



## CHAPTER 24

An Act to establish and assure State competition  
respecting hydro-electric resources

*[Assented to, the 20th of May, 1937]*

**HIS MAJESTY**, with the advice and consent of the  
Legislative Council and of the Legislative Assembly  
of Quebec, enacts as follows:

- 1.** In this act,
- Interpreta-  
tion:*
- a.* "Syndicate" designates the National Electricity "Syndicate";  
Syndicate created by this act;
- b.* "administrators" designates the members of the Administra-  
Syndicate; tors";
- c.* "court" designates the Superior Court sitting in "Court".  
and for the district of Quebec, in the city of Quebec.

## CHAPTER I

### NATIONAL SYNDICATE ON A UNIFORM PUBLIC BASIS

**2.** A corporation is hereby created under the name of "The National Electricity Syndicate". *National  
Electricity  
Syndicate.*

Such corporation is constituted the mandatary of the Province and possesses, in addition to the rights and powers hereinafter conferred upon it, all those which may be exercised by corporations in general. *Rights and  
powers.*

It may further, when authorized thereto by the Lieutenant-Governor in Council under section 30, issue shares which shall constitute its capital stock for the special purposes mentioned in this act. *Additional  
powers.*

**Composition of Syndicate.** **3.** The Syndicate shall be composed of three administrators, one of whom shall be president and another vice-president, all appointed by the Lieutenant-Governor in Council who shall fix their remuneration.

**Term of office.** They shall remain in office during ten years, subject to dismissal for reasons deemed sufficient by the Lieutenant-Governor in Council.

**Appeal in event of dismissal.** An appeal shall lie from the decision of the Lieutenant-Governor in Council to the Chief Justice of the Province, by a summary petition presented by the dismissed administrator, after notice of at least six days to the Attorney-General. The Chief Justice shall prescribe the formalities respecting the procedure and the proof which must be made.

**Proof, etc.** The proof and hearing shall have precedence over all other matters.

**Vacancy not to entail dissolution.** The Syndicate shall not be dissolved by reason of vacancy among the administrators, through the death, resignation or dismissal of any or all the administrators.

**Holding of certain interest prohibited.** No administrator, officer or employee of the Syndicate may, under penalty of forfeiture of his office, have any interest whatsoever in any electricity undertaking, directly or indirectly.

**Proviso.** However, such forfeiture shall not take place if such interest devolves by succession, provided that he renounce thereto or dispose thereof immediately.

**Chief place.** **4.** The Syndicate shall have its chief place in the city of Quebec; it may establish offices at any other place in the Province.

**Meetings and quorum.** The administrators shall hold their meetings at the chief place of the Syndicate or at any other place chosen by them. Two of them shall form a quorum.

**Appointing of chief engineer, etc.** **5.** The Syndicate may appoint a chief engineer, a secretary, and all other necessary officers and employees, and fix their remuneration, the whole subject to the approval of the Lieutenant-Governor in Council.

**Establishing, etc., of generating plants, etc., in certain electoral districts.** **6.** The Syndicate is authorized to establish and maintain under its control, in the places which it deems advantageous in the electoral districts of Abitibi, Temiscamingue, Lake St. John and Roberval, electricity generating plants and electricity transmission and

distributing systems for lighting, heating and power purposes, and generally any installation and apparatus necessary to supply electricity to the public.

**7.** For such purposes the Syndicate may:

1. Lease or acquire, by mutual agreement or by expropriation,—

Powers with respect to such establishing, etc.

a. any waterfall, rapid, hydraulic power or force, immoveable, servitude, right of way and immoveable or moveable right necessary for such purposes;

b. the undertaking and the assets of any person, corporation or firm operating an electricity generating plant or an electricity distributing system, or both together;

2. Buy or otherwise procure, by agreement, electricity for purposes of distribution.

Notwithstanding the provisions of paragraph 1 of this section, the Syndicate cannot expropriate any property forming part of an electricity service established and administered by a municipal corporation.

**8.** The expropriations made under this act shall be had before the court.

Expropriations.

**9.** The proceedings in expropriation shall be had in conformity with the following rules.

Proceedings therein.

**10.** The Syndicate must cause to be served upon the adverse party a notice containing:

Serving of notice upon adverse party: Contents of notice.

a. A description of the immoveable or of the real right which it wishes to acquire;

b. A declaration of the amount which it offers for the indemnity;

c. A notification that it will apply to the court for the fixing of the amount of such indemnity, if its offer be not accepted within ten days from the service of such notice;

d. An indication of the date of the filing of such application in the office of the court.

