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[Feb, 20.]

SHAWINIGAN HYDRO-ELECTRIC CO. v. SHAWINIGAN  
WATER & POWER CO.

*Municipal corporation—Establishment of site for electric plant—  
Site beyond limits—Purchase on credit—By-law—Sinking fund  
—Cities and Towns Act, s. 5668.*

The council of Shawinigan Falls passed a by-law authorizing the purchase of land with a power house and plant thereon situate outside the limits of the town. Part of the purchase money was to be paid in yearly instalments secured by promissory notes and the balance to the holder of a hypothec on the land. The by-law contained no provision for the levy of a rate to meet the interest and establish a sinking fund to pay off the principal.

*Held*, affirming the judgment of the Court of King's Bench (Q.R. 19 K.B. 546), ANGLIN, J., dissenting, that the by-law was invalid.

Per DAVIES, IDINGTON and DUFF, JJ., that the town had no authority to purchase land beyond its limits.

Per ANGLIN, J., that under the special legislation and surrounding circumstances, it might have such power.

Per DAVIES, J., the by-law was invalid for want of a provision, either in itself of a contemporary by-law for fixing a rate to meet the interest and establish a sinking fund.

Per IDINGTON, J. The assent of the ratepayers was necessary before the by-law could be passed.

Per ANGLIN, J. It was incumbent on the council to provide for meeting the payment of the purchase money and interest, but the insertion of a provision in the by-law for the purpose was not necessary. An annual rate could be levied until it was paid.

Appeal dismissed with costs.

*Aime Geoffrion*, K.C., for appellants. *F. Meredith*, K.C., and *Holden*, for respondents.