

No. 114

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2nd Session, 15th Legislature, Alberta  
13 Elizabeth II

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## **BILL 114**

A Bill respecting the Alberta Resources ~~Railway~~  
Corporation

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HON. MR. MANNING

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## **Explanatory Note**

General. This Bill incorporates a Crown corporation called the "Alberta Resources Railway Corporation" for the purposes indicated in the preamble. The Corporation will have a 5-member Board of Directors. Its general powers are set out in clauses 10 to 13. Its borrowing powers are set out in clauses 14 to 19.

### **2. Definitions.**

### **3. Incorporation.**

# BILL

No. 114 of 1965

An Act respecting the Alberta Resources Railway Corporation

(Assented to \_\_\_\_\_, 1965)

**W**HEREAS there are areas of the Province not served or not effectively served by existing railways and the development of such areas would be promoted by the provision of railway service for such areas; and

WHEREAS the provision of such railway service for areas containing natural resources would facilitate the movement of those resources to other railways or to other means of transportation, thereby enabling such resources to reach markets more readily and economically; and

WHEREAS it is desirable in the public interest to establish a means of implementing the provision of railway service for such areas:

THEREFORE Her Majesty, by and with the advice and consent of the Legislative Assembly of the Province of Alberta, enacts as follows:

**1.** This Act may be cited as "*The Alberta Resources Railway Corporation Act*".

**2.** In this Act,

- (a) "Board" means the board of directors of the Corporation;
- (b) "by-laws" means the by-laws made by the Board;
- (c) "Corporation" means the Alberta Resources Railway Corporation incorporated by this Act;
- (d) "railway," when used with reference to a railway of the Corporation, means a railway that the Corporation has authority to construct or operate and includes all branches, extensions, sidings, stations, depots, wharves, rolling stock, equipment, stores, real or personal property and works connected therewith and also any road or any railway bridge, tunnel or other structure that the Corporation is authorized to construct, maintain or operate.

**3.** There is hereby created a corporation with the name "Alberta Resources Railway Corporation".

**4. Board of Directors.**

**5. Board meetings.**

**6. Head office and branch offices.**

**7. By-laws.**

**8. Appointment of officers and employees and obtaining technical and professional help.**

**4.** (1) The affairs of the Corporation shall be conducted by a board of directors consisting of the following members, namely, the Provincial Treasurer and four other directors appointed by the Lieutenant Governor in Council to hold office during pleasure.

(2) The Lieutenant Governor in Council shall designate one of the directors as chairman of the Board and may designate a director to be the acting chairman in the absence of the chairman or in the event of the chairman's inability to act.

(3) A director who is not a member of the Executive Council or an employee of the Government shall be paid by the Corporation such remuneration as may be prescribed by the Lieutenant Governor in Council.

(4) The Corporation shall pay to the directors their reasonable travelling and living expenses while absent from their ordinary place of residence and in the course of their duties as directors.

**5.** (1) The Board shall meet at the call of the chairman.

(2) Three directors of the Board constitute a quorum and the affirmative votes of a majority of the directors present at any meeting of the Board at which a quorum is present are sufficient to pass any resolution or by-law and to bind all the directors.

(3) Where one or more vacancies occur on the Board, the remaining directors may exercise all the powers of the Board so long as a quorum remains in office.

(4) At its meetings, the Board may exercise any of its powers by resolution except where some other mode of exercising any power is prescribed in this Act.

**6.** (1) The head office of the Corporation shall be at Edmonton.

(2) The Corporation may establish such other offices and agencies elsewhere in the Province as it considers expedient.

**7.** The Board may make by-laws respecting the calling of meetings of the Board and the conduct of business thereat, the duties and conduct of directors and generally as to the conduct of the business and affairs of the Corporation.

**8.** (1) The Corporation may appoint such officers and employees as it considers necessary and prescribe their duties and their salaries or remuneration.

(2) The appointment of officers and employees of the Corporation shall be during pleasure unless otherwise agreed between the Corporation and the officer or employee.

**9.** Corporation as agent of the Crown.

**10.** Authority to construct railways to be given by Lieutenant Governor in Council.

**11.** Agreements as to construction, leasing and purchase of a railway of the Corporation.

(3) The Corporation may obtain the services of any agents or advisors or persons providing technical or professional services of a kind required by the Corporation in connection with its business and affairs.

**9.** (1) The Corporation is for the purposes of this Act an agent of the Crown in right of Alberta and its powers under this Act may be exercised only as an agent of the Crown.

(2) An action or other legal proceeding in respect of any right or obligation acquired or incurred by the Corporation on behalf of the Crown in right of Alberta, whether in its name or in the name of the Crown in right of Alberta, may be brought or taken by or against the Corporation, in the name of the Corporation, in any court that would have jurisdiction if the Corporation were not an agent of the Crown.

**10.** The Corporation shall construct only those railways it is authorized to construct by order of the Lieutenant Governor in Council.