The filing of such application cannot be made prior to the fifth day following the expiration of the delay provided under paragraph c.

Filing of certain application.

**11.** The provisions of Chapter XII of the Third Part of the Code of Civil Procedure shall apply,

Provisions applicable to service of notice.

*mutatis mutandis*, to the service of the notice upon the expropriated party.

Documents  
to be filed if  
offer not ac-  
cepted.

**12.** Failing acceptance of its offer, the Syndicate must, on the day mentioned in the notice, or, if such day be a holiday, on the next juridical day, file in the court:

1. The original of the notice with the return of service thereof, or, as the case may be, proof of the publication of the notice in the newspapers;

2. A petition briefly stating the facts relating to the application and praying for the fixing of the indemnity by the court.

Duplicate  
documents.

A duplicate of such documents must be deposited in the office of the court for the use of each adverse party.

When Syndi-  
cate to be-  
come absolu-  
te owner.

**13.** From and after the date of the filing of the documents and proceedings contemplated under section 12, the Syndicate shall become absolute owner of the immoveable or of the real right which is the object of the expropriation.

Putting in  
possession in  
case of re-  
sistance, etc.

If it is unable to obtain possession of such immoveable or enjoyment of such right through any resistance or opposition, it may apply to any judge of the court for an order addressed to the sheriff or to a bailiff of the district wherein the order has to be executed to have it put in possession. The officer executing such order shall employ the necessary assistance for such purpose.

Delay for  
inscription.

**14.** An expropriation case may be inscribed by either of the parties for proof and hearing after the expiration of the six days following the filing of the documents specified in section 12.

Notice.

A notice of at least six days of the date fixed for the proof and hearing must be given to every adverse party.

Declaration  
of the expro-  
priated par-  
ty.  
If not filed.

**15.** The expropriated party must file in the office of the court, prior to the trial, a declaration setting forth the amount he claims; if he does not file such declaration, the case shall proceed *ex parte*.

Proof and  
hearing.

**16.** The proof and hearing shall be had before the court.

Saving incompatibility with this act, the rules of the Code of Civil Procedure relating to the prosecution and hearing of suits before the Superior Court shall apply to the prosecution and hearing of suits for expropriation. Rules applicable.

The court shall fix the indemnity and adjudicate upon the costs according to the rules of section 18. Indemnity and costs.

**17.** The depositions at the trial shall be taken by stenography, unless the parties agree to proceed otherwise; but in such latter case no appeal shall lie. Taking of depositions.

**18.** The costs shall be borne by the Syndicate if there be no contestation of the application. Costs, if no contestation.

The application is contested when the expropriated party has filed the declaration contemplated under section 15. When application contested.

If there be contestation the losing party must pay the costs, unless, for special reasons, the court mitigates them, offsets them or orders otherwise. However, even in such case, the costs of all proceedings effected by the Syndicate prior to the contestation shall be borne by it. Contestation, and costs.

**19.** An appeal shall lie to the Court of King's Bench from a judgment rendered under section 16, whenever the amount adjudged is at least five hundred dollars. Appeal in certain event.

In all other cases, the judgment of the court shall be final and without appeal. Judgment final.

The delays and the rules of the Code of Civil Procedure respecting appeals to the Court of King's Bench shall apply to the appeals taken under this section. Delays, etc.

The judgment of the Court of King's Bench shall be final and without appeal. Judgment final.

**20.** The indemnity shall be fixed according to the value of the immoveable or real right which is the object of expropriation and the damages occasioned to the expropriated party. Fixing of indemnity.

When a portion only of an immoveable is expropriated, if the facts motivating the expropriation give an increased value to the remainder of the immoveable, the court shall offset, to the extent thereof, such increased value as against the damages suffered by the expropriated party. Expropriation of part of immoveable.

How Syndicate executes judgment.

**21.** The Syndicate executes the judgment by:

- a. the payment or legal tender, to the party entitled thereto, of the amount which the court orders it to pay; or
- b. the deposit of such amount under section 22 of this act, in the cases contemplated by the said section; or
- c. the deposit of such amount under section 58 of the Treasury Department Act (Revised Statutes, 1925, chapter 20), in the cases provided for in the said section.

Depositing of amount in court.

**22.** Whenever there are registered real rights affecting the expropriated immoveable, the Syndicate may deposit the said amount in the office of the court.

Freeing of expropriated immoveable.

The registration of a receipt for such deposit and of a copy of the final judgment shall free the expropriated immoveable from all such real rights.

Mention by registrar.

