

Mar. 5.

BILL ALTERS BASIS OF BORROWINGS BY MUNICIPALITIES

Reduced to 70 Per Cent. of
Previous Year's Actual
Expenditure

BONDING BY COMPANIES

A change in the basis of temporary borrowings by municipalities; a reduction in the legal limit of per diem fees of elected representatives of townships, villages, counties and cities of under 100,000, and provisions that the bonds of Municipal Treasurers be from recognized guarantee trust companies, represent some of the main amendments to the Municipal Act incorporated into a bill introduced by Hon. William Finlayson at yesterday's sitting of the Legislature.

These and other minor amendments are the conclusions of a Special Select Committee of the Legislature to revise the Municipal Act appointed by the Legislature of 1931, and which has acted under the chairmanship of Hon. Mr. Finlayson. In explaining the bill, Hon. Mr. Finlayson said that, owing to the unusual financial conditions of the present time, it was thought inadvisable to recommend anything in the nature of sweeping changes. A more comprehensive revision of the Municipal Act could be considered in a more normal period, he said.

Insolvency Averted.

The study of the committee, he continued, had convinced it of the fact that Ontario enjoyed an excellent municipal system. During the crisis of last year some municipalities had approached collapse, their financial condition representing simply an aggravation of the general depression and possibly too rapid expansion. However, insolvency, which would have damaged the general municipal credit of the Province, had been averted in these instances by the assistance—not the interference or intervention—of the Attorney-General's Department.

Regarding the amendments to the Municipal Act in the bill, the Minister first took up a change that had been necessitated by the so-called "farmer's daughter" bill passed in the last session, giving the farmer's daughter the same rights as farmers' sons in voting in county elections. The amendment provides that the new right of farmers' daughters shall not mean that they will be counted in calculating the population of counties for the purpose of deciding the representation on County Councils. The purpose of this amendment was simply to avoid an undue increase in the number of County Councillors following extension of the municipal voting privileges to farmers' daughters. Another amendment provides for the exemption in certain cases from the operation of the statute preventing people who have a contract with a municipality from running for office in that municipality.

This exemption is in the case of a Councillor to whom certain outstanding fees for attendance at meetings of Council the year previous are still owing at the time of election. Such a debt, Hon. Mr. Finlayson explained, should not debar him as a candidate. Another amendment would make the right of a Reeve to a double vote contingent on the County Council's decision in the matter.

The Minister amplified the new provision to require municipal treasurers to provide surety from a recognized trust company, by explaining that the present system of allowing individuals, sometimes the relatives of the bonded person, to go surety was highly unsatisfactory; and in cases of defalcation might tempt the Treasurer simply to destroy the bond.

"The depression has shown us," said Hon. Mr. Finlayson, "that some banks have been too generous and some municipalities too reckless in making temporary borrowings against a current year's estimated revenue." These temporary borrowings, he said, were designed to allow municipalities to go on with work at a season most advantageous even before the collection of the year's taxes. Hitherto the basis of this temporary borrowing had been 90 per cent. of the estimated revenue. But it had been impossible to estimate the exact revenue; therefore the amendment would change the basis of borrowing to 70 per cent. of the previous year's actual expenditure.

Another amendment reduced the per diem fees for representatives attending municipal meetings to eight dollars in counties, five dollars in cities of less than 100,000 population and to three dollars in towns and villages. The Minister expressed the view that it was utterly wrong for an elected representative to draw an honorarium in addition to a per diem fee.

Another bill introduced by Hon. Mr. Finlayson provides for an important modification to the present Local Improvement Act. This amendment will require all "forcing" local improvement measures by Municipal Councils to be reviewed by the Municipal Board, after advertised hearings, at which residents interested can present their case. The Minister explained that at present the act permitted Councils to force local improvements without a reference to the affected residents by a two-thirds vote of Council. This section, he declared, had been abused, especially in the suburbs of large cities, where it had been evoked to pile up enormous debts in subdivisions for improvements without the consent or sometimes knowledge of land purchasers.

On motion of Attorney-General Price a select committee, under the chairmanship of F. G. McBrien (Conservative, Toronto-Brockton), was appointed to consider proposed amendments to the Mechanics' Lien Act and to report back to the present Legislature its recommendations. The scope of these proposed amendments could not be indicated as yet, Hon. Mr. Price stated. Mr. McBrien intimated that the work of the committee, including the hearing of representation of those interested in the proposed amendments, would commence immediately.

Moratorium Law Is Now in Effect

Royal assent was given yesterday in the Legislature to Attorney-General Price's bill providing for a modified moratorium on mortgages in the Province of Ontario. The legislation becomes operative immediately, it is understood.

Following third reading of the bill yesterday, Sir William Mulock, Administrator for the Province, was escorted into the Legislative Chamber by Premier George S. Henry, and gave to the legislation the formal endorsement which makes it law.