board:

" They have too much money and they <u>are</u> desperate to spend it. Remember, any money they have left over at the end of this year is deducted from next year's budget. So expect a wild spending spree on anything in sight from Sept. to December.

They want future increases in their budget and to have any money left over in their budget this year will ruin the credibility of any budget increase requests"

****

Your editor is no longer allowed to attend BIA BOARD meetings. They are now off limits to everyone (we were permitted to attend March - June).

And we hear from another inside source that the Board is contemplating the witholding of Meeting minutes from the "members", including your Editor. (Fascism, who?)

Total secrecy, how do you like that!

They ask us for trust, participation, faith, but what do they offer in return? What do they have to hide?(if they were honest, of course)

****

A <u>very reliable</u> source (who obviously can't be named) said that at a closed meeting, The Board spent about 15 min. rigging the minutes " so Marc Emery can't gleam anything from it". A politician who ought to know didn't deny this when brought to his note.

RANDOM NOTES 34

Downtown London's PINBALL PALACE was listed as "The Best Penny Arcade " in Canada in an article in TODAY magazine (the Saturday supplement in the London Free Press). Owner Robert Smeenk, recently appointed to the BIA Board of Management, has been cleverly using the national accolade in a massive radio & TV blitz.

THE MB has noticed a real change in clientele over the last month : more couples, business suits, polite crowd. And still the place is packed!.

Your joining the BIA Board notwithstanding, Robert, your place is looking good, Congratulations on being picked #1.

The MetroBulletin only hopes the dubious owner attitudes of some other pinball businesses won't overlap onto the PINBALL PALACE, as when City Hall pols go on a cheap crusade, all of one are dragged into the net. Still, we believe virtue is its own reward, and the truth will out.

85 BEST PENNY ARCADE
Pinball Palace in London, Ont. Sylvie Des Rosiers of London told us, "It offers the most up-to-date video games in an elegant setting with chandeliers, wooden ceiling fans, mirrored walls, stereo headphones on the games and a relaxing atmosphere." The proprietor, Robert Smeenk, acknowledged that he set out to create the world's swankest pinball arcade.

****

But Downtown's LONDON LIFE was also chosen that issue for having the best textured, most manicured lawn in Canada.

That luscious putting green that is the perimeter of Canada's largest Life insurance firm is truly worthy of boast & pride.

(and they still have to pay $5,000 in improvement taxes!)

London Life, we love that lawn!

39 BEST LAWN
In front of the London Life Insurance Building, London, Ont. A stretch of green velvet that is aerated, fertilized, weeded and watered by two full-time gardeners.

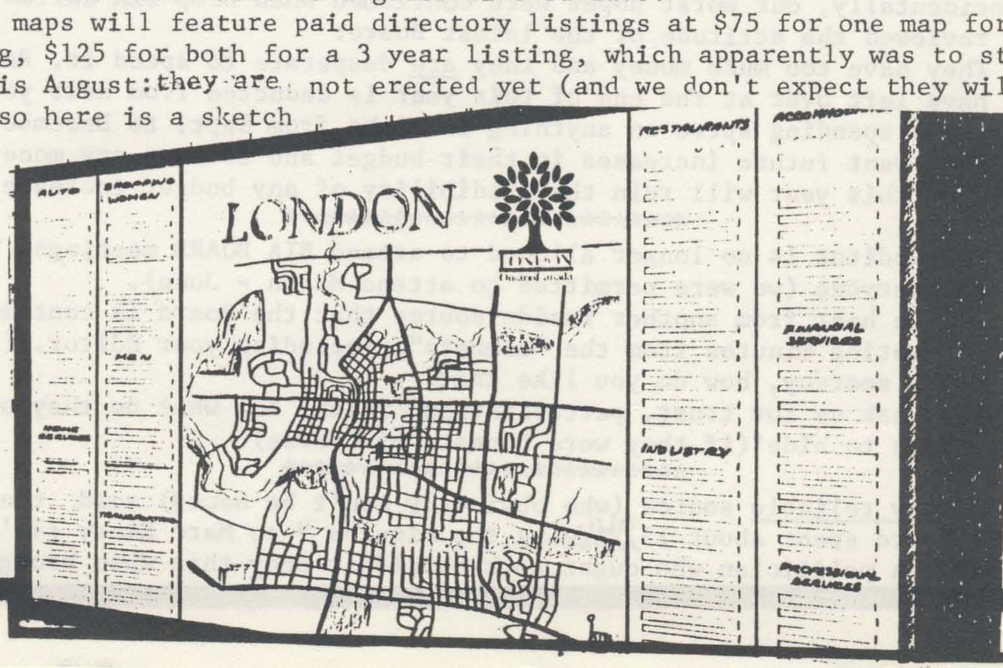
****

Two enormous London maps 8 foot wide and 5 foot high will be seen on the City Parking lots (a private firm having no connection with <u>the</u> City) at:

1) Richmond & Carling (adjacent to sidewalk)
2) King St. at Clarence (adjacent to sidewalk)

They will be encased in classy looking casing made of " bronze anodized aluminum " and the faces will be a glass like surface.

The maps will feature paid directory listings at $75 for one map for a 3 year listing, $125 for both for a 3 year listing, which apparently was to start in July. This is August: they are not erected yet (and we don't expect they will until November), so here is a sketch



(con'd) The information brochure we received from Canadian Intercity (the company) went out to thousands of London businesses in the city and contains a recommendation from the Mayor on city stationary, which we find an unusual precedent because these signs are being erected on private property for commercial purpose.

We'd hate to see this company go bankrupt or something right after the Mayor assures us:" My experience with Canadian Intercity Tourism Service... has been a very satisfactory one.

My impression is that this is a very professional and competent organization."

