

Bill No. 66 of 1945.

A BILL TO PROVIDE FOR THE VOLUNTARY EXCHANGE OF SECURITIES ISSUED OR GUARANTEED BY THE PROVINCE PRIOR TO 1st APRIL, 1936.

NOTE.

Under this Bill the Lieutenant Governor in Council is empowered to authorize the Provincial Treasurer to make offers to the holders of provincial securities to exchange them for new securities. It is provided that an offer shall state a time within which it is to be accepted, but that the time may be extended by the Lieutenant Governor in Council upon such terms and conditions as may be prescribed.

Subsection (4) of section 3 sets out what is to be provided for in the offer, including the rate of interest on the new securities not exceeding three and one-half per centum. The dates of maturity shall be not more than thirty-three years from the date when interest first accrues, and the offer may contain terms and conditions of redemption before maturity. Provision is also made for adjustment on the basis of payment of interest at the rate now being paid and also payment of sums equivalent to 6%, 6¾%, 8¼% and 9% respectively in the principal amount of outstanding securities.

Section 4 provides for the creation of the new securities.

Section 6 provides for the creation of a Debt Retirement Fund for the purpose of retiring new securities, etc., and further provides that a sum of not less than \$2,000,000 shall be paid into the Fund annually.

By section 7 the Provincial Treasurer is given authority to execute all documents, etc., necessary in connection with the exchange and to appoint agents to effect the exchange, etc., and to pay fees and expenses necessary for carrying out the purposes of the Act.

W. S. GRAY,
Legislative Counsel.

(This note does not form any part of the Bill but is offered in explanation of its provisions.)

BILL

No. 66 of 1945.

An Act to provide for the Voluntary Exchange of Securities Issued or Guaranteed by the Province prior to 1st April, 1936.

(Assented to _____, 1945.)

HIS MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Alberta, enacts as follows:

SHORT TITLE.

1. This Act may be cited as "*The Provincial Securities Exchange Act.*"

DEFINITIONS.

2. In this Act,—

(a) "Outstanding securities" means and includes,—

(i) bonds, debentures and Alberta Government stock issued by the Province prior to 1st April, 1936; and

(ii) bonds and debentures guaranteed by the Province prior to 1st April, 1936,

and which may be from time to time outstanding;

(b) "New securities" means and includes, bonds and debentures of the Province and Alberta Government stock which may be issued in exchange for outstanding securities pursuant to the provisions of this Act.

3.—(1) The Lieutenant Governor in Council may from time to time authorize the Provincial Treasurer for and on behalf of the Government of the Province to make an offer or offers to any or all of the several holders of any part or parts, or any class or classes or any issue or issues of outstanding securities specified in the offer, to exchange the same for new securities of the Province upon such terms and conditions as may be prescribed by the Lieutenant Governor in Council.

(2) Any offer so authorized shall be signed by the Provincial Treasurer and when so signed shall be printed and published in *The Alberta Gazette*, and thereupon shall become effective for the purposes of this Act, and a notice or summary of the offer may be published in such manner and in such places as may be approved by the Provincial Treasurer.

(3) The time within which the offer may be accepted shall be stated in the offer, but notwithstanding the time so stated, the time for acceptance of the offer may be

extended by order of the Lieutenant Governor in Council upon such terms and conditions as may be prescribed.

- (4) Any offer may make provision for,—
- (a) the date or dates of the new securities and the date from which interest first accrues thereon;
 - (b) the place or places and the currency or currencies of payment of the principal and interest of the new securities;
 - (c) the rate or rates of interest on the new securities not exceeding three and one-half per centum per annum payable annually or semi-annually;
 - (d) the form or forms and denomination or denominations of the new securities;
 - (e) the date or dates of maturity of the new securities which shall not be more than thirty-three years from the date from which interest first accrues thereon, provided that they shall be subject to redemption in advance of maturity at any time or times after the expiration of five years from the date from which interest first accrues thereon;
 - (f) the terms and conditions of redemption in advance of maturity including the place or places of redemption and the currency or currencies in which the new securities shall be redeemed;
 - (g) interest adjustments on the basis of payment of interest on or in respect of the outstanding securities at the respective rates being paid by the Province at the date of any such offer up to the date from which interest accrues on the new securities and thereafter at the rate of interest borne by the new securities;
 - (h) payment by the Province, in consideration of the acceptance of the offer by the holders of outstanding securities and the exchange of such securities pursuant thereto, to such holders of outstanding securities of such sums as may be prescribed by the offer but not exceeding sums equivalent to six per cent, six and three-quarters per cent, seven and one-half per cent, eight and one-quarter per cent and nine per cent respectively, of the principal amount of such outstanding securities bearing interest at the rates of four per cent, four and one-half per cent, five per cent, five and one-half per cent and six per cent respectively, as the case may be, the payments to be made in the currency or the respective currencies provided by the offer;
 - (i) such other terms and conditions as may be deemed expedient.