The registrar shall make mention of such registration in the margin of each entry recording a real right extinguished in virtue of this section.

Conserving, etc., of hypothecary, etc., claims.

The hypothecary and privileged claims upon the said immoveable shall be conserved upon the amount deposited and shall be collocated according to their respective rank in the manner prescribed in the Civil Code. The claim of the expropriated party shall be assimilated, for the purposes of this section, to that of a vendor of an immoveable.

Collocation, etc.

**23.** The prothonotary shall prepare a scheme of collocation or distribution of the amount deposited.

Procedure therefor.

For such purpose, he shall procure from the registrar a certificate according to article 771 of the Code of Civil Procedure, except that the real rights contemplated under section 22 must be therein mentioned notwithstanding the cancellation which may have been made under the said section 22. The prothonotary shall pay the cost of such certificate out of the amount deposited.

Provisions applicable thereto.

Articles 772 to 777 and 790 to 831 of the Code of Civil Procedure shall apply, *mutatis mutandis*, to the deposit made under section 22 and to the collocation and distribution of the amount deposited.

Permitting of access to property.

**24.** The owners or occupants of any immoveable shall be obliged to permit access to their property to any official or employee of the Syndicate who, in the

carrying out of his duties, wishes to inspect the installations, works or apparatus of the Syndicate.

**25.** The rates fixed by the Syndicate for the distribution or the sale of electricity must be approved by the Lieutenant-Governor in Council. Rates to be approved.

**26.** The Lieutenant-Governor in Council may authorize the Provincial Treasurer to pay and place at the entire disposal of the Syndicate the sums which the latter may need for the above purposes, up to an amount of ten million dollars, which may be increased by the Legislature. Placing of sums at disposal of Syndicate.

Such sums shall be paid out of the consolidated revenue fund. How paid.

The Lieutenant-Governor in Council may, however, order the complete or partial payment by means of loans not exceeding thirty years, and bearing interest at rates not exceeding four per cent per annum. Loans optional.

**27.** All the moveable and immoveable property of the undertakings contemplated in section 6 and the profits realized by the Syndicate are the property of the Government of the Province. Ownership of property.

The monies collected by the Syndicate and deemed available by the Provincial Treasurer shall be remitted to the latter upon his request, and immediately upon receipt thereof they shall form part of the consolidated revenue fund of the Province. Disposal of monies collected by Syndicate.

**28.** The Lieutenant-Governor in Council may authorize the Syndicate to establish and maintain at any place in the Province which he may designate outside of the electoral districts of Abitibi, Temiscamingue, Lake St. John and Roberval, other electricity generating plants and other electricity distribution systems for lighting, heating and power purposes, for the use of the public. Establishing of electricity generating, etc., plants.

The Syndicate shall exercise its rights and powers under the control and the supervision of the Lieutenant-Governor in Council. Exercising of rights, etc.

**29.** Sections 7 to 27 inclusively of this act shall apply to the establishing and to the maintaining by the Syndicate of any electricity generating plant and of any electricity distributing system contemplated under section 28. Application of ss. 7-27.

## CHAPTER II

## COOPERATIVE ON A PUBLIC AND PRIVATE BASIS

**30.** The Lieutenant-Governor in Council may, for any undertaking which he allows the Syndicate to establish under section 28, authorize it to issue shares to such amount as he may from time to time determine and which shall constitute its capital stock.

Issuing of  
shares.

**31.** In such case, the Syndicate, its operations and such undertakings shall be governed by sections 31 to 37 inclusively and, except where inconsistent, by the provisions of Chapter I.

Governing  
provisions in  
such case.

**32.** The administrators alone shall form the Board of Management of the Syndicate.

Board of  
Management

**33.** The Syndicate shall not place its shares on sale without being authorized thereto by the Lieutenant-Governor in Council.

Selling of  
shares.

Sixty per cent of the shares placed on sale by the Syndicate shall be attributed of right to the Government of the Province which shall pay for them at par upon delivery of the certificates to the Provincial Treasurer.

Portion  
taken by  
Government.

**34.** The Lieutenant-Governor in Council may authorize the Provincial Treasurer to purchase the debentures issued by the Syndicate and the shares of its capital stock in addition to those which are attributed to the Government of right by section 32.

Purchasing of  
debentures,  
etc., by  
Government.

**35.** The loans made by the Syndicate must be previously approved by the Lieutenant-Governor in Council.

Loan  
approval.

**36.** The expenses of installation, administration, operation and maintenance of the undertakings contemplated in Chapter II must be debited in the account of each such undertaking separately.