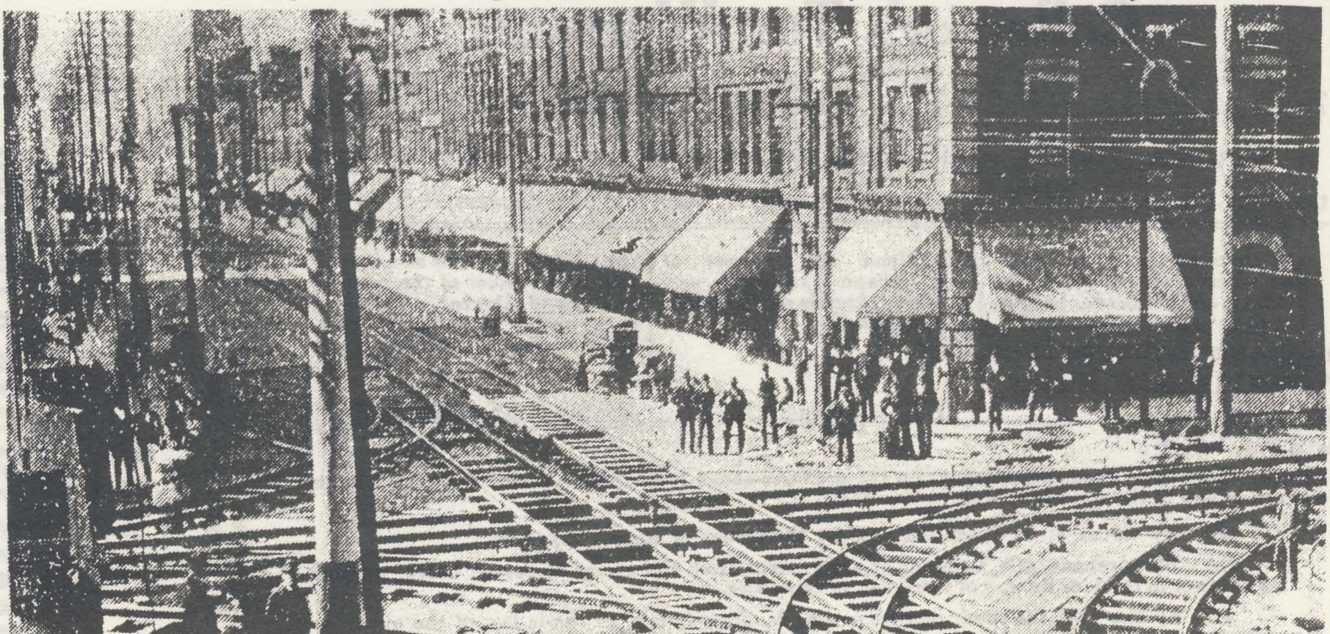
The minutes of BIA Board meetings though(when we were "permitted"access to them) indicated the company was experiencing financial difficulty in London.

****

Did you know that at the turn of the century, virtually every business on Dundas St. from Wellington to Ridout and Richmond from York to Queens had canopies over their frontage to protect the pedestrians/clients from rain and light snow.

An 1895 photo at Richmond and Dundas looking at the south side of Dundas east of Richmond, illustrates this.

What brought their usage to a halt? You hardly ever see them anymore



****

Ed Blumas 10-story condominium proposal covered in the last issue (Talbot Community Association -Sabotage Downtown Renewal) has been upheld by the Ontario Cabinet. Mr. Blumas project will procede in the near future. Painful justice, but justice indeed.

****

Baliff's notices have begun to arrive at some businesses who did not pay the 1980 (<u>last year</u>'s)business Improvement Tax.

One person we know paid on the first Baliff visit, but 4 others responded like Jim Weaver of Belle Air Music who politely told the Baliff service to drop dead.

We talked to Mr. Charleton at the city tax office, in charge of BIA tax collection. He admitted there was alot of resistance to the tax and in many ways he " could sympathize, but it really isn't my job to elaborate on that."

The MetroBulletin is curious because we still owe the City our BIA taxes (and then some probably) for 1980 and we haven't heard a peep from the City or Baliffs. City Lights Bookshop is looking forward to seeing a Baliff at its front door (they'll regret it!)

So if a baliff notice or baliff shows up at your door for your BIA taxes (we won't stand up for refusal of any other taxes,), say that its discriminatory that HE is allowing Marc Emery to get away with it while you are being forced to pay. Encourage them to visit my place.

Incidentally, the baliff's notice Mr. Weaver received was given to the Baliff 10 months ago and only now has he gotten around to it.

I'm sure if you give these guys a firm but polite " no ", they'll avoid you until 1993. They go for easy pickings with all the trappings of authority and intimidation at their beck and call. But remember, these baliff's only get $15.00 a visit.

For that they want a hard time? I doubt it.

DATE	ITEM	DEBIT	CREDIT	BALANCE
Sep. 30/80				
	1980 Business Taxes			57.26
	Bailiff FEES	15.00		72.26

Collector's Tax Warrant

To Larry Brennan *Bailiff,* 232 Central Ave. , London

You are Hereby Authorized and required to levy the above-mentioned taxes for the year 1980, with the costs of such levy, by distress:—

(1) Upon the goods and chattels, wherever found within the County of Middlesex, belonging to or in possession of:—*

(2) Upon the interest of the person taxed in any goods or chattels on the premises, number:—

(3) Upon the goods and chattels of the owner of the premises found thereon, whether such owner is taxed in respect of the premises or not.

Jasamaco Enterprises Ltd
c/o Belle Air Music
364 Richmond St. 364 Richmond St. 6-50-186-00-0001
London, Ont.

(4) Upon any goods and chattels on the premises above mentioned, where title to the same is claimed in any of the ways following:

(a) By virtue of an execution against the owner or person taxed, or

(b) By purchase, gift, transfer or assignment from the owner or person taxed, whether absolute or in trust, or by way of mortgage, or otherwise, or

(c) By the wife, husband, daughter, son, daughter-in-law, or son-in-law of the owner or person taxed, or by any relative of his in case relative lives on the premises as a member of the family, or

(d) Where the goods liable for taxes have been exchanged between two persons by one borrowing or hiring from the other for the purpose of defeating the claim of, or the right of distress for the non-payment of Taxes.

