The new law provides that a city must submit plans for
sewer system and sewage disposal facilities, prepared by a
firm of competent engineers and approved by the State Sani-
tary Authority.
The Sanitary Authority is required to furnish the State
Bond Commission a list of cities most in need of sewerage systems and sanitary facilities.
After its plans have been appro
After its bonds for ssle on the public market. If there are no
of
buyers, or if bids are not satisfactory, the State Bond Com buyers, or if bids are not satisfactory, the State Bond
mission is authorized to buy the municipality's bonds.
The saving factor for distressed municipalities is found in the fact that the State Bond Commission may buy the
ionds provided total indebtedness, including the sewer bonds, does not exceed 50 percent of assessed valuation.
Otherwise municipalities are normally limited to bonded indebtedness not exceeding 5 percent of valuation, although and was continued at that ratio by the last Legisiature until
July, 1951 .
Bond companies doubtless would be hesitant to buy bonds if total indebtesnesi exceeded the 15 percent restriction,
now permitted, or the normal 5 percent at other times. But by allowing the debt, under state aid, to go as high as 50 percent, many municipalities which otherwise would
estopped from installation of sanitary facilities will have means of finance available.
The municipality must furnish the State Bond Commis sion a suitable plan for liquidation of the Indebtedness. mission, the municipality will be denied authority for any mission, the mumicipality will be denied authority for any
additional bond issues without the Commission's approval. Furthermore, the Commission is nuthorized to pass on
annual city budgets and tax levies. If bond interest pay ments, at 4 percent per annum, or principal obligations are
defaulted, the Commission is authorized to withhold monies due the municipality from the state-such as appropriations
for streets and roads, liquor revenues, motor vehicle license for streets and roads, liquor
fees distribution and others.
The Bond Commission, however, may defer interest pay-
ments on the bond issue for a period up to five years and ments on the bond issue for a period up to five years and
may provide for the issuance of the bonds with graduated may provide for the issuance of the bonds with graduated
rates of interest. Municipalities may redeem bonds at par
value and accrued interest at any time prior to maturity value
date.
This plan, we believe, will be of great aid to the smaller
municipalities. With a revolving fund of $\$ 1,500,000$ set up to get the program in operation, and with a debt limit of
50 percent of assessed valuation, most eligible towns should be able to work out satisfactory plans without too much
difficulty. Considering the fact that population growth is expected to continue, the importance of improved sanitation to ge
eral health becomes obvious and it is to be hoped that el eral heath becomes
gible municipalities

## Mrs. Lou Gehrig Pleads For Federal

 War On Disease That Killed Husband


Editorial Comment



