

## MEETING OF MUNICIPAL EXECUTIVES. — (Continued).

counting U. C. M.): I am glad the Deputy Minister has touched upon the subject of a new and more modern system being introduced, because that is the basis of the whole matter. I believe, with him, that if the books of the municipalities were kept absolutely up to date, and there is no reason why, with a proper system, they should not be kept up to date, that two months is a reasonable time within which to draw up a report such as the government requires. I congratulate the Government on the establishment of this new department, which I am sure will mean the betterment of municipalities generally, and I congratulate the government on the appointment of able ministers as the Hon. Mr. Mitchell and Mr. Morin to head the Department.

**Mr. Charpentier** (Auditor of the Province of Quebec): "I think that two months is ample time in which to draw up this report. The practice heretofore has been to appoint a municipal auditor at the end of the year, but if the municipality would appoint its auditor at the beginning of the year it would help matters. If he were appointed at the beginning of the year he could help the Secretary and the Treasurer, and if any information is needed he would be there to give it and at the end of the year he would be informed of the affairs of the municipality and able to draw his report more promptly and more efficiently. I repeat that in my experience two months is ample time."

**Mr. Morin:** Paragraph 5956o, deals with the payments of fees of Inspectors. If the department is obliged to send auditors to audit the books of a municipality, and it costs \$100 to do so, the municipality will have to pay. No auditor can receive money from the Municipality. It must be paid to him by the Government, after being received from the Municipality.

**The Chairman:** When the government makes the tariff for fees to be paid to auditors I think that this tariff should be submitted long enough beforehand so that every municipality can go over it and see what we are asked to pay.

### Limits of Municipal Indebtedness.

**Mr. Morin:** The next section, 5956q., deals with the "Limits of Municipal Indebtedness." In the past council could contract debts for any time they wished. The legislature considered this was not just. They considered that it was only right to have the generation which benefits by the work done pay for it, and they divided the different public works into different classes, and apportioned loans to a period of time according to the work proposed to be done for the amount of money borrowed. Sewers and aqueducts and waterworks for instance, it is considered by experts last forty years, so the legislature considered that it is just to the generation that will live for forty years to pay for this class of improvement, therefore a loan contracted for this purpose can be contracted for forty years only, or less, of course. The law provides for a maximum. You can borrow for less, but that is the maximum. Gas plants, electric light plants, acquiring land for development, construction, extension or improvement of highways, of streets or sidewalks, if the pavements or sidewalks are of stone, block, brick, concrete or other material of similar lasting character, etc., etc., thirty years. You can borrow money for the purposes mentioned in subsection b. of that paragraph for thirty years, and no more. Then subsection c. says for acquiring land for development, construction, extension or improvement of highways, streets or sidewalks, if the pavements or sidewalks are of macadam or asphalt or other material of similar lasting character, or for the acquisition, improvement or construction of bridges, if of wood or other material of similar lasting character, or for acquiring land for, or the construction of, addition to or improvement of buildings to be used for any municipal purpose, if the building is of wood,—twenty years. Paragraph d. requires for loans for other purposes which you may read for yourself—ten years. Then paragraph e. says for any purpose not hereinabove provided for, if the object or material is considered by the Minister of Municipal Affairs to be of lasting character, thirty years; if not so considered—ten years. When your loan is for a purpose not provided for in this article you must apply to the Minister of Municipal Affairs, and if he considers that it is for a lasting purpose he will grant permission to borrow for thirty years or less, and if not, for ten years at the maximum. One little line in this article is lost sight of very

often. Section 5956q. says: "Unless otherwise and previously authorized by the Lieutenant-Governor-in-Council, upon the recommendation of the Minister of Municipal Affairs"; it very often happens that although strictly speaking the object of a loan should fall under the thirty years term, but through certain unforeseen circumstances it would be just and is considered just by all parties concerned to give forty years or more, or less, then the Lieutenant-Governor-in-Council may permit you to deviate from the dispositions of this law. It is not a case of iron rule, but you may with the permission of the Lieutenant-Governor-in-Council do anything that is equitable in the interest of your municipality. Another circumstance which occurs very often and where this first line comes in very handy is where you have different kinds of classes of work to be provided for. You borrow so much money for a certain amount of work, so much for forty years, so much for thirty years, so much for ten; that is, for work falling under these terms. You are not going to the trouble of making different issues. If you followed the law strictly that is what you would have to do, and this would be onerous for the municipality. Under this disposition you can apply to the Department and they can give you a uniform period of payment for all the items. What we generally do is to give the period of payment which is allowed by law to the principle item in the By-Law. If you borrow \$50,000 for a certain work for which the legal term is 40 years; \$20,000 for something else for 20 years; and \$10,000 for something else for 10 years, the Governor-in-Council would permit you to borrow the whole amount for thirty years. We take an average and give thirty years for the whole. If the big item was for 20 years we would give 20 years for the whole lot. You will find the Department well disposed to meet the views of the councils.

I would now draw your attention to subsection F. of this paragraph, which says: "For the payment of any debt legally incurred before the 9th of February, 1918—the period for which the debt could be incurred if it had originated after such date." If the municipality owes \$100,000 on notes and you want to consolidate this debt by a long term loan, then the period of payment would be that of the work which would be done with this money borrowed on notes. If borrowed for sewers, etc., it would be borrowed for forty years, and so forth.

**Mayor Beaubien** (Outremont): The City of Outremont has a special Charter allowing certain local improvements, certain works to be made on what we call local improvement system, by which a sewer, or an opening, or a paving of a street is made and the price of the work is levied on proprietors fronting on the streets benefiting. We made a loan of one and a half million dollars last December. Now the whole of this is not expended. Does this amount that has been provided in that loan for certain works fall under the clause of this law? The loan was authorized by the legislature prior to the passage of this Act. Will we have the right to give the same terms of payment for the works to be done under this By-Law as before, or limit them to the terms of this present law?

**Mr. Morin:** If there is a special law deviating from this, we have to see the special law and see just how far to go, because every day the municipalities are producing special Charters. I would not like to pronounce myself on this question without seeing the law. But if the money has already been borrowed this cannot affect it. This law does not affect By-Laws adopted, approved and carried out. It only affects the future.

**Mr. Beaubien:** There are certain works like the paving of a street, for instance, which may be made in asphalt, or macadam. Now there is no doubt that a macadam road will not last as long as a permanent pavement. On the other hand the purchase of the land required to open that street is certainly of the most permanent of all investments. That will not wear out, and it seems to be a great hardship for a municipality to have to pay on a ten or twenty year basis for the opening of a street which will last perpetually and yet according to the articles of this law if the pavement or improvement is not absolutely permanent the whole investment has to be refunded in the time prescribed.

**The Chairman:** I want to offer a suggestion. This law is one of the best laws passed in Quebec for the protection of the ratepayers. For sometime past it was thought necessary to establish a law along those lines to regulate churches, etc. In the past we have authorized loans to churches with absolutely no limit set to them, and in some cases where no redemption fund at all was provided. This is not fair for the future generation, and I think it most