(2) The Lieutenant Governor in Council may

- (a) designate any part of the Province as a resource area where that area is not served or in his opinion is not adequately served by existing railway facilities, and
- (b) authorize the Corporation to construct a railway from an existing railway, pipe line or highway to a point within a designated resource area.

(3) An order of the Lieutenant Governor in Council authorizing the construction of a railway by the Corporation shall prescribe the proposed route of the railway by means of a map or plan attached thereto showing the prescribed route.

**11.** (1) The Corporation may enter into agreement with any other person respecting the construction by that person of a railway authorized to be constructed by the Corporation.

(2) The Corporation may enter an agreement with any corporation empowered to operate railways for the leasing to that other corporation of a railway of the Corporation or any of the Corporation's rights and powers under this Act, upon such terms and conditions as may be provided in the agreement.

(3) An agreement made under subsection (2) may also provide for the terms and conditions on which the Corporation's railway may be purchased by the lessee corporation.

(4) The Corporation may enter into an agreement for the sale by the Corporation of its railways or any of them to any corporation empowered to operate railways.

**12. General powers.**



(5) No agreement shall be entered into under this section unless it is approved by the Lieutenant Governor in Council.

**12.** In addition to the powers vested in the Corporation by section 14 of *The Interpretation Act, 1958* and by this Act, the Corporation has power to

- (a) construct, maintain and operate, subject to section 10, one or more railways within the Province,
- (b) acquire and hold any land or any estate or interest in land necessary for or in connection with the construction, maintenance or operation of its railway and alienate, sell or dispose of any property so held that for any reason has become unnecessary for the purposes of its railway,
- (c) construct its railway so as to cross any other railway or join its railway with any other railway, at any point on that other railway and upon the lands of that other railway, with the necessary conveniences for the purposes of the crossing or connection,
- (d) construct, maintain and operate roads, buildings, stations, depots, wharves, docks, and other structures, and acquire such engines, rolling stock, equipment and other apparatus necessary for the accommodation and use of the traffic and business of the railway,
- (e) take, transport, carry and convey persons and goods on the railway and regulate the time and manner in which the same are to be transported and the tolls to be charged therefor,
- (f) fell or remove any trees that stand within one hundred feet from either side of the right of way of the railway or are liable to fall across any railway track, subject to the payment of compensation to persons suffering loss thereby,
- (g) make or construct in, upon, across, under or over a railway, river, stream, watercourse, canal, highway or road which its railway intersects or touches, any temporary or permanent inclined planes, tunnels, embankments, aqueducts, bridges, roads, ways, passages, conduits, drains, piers, arches, cuttings and fences,
- (h) divert or alter or arrange for the diversion or alteration of, either temporarily or permanently, the course of any river, stream, watercourse, highway or road, or raise or sink the level thereof, in order more conveniently to carry the same over, under or by the side of the railway,
- (i) make drains or conduits into, through or under any lands adjoining the railway, for the purpose of conveying water from or to the railway,

**13.** Expropriation of land.

**14.** Loans from General Revenue Fund to a maximum of \$20,000,000.00.

**15.** Banking arrangements.

**16.** Borrowing powers by way of notes, bonds, debentures or other securities.

- (j) divert or alter, or arrange for the diversion or alteration of, the position of any pipe line, sewer or drain or any telegraph, telephone or electric power lines, wires or poles,
- (k) construct, acquire and use any electric power lines or plant for purposes in connection with the construction, maintenance or operation of the railway,
- (l) alter, repair or discontinue its railways or any of them and substitute others in their stead,
- (m) do all other acts necessary for the construction, maintenance and operation of its railways, and
- (n) exercise any other powers given to it by the Lieutenant Governor in Council for the purposes in connection with or incidental to this Act.

**13.** (1) Where the Corporation is authorized to construct a railway, it may expropriate any land or any estate or interest in land that it is empowered to acquire by this Act but which it is unable to acquire by agreement.

(2) For the purpose of expropriating land, the Corporation has the same powers and may proceed in the same manner as the Minister of Public Works under *The Expropriation Procedure Act*.

**14.** (1) With the approval of the Lieutenant Governor in Council the Provincial Treasurer may, upon the promissory note or other security of the Corporation, advance to the Corporation out of the General Revenue Fund such sums as are required from time to time by the Corporation for its purposes.

(2) All sums so advanced shall be subject to repayment upon such terms and conditions as may be prescribed by the Lieutenant Governor in Council.

(3) The outstanding total amount of the sums advanced by the Provincial Treasurer under this section shall not exceed twenty million dollars.

**15.** Subject to the approval of the Lieutenant Governor in Council the Corporation may make such banking arrangements as are necessary for financing the maintenance, operation and extension of its railways and without restricting the generality of the foregoing may draw, make, accept, endorse, execute and issue, promissory notes, bills of exchange and other negotiable or transferable instruments.

