

thoroughly alive to the growing possibilities of Canada's development is shown by the increasingly important business of the corporation. W. H. Beatty, Esq., was re-elected president, and J. Herbert Mason, Esq., chairman of the Board.



THE MONTREAL CHARTER AMENDMENTS.

The bills now before the Quebec Legislature to amend the Montreal City Charter propose to confer some extensive powers upon the City Council. A clause the object of which will be generally commended, authorizes the city to borrow not more than \$1,000,000 for the establishment of a high pressure water system "in certain parts of the city, which for that purpose shall be divided into districts by by-law, when the majority of proprietors in number and value apply for the same in writing." It would, however, puzzle a Philadelphia lawyer to determine how to apply this law. Apparently the "certain parts of the city" are not to be divided into districts until the proprietors have applied for the division. How then is it going to be determined whether a majority of proprietors in this undefined district have made application? Then although it is to be inferred that there is some reason for consulting the proprietors on the subject, and although it is well understood publicly that this reason is that they are to have a special tax imposed upon them to recoup the city for the expenditure, there is absolutely no mention of a special tax in this connection in the clause, or in the bill. In other words the clause as it stands is absolutely inoperative. Unless amended the introduction of the high pressure system will have to stand over until the next session of the Legislature.

Among the powers proposed to be conferred upon the city are:

To enter upon the valuation roll at the rate of fifty per cent. of their gross receipts, all companies exercising rights, franchises, or privileges upon the streets either on the ground, above ground or below ground, and to tax them at the rate of one per cent. on this amount, over and above all other taxes.

To establish a system of conduits and to compel all telegraph, telephone and lighting companies to use them and pay for their use. Also to borrow not exceeding \$1,500,000 to build the conduits.

Should the city not construct the conduits it may compel the companies either to construct a common conduit at their own joint expense or else to put their wires otherwise underground.

To manufacture gas and electricity, to acquire

by purchase or otherwise the necessary plant, to expropriate the Montreal Gas Company, to borrow whatever money is deemed necessary for these purposes for a period of forty years, and "notwithstanding any law or contract to the contrary" to lay gas pipes or conduits in the streets before the expiration of the present gas contract.

To borrow \$2,000,000 for the extension of the waterworks.

The bill seems to ignore the fact that there are limits even to the power of the Quebec Legislature to over-ride contracts and principles of law. A municipality has great powers in determining upon what conditions companies with which it is not under contract may do business in what are called public utilities, but once it has entered into a contract with a company it cannot modify the terms of that contract, without the consent of the other party to it. What capitalists would ever enter into a contract with a municipality, if the latter had the power to alter the terms at will—even with the consent of the legislature. This issue was raised and effectually disposed of, last year when the City of St. John, N.B., got the Legislature of New Brunswick to pass an act altering its contract with the St. John Railway Company (street railway) compelling the company to maintain and repair the streets from curb to curb, instead of between and eighteen inches outside of the tracks. This kind of legislation is not only unjust to the companies concerned but to their bondholders who have invested in their securities on the faith of contracts entered into with presumably responsible municipalities. Neither legislatures nor cities can afford to get the reputation of even attempting to disregard vested rights or contractual obligations. Moreover such action is futile because it can always be set aside by the courts. At all events it is legislation inimical to the public interests and would undoubtedly if carried out affect the good credit of not only the city but the Province. Great care must be taken never to do anything which will have the semblance of repudiation or interference with vested rights which have been exercised either under charter, franchise or contract. Then the idea of giving the city the power to borrow an unlimited amount for any purpose whatever is preposterous. If given, what a scramble there would inevitably be to exercise it.

It must also be borne in mind that the debt of the city is limited and this limitation should be respected for the good credit of city and province. If new borrowing be allowed it should be on the terms already in force, namely, with the consent of the ratepayers and by the enforcement of a special tax to provide interest and sinking fund.