In default of payment of such taxes, and the lawful costs and expenses of such distress, you are authorized to proceed thereon for the recovery of the said taxes, together with the said costs and expenses as the law directs. But you are hereby expressly prohibited from taking any property not legally liable to distress for taxes.

GIVEN under my hand and seal at the City of London, aforesaid:

this 3rd day of Sept. 1980 A. Clunton Collector

NOTE:—(1). Where the owner or the person taxed is not in possession, the goods and chattels on the premises not belonging to the owner or person assessed shall not be subject to seizure, unless under the clause numbered 4 above.

(2). The goods and chattels exempt by law from seizure under execution shall not be liable to seizure by distress unless they are the property of the person who is actually taxed for the premises, and whose name also appears upon the Collector's Roll for the year as liable therefor.

(3). See the proviso as to warehousing, etc., in Section 528 of the Municipal Act.

*Insert the name of the person assessed for the premises, and whose name appears upon the Collector's Roll for the year as liable therefor, hereinafter called the person taxed.

BRENNAN BAILIFF SERVICE
WARRANTS OF ALL KINDS EXECUTED
PROCESSES SERVED · FAST SERVICE
· PHONE 432-6040 ·
396 Queens Ave., Suite 110
London, Ontario N6B 1X8
Bailiff: LARRY BRENNAN

THE BIA has announced that a major downtown sale is being co-ordinated for Sept. 24 & 25, Thursday and Friday, from 9 a.m. to 9 p.m.

The BIA has made available its new radio jingle for any core area business that would like to use it, as well as subsidizing any radio jingle you care to air for the same. Apparently, these subsidies, called co-op dollars, are limited, and apply to CFPL and CJBK from what we read.

As another step towards " harmonious" relations with Hizzoner, the Mayor will be saying some words at the opening ceremony, 10 a.m. Thursday morning.

****

The tacky old bus depot that caused the most awkward traffic problems for vehicles and their own Greyhound Buses will be moved one block west to the corner of Talbot and York, on the southwest side where DATSUN ON YORK and AUTOMOTIVE AFFAIR are.

The more spacious digs that Greyhound will have to build from the ground up was owned by Anden Holdings (Talbot St., also owners of THE COMMON MARKET). The Pres. of Anden Holdings remarked the report in some media that millions of dollars was paid to Anden <u>and</u> the bus depot in exchange for their property is incorrect. The cash amount was much lower.

The Greyhound Bus depot on Talbot, not due to start until next spring and completed by fall of '82, will be a small boon to the trendy small shops of Talbot St. like Layman House, Mrs. Peabody's, Mr. Wicker, etc..

Many people departing the new Talbot & York location will be walking towards bus transportation on Dundas and Talbot, or Richmond & York (the latter is currently done), adding new traffic to the Talbot area.

The depot at Richmond & York will be refurbished by Anden and raised to two stories for Executive office space, to be completed by winter '82.

****

Your editor, always ready if not anxious to show waste and mismanagement at City Hall, wrote the following letter to Board Of Control regarding kiosk maintenance downtown. As you know, the editor earns about $80 a week in rental in exchange for setting up displays, correcting them, cleaning them, etc. in 20 display kiosks. What few people, including the short-memoried Board Of Control, forget is that he also cleans the 50 non-display garbage and mail kiosks.

This saves the city about $3,000 a year, which is what the city paid to have them cleaned once every two or three months before we took them over, or $8,000, which is what it would have cost to get rid of them, (I would do it myself for $2,500, but that isn't the point). The utility kiosks would be littered with posters once again and someone would have to clean these.

Your editor indulges in this window washing chore for 3 reasons:

1) the money is used to pay for this magazine, which costs about $300 in printing alone! So if you like this magazine, please speak up for how well we're keeping them clean

2) it proves that there are alternatives to spending money to solve problems, and in fact money can be made in solving problems (unless you are government)

3) it gets me downtown every day where I keep tabs on everything

I also like the irony of rescuing taxpayer money, making money on something no one else could and then using it to show that government is one big rip-off (this magazine)

The City gov't, not knowing a good thing when they have it (and they hate me anyway) requires me to pay a $200 penalty known as a performance bond.

This is a "bond" that means: if the <u>City</u> finds me in default of our multi-page complicated contract, an insurance company falls obligated to pay the city $8,000 so the kiosks can be removed, then the insurance company <u>sues me</u> to get their money back.

Who's been trying to get the City to find violation of our contract? THE BIA of course. What Big Name Hizzoner is in cahoots with the BIA and various bagmen who associate with both? You got it.

I do the City a favour and they try and screw me.

You could auction the kiosks off the street, and make money on their removal,

RANDOM NOTES

so why a bond?

You've seen in the Free Press, who have covered this accurately except when they say merchants have complained (no merchant has ever complained, only the BOARD OF MANAGEMENT, and the whole world knows why), that the City is giving me a fairly hard time about this.

Anyway, I plan to keep them in good shape as long as I can. Once the city takes them away from me though, poster madness will return!

But even if I defaulted, why should I pay? They were willing to spend $8,000 of taxpayers money at the drop of a hat, why is this my responsibility.

Here's the letter they received that was printed in the Agenda:

" As you have been informed by the City Engineer's Dept., I have decided to decline to renew my performance bond insurance for the downtown kiosks which the city leases to me.

I will maintain & renew the liability insurance when it comes due later this month. The kiosks will be looked after in the fashion they have become accustomed to in the period they have been my responsibility.

The performance bond may have been a reasonable request a year ago when I was nice enough to take these turkeys off your hands and save you eight grand.

However, a year later, I have proved my promise and in light of the fact they are all rented out and for some duration, you really have no reason to expect that the regular maintenance of them will not continue.

In light of the fragile nature of this agreement, what with the City's all-accommodating attention given to an unsubstatiated complaint by the BIA & then the subsequent meetings afterward, letters, effort & money spent, threats of cancellation of my contract, the bad press, etc. that was experienced: I feel a performance bond to prove my good faith is certainly unwarranted.

