

Citizen's Queries :

1. In adopting a given method of selling bonds should a city consider the effect on the city's credit?
2. Would the city's position be improved by appointing a finance commissioner having not only the power to install uniform accounting procedure throughout the city departments, but also practically control of the city's bond issues?
3. Should the city hold over large blocks of bonds while waiting for a better market, i.e. Should the city speculate on the market?
4. Would the city get better results by acting through a permanent fiscal agent?
5. Should the city council hold a conference with financial leaders to discuss carefully the city's financial policy?

EFFECTIVE CITIZEN CO-OPERATION

WHAT IS EVERYBODY'S BUSINESS SHOULD
BE EACH BODY'S BUSINESS

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Bond Story Number Two

1913 Net Prices, on a 4½% bond basis:

Toronto

94.91

Montreal

96.02

In other words, using the same basis of computation for every **\$100** Mortgage placed on city property Montreal netted **\$96.02** and Toronto **\$94.91**.

Net Returns on 1913 Bond Sales

(All values on a 4½% bond basis)

	At Toronto's Prices	At Montreal's Prices	Toronto's Advantage	Toronto's Disadvantage
First Six Months	\$8,249,443.47	\$8,168,226.85	\$81,216.62	—————
Second Six Months	6,798,082.87	7,055,155.64	—————	\$257,072.77
Whole Year	\$15,047,526.34*	\$15,223,382.49	—————	\$175,856.15

That is: although Toronto had an advantage of \$81,000 for the first half year (and much more than this for the first three months), it lost this advantage during the summer months and ended the year at a disadvantage of \$175,000. The importance of this statement is not in the particular amounts given, but in the rapid relative decline of Toronto prices.

*All Montreal bonds sold in 1913 were 4½%'s. Toronto issued both 4%'s and 4½%'s. For the purposes of comparison 4% bond values were translated into the corresponding values for 4½% bonds. Toronto's actual net cash return was \$13,916,825.24 for which the equivalent return on 4½% bonds is \$15,047,526.34. These figures were obtained from the best available sources.

Bond Story No. 3 will be issued shortly.