

enterprise through the expenditure of a million and a half in the city itself, the influx of rural and immigrant population and the consequent demand for houses, stores and other structures, there was developed a vigorous movement in land speculation. Not only did lots in the city itself rapidly change hands, rising in price at every transfer, but the adjoining farms were seized upon and subdivided, the lots being rapidly disposed of. As land values continued to soar, the assessment roll expanded in volume and values. This meant increasing revenue and the ability to borrow more capital in the British market. In the meantime, as the Mayor afterwards confessed, the interest on previous borrowings was punctually paid out of the proceeds of the latest loans. When, however, the crisis of 1857-8 brought the boom to an end, revealing the fact that the prospective returns from the railroads would have to be deferred at least for some time, many people were thrown out of employment and left the city. With the city shorn of its outlying subdivisions, its population sinking and values falling, the civic fathers found themselves in a very difficult position. If they levied sufficient taxes to meet their engagements they would further depress values and drive more people out of the city. On the other hand, if they did not levy sufficient taxes they could not pay the interest and sinking fund charges on their bonds. The Mayor claimed that they would have to raise 50 cents on the dollar of their reduced assessment in order to meet their obligations. As between the pressure at home and the pressure abroad, the civic authorities decided that the bond holders in England might wait, and this decision was conveyed to them in a circular from the Mayor. Naturally enough, this resulted in much indignation upon the part of the English capitalists. They vigorously protested, and finally took legal action, which was met, however, by passive resistance on the part of Hamilton. These and similar proceedings on the part of Canadian municipalities, joined to the other financial collapses, had very serious effects upon Canadian credit. The financial editor of the *London Times* thus voiced British sentiment, "If an honourable settlement is much longer delayed it is hoped that the authorities of Canada, whether general or local, have seen the last shilling they are likely for some years to come to receive from the credulity of our investing public." Eventually the Government had to come to the rescue of a score of bankrupt municipalities, though much to the detriment of its own credit.

As a sample of the booming of many new towns on lines of railway, constructed for the development of the northern country, we may take the case of Bell Ewart, a new civic proposition on the Northern Railroad at the southwestern end of Lake Simcoe. It was started in 1854 by an enterprising gentleman from Dundas, after whom the town was