The fact that your city engineer has offered to sell them to me for $1 so they can be gotten rid of does not re-assure me that the city is prepared to let our 5 year agreement go the distance.

On the other hand, I have shown loyalty to my responsibilities.

But I will make you a deal.

I will supply a performance bond to the City under the following terms;

A) That each Councillor, Controller, & Mayor take out a performance bond policy to guarantee that YOUR promises made last election will be carried out.

Since your responsibility is over $100,000,000 per annum, divided by 19 elected officials, this is 5.26 million per elected official. If you are bonded at the same rates I am, you would each be paying $79,696 in insurance every year.

And you spend the taxpayers money while I save it!

So I think you will advise your legal dept. to permit a waiver of the performance bond.

I don't believe you would like to have to spend taxpayers' money to remove these now clean & utilized display booths.

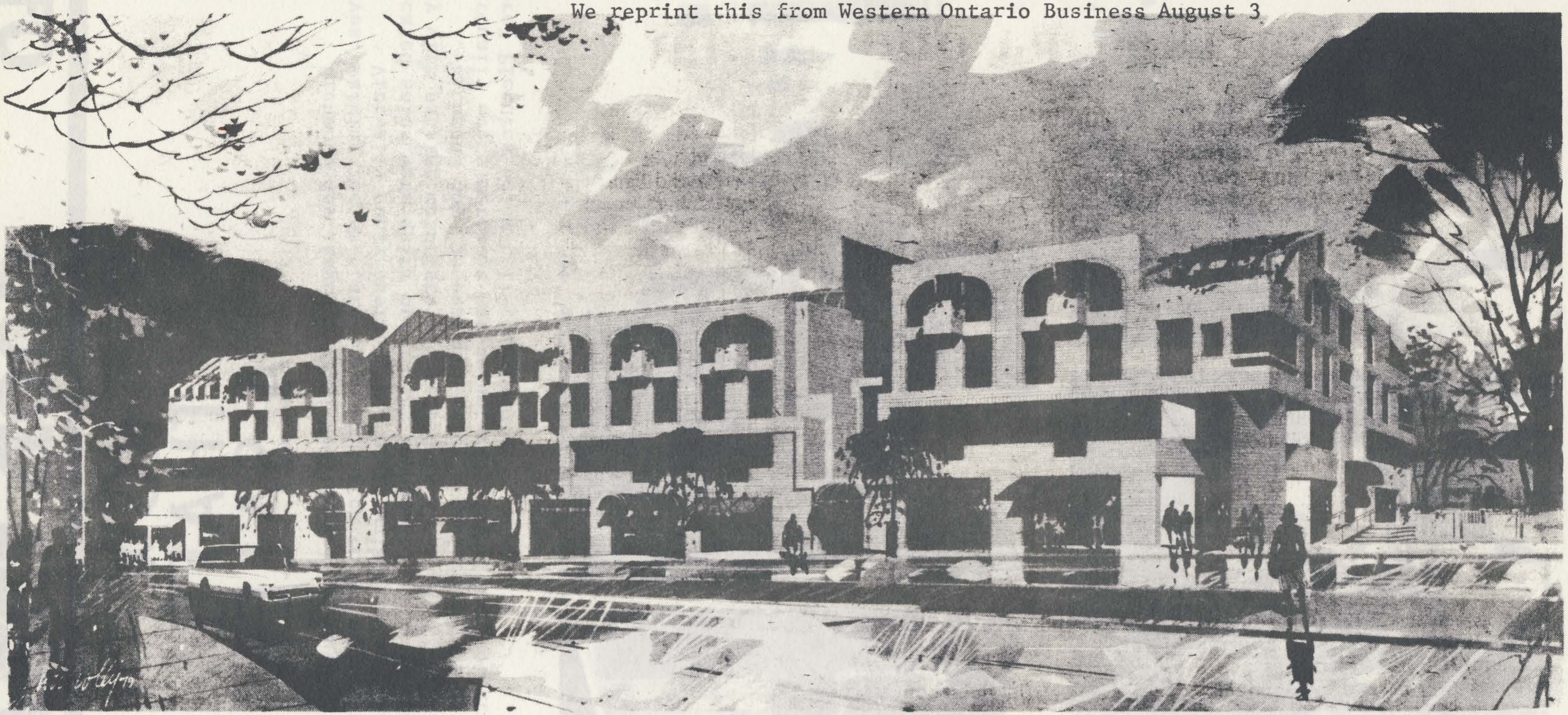
I would also like to point out that the number of posters illegally applied to all downtown property, public and private, has been severly curtailed. This is due 100% to my cleaning efforts & my 'discussions' with people who used to indulge in such activity.

Knowing you will choose a reasonable course,

"

Alcor spending $10 million on London core project

We reprint this from Western Ontario Business August 3



Artist's rendering of Alcor's proposed Richmond Place development in London.

Work is set to start on the $10-million 'Richmond Place' residential, commercial retail development planned by Alcor Investments Ltd. of Richmond Street north in London.

In an interview with Western Ontario Business, Alcor president Lloyd Bishop said that tenders have closed and once all red tape is cleared up, work will begin.

The project, which involves infilling in the backyards between Central Avenue and Hyman Street, will comprise 31 luxury apartment units and 40,000 square feet of retail/commercial space. The building is designed in a T-shape with frontage on Richmond between Central and Hyman.

Apartments will likely rent in the $1,000 to $1,300-a-month range, Bishop said, but exact rents will not be established for some time.

Laventhol and Horvath, a Toronto consulting firm, has been hired to study the best use of commercial/retail space, he said, adding there is already a waiting list of prospective tenants. Bishop said he envisions such businesses as a fine restaurant, ladies wear store, green grocer and fine wines store locating in the development.

Gilvesy Construction Ltd. of Tillsonburg is general contractor for the exterior of the building and has already begun demolition of two buildings to make way for the project. David K. Richardson Construction Ltd. (formerly Richard-Johnston Construction Ltd.) of London is contractor for the interior of the structure. Design of the building was handled by the London architectural firm, Tillmann, Ruth.

