

vestors who are not thoroughly familiar with Canadian expansion, and by people who are disappointed to find that public utilities are not developed as in England. The problem is to find the money needed. The financial aspect of this question is probably more interesting than the incomplete description of the conditions which now prevail.

The monetary requirements of a Canadian city is controlled by the total assessable value of the properties, for the power to borrow is usually limited to twenty per cent. of such value.

#### Procedure in Seeking Loans.

The next question to be dealt with will be the procedure observed when seeking loans for new works.

In England and Wales, there are the borough councils, which consist of the mayor, aldermen and councillors. The mayor is elected from among the aldermen and councillors for one year, sometimes he is elected from outside the council. The aldermen are elected from among the councillors for a term of six years, and the councillors are elected by the ratepayers for a term of three years. The urban district councils consist of the chairman and councillors.

There is usually a plethora of candidates for these honorary offices, and in the majority of towns the members have held office for many years. In the boroughs the aldermen add more permanency to the membership and policy. There is much to be said in favor of aldermen and also against the institution. Aldermen act like a ballast to a ship, so long as they are sensible and progressive, but there is a tendency sometimes, for aldermen to adhere to obsolete ideas and ignore up-to-date requirements on the plea of economy.

#### How They Do It in England.

When any English municipal authority has decided to carry out any new scheme, the engineer prepares plans, estimates and specifications, and when these have received the approval of the council, the clerk is authorized to forward a copy of the same with an application to borrow the necessary amount of money, to the Local Government Board, which is a large government department controlling almost everything associated with civic affairs.

In due time an engineering inspector holds an official enquiry in the particular town, when the clerk, mayor, aldermen and engineer place full particulars of the town's indebtedness, population, assessment, borrowing powers, necessity for the works involved, and so on. When they have presented the case the inspector calls for evidence in opposition—if any—and at the close of the enquiry he proceeds to the site to make a personal inspection. The inspector reports to the board and that body sanctions or disapproves of the schemes, or it may consider it necessary that a poll of the ratepayers should be taken, before giving any opinion or decision.

If the scheme receives the sanction of the Local Government Board, and it has authorized the period of repayment, the council is at liberty to approach the public works loan commissioner, or any other financial concern for offers or terms.

#### The Local Government Board.

The Local Government Board, or the L.G.B., as it is known among the officials, is a restraining factor in the control of expenditure of public funds. The borrowing powers of the councils is usually limited to twice the rateable value, which in England is based upon the rack-rent of the properties, and not on the actual values.

The councils can undertake any new work, after its authorization by the Local Government Board at any time of the year, and float so much of the loan as is necessary or deemed expedient at the most propitious moment.

The Local Government Board is a slow moving department, often much criticised, but it is acknowledged to be an excellent organization, free from political influence, and possesses great powers to force recalcitrant councils to execute any necessary works. Such powers, however, are very rarely exercised. It can, nevertheless, restrain too ambitious councils in their expenditure of moneys on doubtful schemes, or when their borrowing powers are nearly exhausted. It is somewhat conservative in its methods and adaptation to new development; bacteriological treatment of sewage and reinforced concrete structures, are instances of new methods to which it was for some time not prepared to give its sanction, except for short period loans. It will not consent to radical changes without ample proofs that they are essential in the interest of the public.

Under the English method the town authorities can take the fullest advantage of the financial fluctuations and thus ensure obtaining money on the most economical terms, which must be repaid in the period prescribed by the Local Government Board.

In South Africa, the procedure is different. The council having decided to undertake certain works for which preliminary plans, specifications and estimates have been prepared, calls a ratepayers' meeting and submits the pro-

posals. If the ratepayers present are unanimous in favor, then the works are authorized, but if a certain number rise and demand a poll, then a plebiscite of the ratepayers is taken and the schemes are either agreed to or rejected. No formidable by-laws are necessary. If the schemes are approved by the ratepayers, the council can go on the money market at any time and thus take full advantage of the financial situation. Municipal schemes are decided upon at any time, and it is rare that any of them are suspended, altered, or turned down by new members because the policy is sufficiently established by the constitution of the council. Occasionally a scheme becomes the matter of an election contest, and the decision affords a guidance to the council in that particular case.

#### And In Canada.

In Canada the procedure is different to both the foregoing examples.

The council usually decides what shall be undertaken in any year, so far as is possible. Of course, some schemes require more than one year for their execution, but the council of one year does not often settle what may be done in the next year, because the members are elected for two years and it is quite possible under such conditions to find a large proportion of new members elected at any time. Aldermen are usually busy men, engaged in businesses which calls for their close attention, whilst civic administration also demands a great amount of time which many aldermen can ill-afford. The result is found in the appointment of city commissioners, or the election of controllers, who devote their whole time to civic business, and thus relieve the aldermen of some of the administration.

The new council takes office in January each year, and some time is necessary to get the organization into working order. The aldermen call for reports, plans, etc., of works to be carried out during the year, some of which have sometimes, been considered in the previous year, in which case, if the new council acquiesces, there is a certain economy of time. In due course the council decides to undertake many schemes, by-laws have to be prepared and read twice at the meetings. Then the by-laws, which recite in full various particulars and different legal phraseology, are published. The poll of the ratepayers is necessary and this is taken in ordinary course, and on the result depends whether and which schemes are to be carried out.

When the routine has been carefully observed, then the by-laws are read a third time, and advertisements are issued for bids, the most acceptable of which are selected.

#### All in the Money Market.

All this means time, if any preliminary consideration by the council of the preceding year has taken place it permits of more expedition, provided the present council agree to such proposals.

The above procedure has to be strictly observed, otherwise the work is null and void, and the correct formalities have to be gone through and more time absorbed. As this routine must be followed by every council at about the same time, it is evident that the work is complete from March to May each year.

In Saskatchewan, the authority of the commissioner of public health is necessary before any schemes relating to public health can be submitted to the ratepayers for their approval.

In Canada, therefore, the town authorities are on the market for money about the same time, with the result that the aggregate amount appears enormous. The occasion may, however, be most inopportune, owing to financial stringency, caused by political events, abnormal industrial requirements, and perhaps by popular momentary wave of preference for securities of other countries or class. It is well known, that there is a fashion in investments as in other mundane matters, and this induces a fluctuation in the value of Canadian municipal loans, etc.

#### Causes Financial Indigestion.

The almost simultaneous demand of many Canadian cities for money, is not to be commended. It does not usually occur in any other part of the world. It constitutes a flood of investments which cause financial indigestion and takes times to overcome.

There is a need for a greater continuity of municipal policy which can probably be attained by a longer period of election, say for three years instead of two as at present. Then fewer men will retire each year and councils will have a more established programme. If the present procedure is essential for the safeguarding of public interest, then it is a question whether the election should not be held at another time so as to permit the aldermen organizing their plans earlier. This, however, will not remove the disability due to the demand for money at practically the same time.

The character of the loan is a matter deserving of careful consideration. Instead of selling debentures required for