Separate  
debiting of  
expenses.

Each undertaking shall be considered as distinct from the other undertakings of the Syndicate, for all purposes of administration, valuation of assets and liabilities, receipts and expenses, payment of dividends if any there be, and, in general, all financial and accounting operations.

Undertak-  
ings to be  
separate  
entities.



**36.** The moveable and immoveable property cons-Ownership  
tituted by the Syndicate under Chapter II shall be its of property.  
property.

**37.** Under the reserve of the foregoing provisions Provisions  
and except where inconsistent with this act, Part II applicable to  
of the Quebec Companies' Act (Revised Statutes 1925, Syndicate.  
chapter 223) shall apply to the Syndicate.

The shareholders of the Syndicate shall have the Voting by  
right to vote only with respect to the undertakings shareholder-  
contemplated under Chapter II, and dividends shall ers.  
be based upon the profits of such undertakings only.

## CHAPTER III

### GENERAL PROVISIONS

**38.** The Syndicate cannot without the authoriza-Authoriza-  
tion of the Lieutenant-Governor in Council: tion required

a. Dispose of any of its moveable or immoveable property or real rights; for certain purposes.

b. Sign a lease for a term exceeding three years.

**39.** The books of the Syndicate shall be audited Auditing of  
each year, under the supervision of the Lieutenant-Governor in Council, by a person whom he shall books.  
designate and whose remuneration he shall fix.

The expenses of auditing, including such remunera-Costs of  
tion, shall form part of the costs of administration of administra-  
the Syndicate. tion.

**40.** Each year, at the date fixed by the Lieutenant-Annual  
Governor in Council, the Syndicate shall make a report report.  
to him:

- a. Of its assets and liabilities; Contents.
- b. Of the sums expended for its undertakings during  
the year covered by the report;
- c. Of the works carried out;
- d. Of the financial state of each undertaking.

The Syndicate shall, in addition, furnish to the Other  
Lieutenant-Governor in Council all the information information.  
required by him.

**41.** The Syndicate may, with the approval of the Pension  
Lieutenant-Governor in Council, establish and main-fund.

tain a compulsory contributory pension fund for the benefit of its administrators, officers and employees to which may be called upon to contribute the Syndicate, the officers and the employees, in such proportion as the Lieutenant-Governor in Council may fix.

Exercising of recourse in justice.     **42.** No recourse in justice may be exercised against the Syndicate unless it shall have been authorized in accordance with the rules established for a petition of right.

Expenses of Syndicate.     **43.** The remuneration of the administrators, officers and employees of the Syndicate and, generally, all the expenses incurred by or for the Syndicate shall be borne by the latter and must be solely considered as expenditure appertaining to it.

How shares, etc., to be paid for.     **44.** The shares and debentures acquired by the Government in virtue of sections 32 and 33 shall be paid for out of the consolidated revenue fund.

Payment by loans.     The Lieutenant-Governor in Council may, however, order the complete or partial payment of such shares and debentures by means of loans not exceeding thirty years and bearing interest at rates not exceeding four per cent per annum.

Approval of contracts, etc.     **45.** Under the reserve of the provisions of section 38, the contracts and agreements to which the Syndicate is a party must, to have effect, be approved by the Lieutenant-Governor in Council.

Conditional prohibition of:     **46.** From and after the coming into force of this act, there shall not be granted, except by an act of the Legislature:

Leasing, etc., of waterfalls, etc.     *a.* Any lease or cession or alienation of a waterfall, rapid, hydraulic power and force having an average natural capacity of three hundred horsepower or over, forming part of the public domain;

Extending of certain delay.     *b.* Any extension of delay for the exploitation or operating of any waterfall, rapid, hydraulic power and force ceded, rented or leased prior to the coming into force of this act.

Application restricted.     The provisions of this section shall not apply to the Syndicate nor to a municipal corporation.

Bearing of certain expenditure by Government.     **47.** The Lieutenant-Governor in Council, upon application by the Syndicate, in order to assist any

rural municipal corporation for the establishment of a municipal electricity distributing system, may authorize the Provincial Treasurer to pay fifty-five per cent of the cost of construction of such system.

The provisions of section 44 shall apply to the expenses contemplated by the preceding paragraph. Provisions applicable.

**48.** The Minister of Lands and Forests shall have charge of the carrying out of this act. Carrying out of act.

**49.** The act 25-26 George V, chapter 23, is repealed. 25-26 Geo. V, c. 23, repealed.

**50.** This act shall come into force on the day of its sanction. Coming into force.