Bishop said he anticipates construction of the project will take about a year and a half, followed by a one-year rent-up period for the apartments.

The Les Ciseaux hair salon, formerly located in the Alcor-owned building at the corner of Hyman and Richmond streets, has moved to a 6,000-square-foot Alcor building located at the former Cottman site across Richmond Street. Treasures, a new shop featuring a broad range of gifts, has also taken space in the building. It is owned by Teresa and Jane Cramer of London. About 4,000 square feet of the building has not yet been leased.

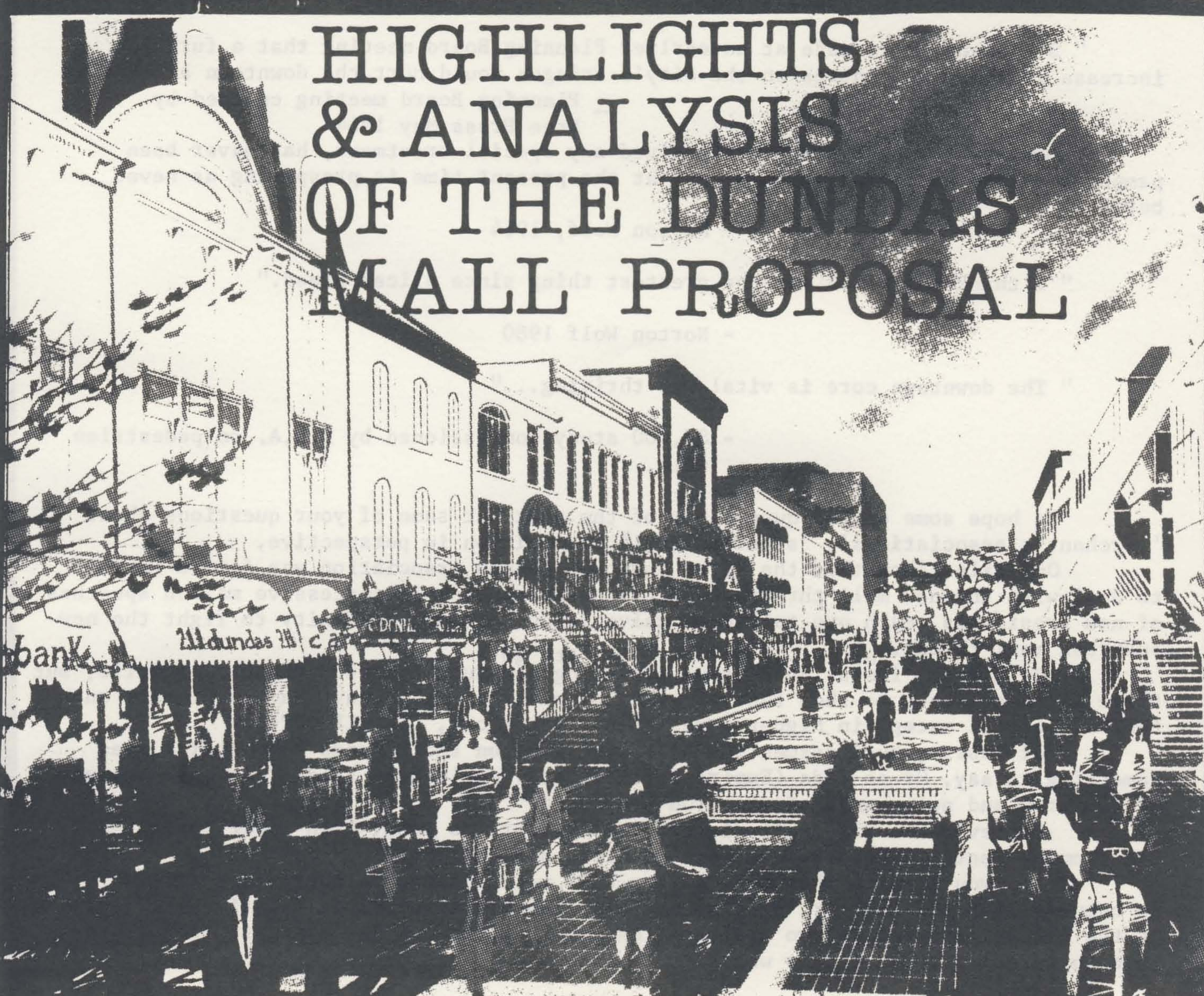
NOW THAT'S A SALE!

Richmond Row staged a Royal Wedding sale on August 1, repleat with clowns, wizards elves, walking the sale area from Fullarton to Oxford St, mostly on the west side.

Virtually every business had a sidewalk display, and the reports we received indicated sales were quite up: as important, the area received a good charge of publicity with passing motorists and pedestrians.

Richmond Row has seasonal sales organized by the voluntary association to which virtually every merchant has voluntarily joined and voluntarily paid dues. Need we say more? Pictures below tell the story.

HIGHLIGHTS & ANALYSIS OF THE DUNDAS MALL PROPOSAL



" Private enterprise has made the only significant contribution to solving the problems(of downtown " - Norton Wolf, 1965

" High taxes and the need to meet fire regulations had resulted in owners being unable to compete with newer office and residential buildings " Norton Wolf speaking to Free Press

" He said there are few stores where money is not being spent or which have not been renovated. He noted particularily new bank buildings as evidence of faith in the future of the core area." - Norton Wolf, 1965

" He did not think the core was in trouble because of growth in outlying areas. It had fared better than central sections of other cities faced with the same challenge.
- Norton Wolf, 1965

" The Downtown London Association is going to take vigorous action to bring core area businesses together...in order to wage an effective campaign to "sell" downtown London in the face of the growing number of suburban shopping centres"
- Downtown London Association - 1961 (!)