4.—(1) The Lieutenant Governor in Council may authorize the creation of new securities of the character and in the form prescribed by the offer and in amounts sufficient to

carry out the provisions thereof, and may authorize the issue and delivery of the new securities to such holders of outstanding securities as may accept the offer and deliver their outstanding securities in exchange therefor, and the Provincial Treasurer may pay to such holders of outstanding securities from the General Revenue Fund of the Province the moneys necessary to carry out the terms of said offer.

(2) Any new securities so authorized to be created but not issued and delivered pursuant to the terms of any offer, shall be cancelled.

(3) The principal amount of the new securities which may be issued and delivered by the Province in exchange for such outstanding securities, shall not exceed the principal amount of the outstanding securities for which they are exchanged.

(4) The principal of the new securities and the interest thereon shall be charged on and paid out of the General Revenue Fund.

(5) The provisions of subsection (2) of section 11 of *The Provincial Loans Act* shall apply to the new securities.

5. All outstanding securities received by the Province in exchange for the new securities shall be cancelled except securities guaranteed by the Province which may be cancelled by Order of the Lieutenant Governor in Council.

6.—(1) The Provincial Treasurer shall create a Debt Retirement Fund for the purpose of retiring the new securities, any outstanding securities which are not exchanged for new securities, and any securities which may be issued hereafter for the purpose of refunding any such new securities or outstanding securities, and shall while any of the said securities remain outstanding, pay into the said Fund out of the General Revenue Fund in each fiscal year, a sum of not less than Two Million Dollars;

Provided that any excess of Two Million Dollars paid into the Fund in any fiscal year may be applied by the Provincial Treasurer in reduction of the amount required to be paid into the Fund in any subsequent year.

(2) The Provincial Treasurer may, from time to time, utilize the Debt Retirement Fund in such manner as he may deem expedient for the purchase or redemption of new securities, outstanding securities and any securities hereafter issued to refund the new securities or outstanding securities and any securities so purchased or redeemed shall be cancelled.

(3) The Provincial Treasurer may invest funds of the Debt Retirement Fund in bonds of the Dominion of Canada.

7. For the purposes of this Act, the Provincial Treasurer may,—

(a) execute all deeds, transfers and other documents and do all things necessary or advisable to effec-

tively carry out the terms and conditions of any offer and the exchange of outstanding securities for new securities;

- (b) appoint agents to effect the exchange, to make payments or adjustments necessary to effect the exchange in accordance with the offer and to act as registrar, transfer agent, paying agent, or in any other necessary or advisable capacity in connection with the new securities and the exchange thereof for outstanding securities;
- (c) pay out of the General Revenue Fund, all fees, charges or expenses incurred for the purpose of carrying out the provisions of this Act.

8. The Lieutenant Governor in Council may make regulations or provisions,—

- (a) relating to the inscription, registration, transfer and execution of the new securities;
- (b) prescribing the manner in which the signature or signatures may be made on or affixed to the new securities and the coupons attached thereto, and may provide that the signature or signatures may be printed, engraved, lithographed or otherwise mechanically reproduced, and the mechanically reproduced signature or signatures shall for all purposes be valid and binding upon the Province, notwithstanding that any person whose signature is so reproduced has ceased to hold office before the date of the new securities or before the issue thereof.

9. Any bonds, debentures or other securities heretofore issued or guaranteed by the Province and now held in any Sinking Fund and in the Special Investment Fund of the Province may be cancelled by Order of the Lieutenant Governor in Council.

10. In case there is any conflict between the provisions of this Act and *The Provincial Loans Act*, being chapter 53 of the Revised Statutes of Alberta, 1942, the provisions of this Act shall prevail.

11. This Act shall come into force on the day upon which it is assented to.

No. 66.

FIRST SESSION
TENTH LEGISLATURE

9 GEORGE VI

1945

BILL

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Exchange of Securities Issued or
Guaranteed by the Province prior
to 1st April, 1936.

Received and read the

First time.....

Second time.....

Third time.....

HON. MR. MANNING.

EDMONTON:
A. Shnitka, King's Printer
1945