" Dundas East, east of Adelaide, is evidence of what can be accomplished by merchants and the city working together " -Assessment Commissioner R.E. Ashton

" The principal contact between London(Gov't) and its shopkeepers is through the assessor and tax collector. " - Free Press editorial, 1965

" Statements were made at an earlier Planning Board meeting that a further increase in shopping centres on the city's fringes would hurt the downtown area"

_ Planning Board meeting covered by Free Press May 1964

" Downtown has not asked or received any special treatment, has never been pampered in any way shape or form, and at the present time is prospering as never before."

- Norton Wolf, 1964

" I think the B.I.A. is the greatest thing since sliced bread."

- Norton Wolf 1980

" The downtown core is vital and thriving..."

- $7,000 study commissioned by B.I.A. on pedestrian mall.

We hope some of the quotes out of the past put some of your questions about 'merchant's associations', 'suburban mall' competition in perspective.

Our files show that the first downtown London Association was formed in 1956 to deal with the new mall threats, and has never abated. In successive maiden speeches of new presidents, each one talked on galvanizing the core community to fight the new suburban mall threat.

Of course, few of us suspect we are going to go bankrupt tomorrow because of malls, but there is no evidence to show that 25 years of suburban malls have had any impact on the core at all except in higher taxes (See Cover story, LTC RIP-OFF).

Of course, businessmen who have more time on their hands than useful need something to say. Or as Yoda (Empire Strikes Back) would have said: " Too much thought of tomorrow and not enough of what you are doing!"

But even the BIA can't distort reality for too long. Even their report says the damning fact; " The downtown core is vital and thriving " .

And you'll note that when Norton Wolf was younger, he would have agreed. In between 1965 and 1981 Mr. Wolf became more heavily involved in politics, and look at the change! Mr. Wolf's two proteges, Margaret Atchison & Hal Sorrenti, should have been nurtured on those lovely words Mr. Wolf spoke in his youth.

Pedestrian malls have been discussed a long time too. They were seriously discussed in 1965 and 1971, we reprint two Free Press articles dealing with the then current discussion of their implementation (see ending).

The premise behind the part of the BIA pedestrian mall package by architect David Cram is interesting on its face:

" By eliminating traffic, downtown shopping is enhanced and more able to compete on a functional and recreational level with enclosed street malls "

The criticism of existing circumstances is agreeable.

" Traffic is still a dominant feature forcing linear pedestrian movement...

Existing planter boxes with trees are out of pedestrian scale, take up too much space, narrow the sidewalk....

Loitering of youths and cruising the drag...."

But in the implementation of this pedestrian mall scheme we come to logical contradictions with sentences To wit:

" There is at present such a variety of shops, entertainment facilities, and unique features (art galleries, specialty shops, the market, theatres, architectural qualities) that if a concerted effort was made to unify the area and encourage its uniquenes.!!.(?) " Unify" and "unique" are generally antonyms.

A MALL?

The stated objectives of the pedestrian mall scheme are:

" (1) to create an environment which will attract more shoppers to the area
(2) to create desirable and unique attractions -promotions, outdoor cafes, theme days
(3) Improve pedestrian traffic-flow, access to parking, public transportation
(4) Utilize the advantage of unique architectural heritage
(5) Take advantage of historical, cultural and environmental features
(6) Encourage use of 2nd and 3rd story spaces for residential or commercial applications
(7) to further increase and re-inforce economic viability of downtown merchants "

Great intentions and lofty motives.

Proposed improvements:

- add street trees on Dundas
- unifying the signs, street lights, kiosks, landscaping, street furniture
- adding water fountains
- filling in the road to same level as sidewalk with decorative brick.

as well as 4 vague proposals that "encourage" this "attitude" and really shouldn't be listed as improvements when they depend on individual desirability and cannot really be enacted collectively.

As to traffic, none will be permitted on Dundas except a 3-metre width for emergency vehicles. Buses would be re-routed to King & Queens.

Some of the recommendations to the "mall management":

" Discourage use of the mall area as an area to sell merchandise, ie. sidewalk sales or sidewalk displays "

" Encourage use of outdoor space for eating, watching, etc"

SCARE TACTICS REPLACE SOUND ECONOMIC REALITY INVITING US TO TAKE HIGH RISKS.

At the end of Mr. Cram's section, the inevitable warning that I have on file over 50 times over the last 25 years,(directly contradicting all historical evidence in downtown London, as well as its own opening statement,) the inevitable:

" The threat of loss of market share, in the downtown core, looms closer than ever before, with the proliferation of existing and proposed suburban malls".

****

The Laventhol and Horwath $7,000 study claim, that to obtain their findings, they "interviewed area merchants, developers, gov't officials and other interested parties."

They include two charts, one of existing suburban malls, and one of proposed malls which will come in all liklihood. (charts on next page)

For their own purposes, the chart does not list the size and existence of the 3 core area malls.

They cite the impact of this development on the Central Business District as: (this is a highly inaccurate, misleading but key point upon which this studies proposals rest. Please analyze these carefully)

(pg. vii, #8) DSTM (Department Store-Type Merchandise) (as expressed in constant 1980 dollars) are forecasted by the Planning Dept. to increase by 24.3% by 1986. Given that the previously discussed 1,130,000 square feet of DSTM space is developed(ie. a 27.4% supply increase)(the suburban malls complete expansion is where 27.4% increase comes from), this should lead to a reduction in average demand levels for existing retail space in London."

What they are saying is that: 1) sales will go up 24.3%
2) available retail space in the city up 27.4%
3) a drop of MERCHANDISE SOLD IN CORE BY 15%

As we shall prove, the calculations for increased retail space in the city is flawed, the figures showing increased sales unsubstantiated, and most importantly, ignore the fact that cash flow downtown does not rely entirely on retail sales. The increased share of the core area market space does not include the possibility that the Armouries will be a dept. store. And the bottom line is: Can we believe this guesswork?

Further, since when did statistics from gov't as to what the future will be get to be considered as believable. Has inflation been wrestled to the ground? unemployment been reduced? I mean, we don't believe the government when they tell us anything, why are their future economic statistics suddenly of credence?

How silly. In any case, if there is more space downtown than can be filled, rents will be lowered until they are full. (Did I hear the echo of someone saying thats the free market correcting itself?)

SUBURBAN MALLS IN LONDON -1961 - 1980

Mall	Total Size	Year Opened	Location
Westown Plaza	172,000	1961	west Oxford at Cherryhill
Oakridge Mall	200,000	1964	Oxford & Hyde Park Rd.
Argyle Mall	282,413	1966	Dundas and Clarke Rd.
Northland Mall	165,755	1967	Highbury at Huron
London Mall	120,000 (this is a plaza really-Editor)	1968	Oxford & Hutton
Westmount Mall	260,000	1971	Wonderland at Viscount
White Oaks Mall	425,000	1973	Wellington Rd at Bradley
Sherwood Mall	200,000	1974	Hutton & Gainsborough
Wonderland Mall(dead)	100,000	1979	Wonderland Road
Superstore Mall	175,000	1980	Highway 401 & Wellington
	2,100,000		

(Editor's note: This is very misleading. All these malls include grocery stores and cannot be considered true retail. Superstore mall is over 50% Loblaws. Wonderland Mall is completely negigible for market share, and the retail space there is of statistical value only,reality is not reflected by "their total retail space")

WESTMOUNT MALL	250,000	1983	existing location
CADILLAC FAIRVIEW	300,000	1982/1983	Fanshawe Pk. Rd/Richmond
WONDERLAND MALL	100,000 (doubtful)	1983	existing location
105 WHARNCLIFFE	220,000	1983	Commissioners at Wharn.
131 Glen Cairn East	180,000	1983	
Other	80,000	1981	

(Editors note:'Other'cannot be classified as anything more than light retail stores, a small plaza is that large. This is just statistical gerrymandering. The Wonderland Mall expansion has been approved but competition may well kill the existing Mall, something that would seem more likely with other malls as well.)

Thus we have 280,000 sq. feet of DSTM in their calculations that is inconsequential. This reduces DSTM by 12%, which puts the downtown and the suburban malls more in proximity.

This whole study ignores too the fact that London will likely annex more land and by 1992 add 50,000 more homes, creating markets that neither this study nor government calculations has included. Which means that all this is really silliness, as far as who is right about what,when it comes to predicting the future impact of business. No doubt the consumers will tell us (they always seem to be right about that).

The study says:

" Demand for existing retail space/facilities in the CBD will be diminished "

Yes, this is true, AND THAT IS GOOD. As anyone can see (and was discussed in MB #2), the downtown retail growth is nominal, but office development is soaring, as is certain residential. This offers no retail competition (in other words, no divvying the pie) and yet infuses more money into downtown businesses. An IDEAL SITUATION. While Westmount and White-Oaks and Wonderland And 105 Wharncliffe kill each other for the same market,we'll have it made (am I the only person that sees this?)

Then it says:

" Given a total of $5,256,300 square feet of DEPARTMENT STORE TYPE MERCHANDISE in operation by 1986 (ie., the current plus new malls), the retail space in downtown will occupy 27% of the city as compared to its current 34%. "

That's OK! The retail market is apexing, the competition is going to saturate that, no doubt about it. That's why the free market is adjusting and investors,developers, etc. are going heavily into apartment/office, etc. in the core. We're the area where things are being done right. The malls may find themselves in a horrid position if the economy declines precipitously in 1984 to 1988, and yet our market base in the core is more stable, diversified and loyal.

We refute the entire premise of this report.

But even Laventhol and Horwath refute their own premise!

When its convenient, Laventhol and Horwath compare core retail vs. suburban retail as to the truth in dollar potential. As we see, this is completely misleading, but then they say it:

" London's central business district is not without other attractions. Major attractions in the CBD include Theatre London, the Art Gallery and the Farmer's Market. Most local cinemas are located within the CBD,...as well as several restaurants and clubs."

All this represents $ value that they don't include in their statistics. The new Alcor offices, the additional Arcade offices, the YMCA hotel, the Dundas St. redevelopment between Clarence & Wellington are all big bucks for retailers that aren't in the statistics. Further, the statistics measure only " space for selling dept. store style items " not SALES OR MONEY EXCHANGED. Space is meaningless unless you have a market.

Their next assessment is entirely wrong, and the MetroBulletin (see #2) knows this better than anybody. They say:

" Parking space availability appears to be a current and potential problem in the CBD. "

NOT TRUE. POOR RESEARCH HERE. Note they say " appears", which means they really don't know for a fact. There might be a lack of 'free' parking, but thats a different ball of wax altogether.

The study then says:

" The existing buildings in the area, although many are run-down at this time, have the potential for renovation and upgrading."

One of the reasons many businesses are reluctant to renovate buildings are:

1) High credit costs
2) Dubious return in this economic climate
3) Offers from developers who will level the structure anyway (See MB #2)

As we had said before, the reason people are on the BOARD are there for their own conniving purposes, not the altruism they say when questioned.

We at the MB feel pg. x point 18 of this study says it all:

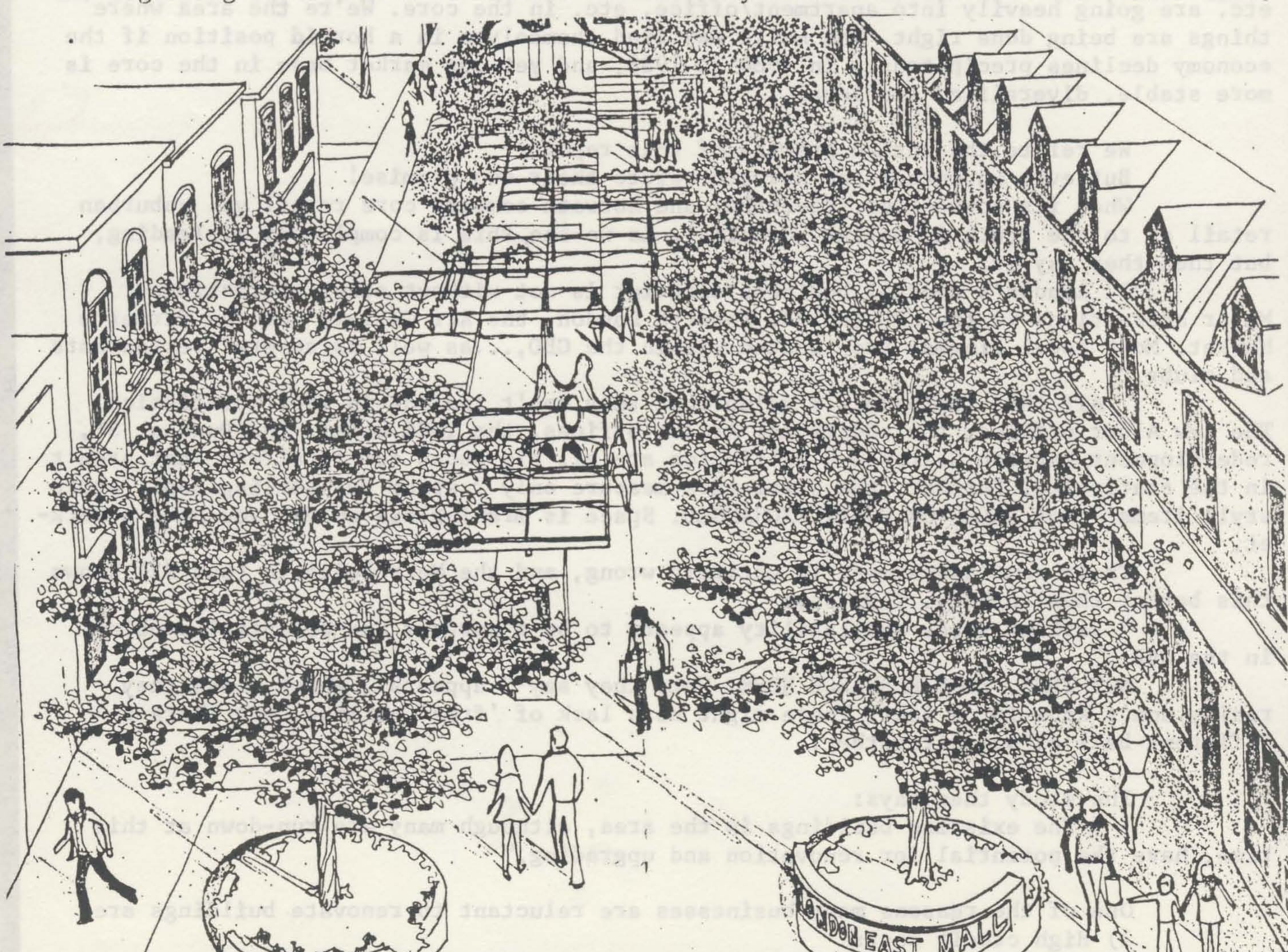
" Current rental rates range from $5.00 to $7.00 per square foot for existing ground level space. With a (pedestrian) mall, upgraded and renovated space should be capable of obtaining rents in the range of $10.00 to $12.00 per square foot.... Property values would, of course, increase commensurately over the early 1980's due to improved cash flows and property and area improvements."

Get it? Businesses pay a tax to improve the property values of people who don't pay the tax. Businesses then pay double rents, while people who don't pay the tax get the value of their property increased. I love it!

Of course, everyone on the Board of Management owns their property, so what do they care? They get property appreciation, we get double rents! (And you wondered what was wrong about having a corporate elite as a Board of Management!)

The MetroBulletin editor owns property downtown, so I can say that I am truly objective about this.

There's more to the merits of the mall itself, which we'll discuss next issue. But there's something in the past that proves illuminating. See the lovely sketch at the beginning of this article? Here's the one they told us London East would look like:



Merchants uncommitted on Dundas mall

1971

The Downtown London Association has told city council it "prefers to remain uncommitted at this time" on a proposed d w n t o w n pedestrian mall.

The idea of a downtown mall has been bandied about for years, both officially and unofficially. The latest suggestion was to turn Dundas Street, between Richmond and Wellington Street, into a mall.

In a letter, H. D. Johns, secretary—manager of the association, says malls are good for some cities and not for others.

Mr. Johns says because malls are now in fashion, the association has given a great deal of time to studying the possibilities here.

The association had data on 119 malls and their statistics show major d e p a r t m e n t stores, the better jewellers, tailors and some men's stores make very little gain from a mall.

Mr. Johns said a well-planned mall is a fixed thing—built and designed for years, with periodic structural additions and improvements. The other type, the letter explains, is like the mall opened on Toronto's Yonge Street, which the association calls a "promotion."

When Toronto opened its four-block mall to pedestrians, the city took on a carnival air and thousands of persons roamed the street.

Most businessmen in the section agreed that the mall was good for the city but some, like the two major department stores on the mall, had reservations about any sales increase.

Mr. Johns said most people want a mall because it's pleasant and new. He said there are many considerations and a great deal of work to do before a decision can be made, not the least of which is the cost.

"The association, while appearing to be negative at this time, is definitely interested and will continue to research," Mr. Johns said.

1965

Mall Proposal

One idea for downtown which received considerable discussion last year was a proposal to close several blocks of Dundas Street to vehicular traffic and turn the area into a pedestrian shopping mall.

It is an idea that has, and is being tried in other cities. While some have reported it an unqualified success, others said it didn't work and it was disbanded.

No one could convince enough people that such a plan would be good for business in downtown London. City hall approached the merchants and asked for their opinion. If they went for the idea, it would be much easier and cheaper to rebuild the street accordingly after the big sewer project. (The permanent street reconstruction is planned for next year.)

Initially, London merchants were enthusiastic about the mall idea. Later, in the face of stro[illegible] opposition from a group including, Simpson[illegible] association said it was not prepared to a[illegible] idea.

It's not exactly a closed issue. At the same time, it would take a lot of selling by somebody to revive it.

Ask How Many #'s?

Last Page 48!

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