**16.** (1) Subject to the approval of the Lieutenant Governor in Council, the Corporation, for the purposes of the Corporation, may from time to time borrow such sums of money as the Corporation may require and may from time to time issue notes, bonds, debentures or other securities which

**17.** Temporary loans.

- (a) shall bear interest at such rate or rates as may be determined by the Corporation,
- (b) shall be in such denomination or denominations as may be determined by the Corporation,
- (c) shall be payable as to principal and interest
  - (i) in such currency or currencies of such country or countries,
  - (ii) at such place or places,
  - (iii) at such time or times, and
  - (iv) in such manner,
 as may be determined by the Corporation,
- (d) may be made redeemable in whole or in part in advance of maturity
  - (i) at such time or times,
  - (ii) on such terms, and
  - (iii) at such price or prices, either with or without premium,
 as may be determined by the Corporation, and
- (e) may be issued in such amounts as will realize the net sum required by the Corporation for the purposes of the Corporation.

(2) Where the authorizing resolution of the Corporation made under subsection (1) contains a recital or declaration that the amount of the notes, bonds, debentures or other securities authorized by the resolution is necessary to realize the net sum required for the purposes of the Corporation, the recital or declaration is conclusive proof of the facts stated therein.

(3) Subject to the approval of the Lieutenant Governor in Council, the Corporation may sell or otherwise dispose of any notes, bonds, debentures or other securities on such terms and conditions as it deems advisable, either at the par value thereof or at less or more than the par value thereof, and may charge, pledge, hypothecate, deposit or deal with any such securities as collateral security.

(4) Any notes, bonds, debentures or other securities and the coupons, if any, attached thereto, shall be in such form and shall be executed in such manner and by such persons as may be determined by the Corporation.

**17.** (1) Subject to the approval of the Lieutenant Governor in Council, the Corporation may from time to time, for the purposes of the Corporation, borrow by way of temporary loans from any bank, treasury branch or from any person such sums and upon such terms as the Corporation may determine by way of an overdraft or line of credit or by the pledging as security for such temporary loans of notes, bonds, debentures or other securities of the Corporation pending the sale thereof or in lieu of selling the same, or in such other manner as the Corporation may determine.

**18.** "Purposes of the Corporation" defined.

**19.** Maximum of all borrowings, including loans from the General Reserve Fund, is \$30,000,000.00.

**20.** Section 87, subsection (1), clause (e) of The Public Utilities Board Act requires Board approval of loans by provincial railways.

**21.** Borrowings guaranteed by the Crown.

(2) Any cheques, promissory notes or other instruments that may be necessary or desirable in connection with the borrowing of money and the obtaining of advances by way of a temporary loan under subsection (1) may be executed in such manner as the Corporation may determine.

**18.** In sections 16 and 17, "purposes of the Corporation" includes

- (a) the carrying out by the Corporation of the powers and duties given to it by or pursuant to this or any other Act and
  - (i) the provision in whole or in part for expenditures made or to be made by the Corporation in connection with the carrying out of those powers and duties, and
  - (ii) the reimbursement of the Corporation for the whole or any part of any expenditures made or to be made by the Corporation in connection with the carrying out of those powers and duties,
- (b) the repayment of sums advanced to the Corporation pursuant to section 14,
- (c) the payment, refunding or renewal from time to time of the whole or any part of any loan raised or the notes, bonds, debentures or other securities issued by the Corporation, and
- (d) the payment of any other liability or indebtedness of the Corporation.

**19.** Notwithstanding anything in sections 16 and 17, the Corporation shall not borrow any money by the issue and sale of notes, bonds, debentures or other securities or by way of temporary loan where the borrowing would cause the aggregate principal amount of the outstanding notes, bonds, debentures and other securities issued by the Corporation, together with the outstanding advances made to the Corporation under section 14 and the outstanding temporary loans raised by the Corporation, to exceed the aggregate sum of thirty million dollars.

**20.** Clause (e) of subsection (1) of section 87 of *The Public Utilities Board Act* does not apply to notes, bonds, debentures or other securities issued by the Corporation.

**21.** (1) The principal and interest of any borrowings by or notes, bonds, debentures and other securities issued by the Corporation pursuant to section 16 are hereby guaranteed by the Province of Alberta.

(2) The guarantee, in such form and manner as the Lieutenant Governor in Council may approve, may be endorsed upon any notes, bonds, debentures or other securities issued by the Corporation and may be signed on behalf of the

**22.** Manner of reproducing corporate seal and signatures on bonds, etc., or guarantee.

**23.** Sinking funds.



Province of Alberta by the Provincial Treasurer, the Deputy Provincial Treasurer or by such other person as the Lieutenant Governor in Council may designate.

(3) The signature of the Provincial Treasurer, the Deputy Provincial Treasurer or the person designated by the Lieutenant Governor in Council, upon the guarantee is conclusive proof that the relevant provisions of this Act have been complied with.

(4) Where in respect of any notes, bonds, debentures or other securities issued by the Corporation it becomes necessary or desirable under the terms of any guarantee given on behalf of the Province of Alberta to make payment under the guarantee, such payment may be made upon the order of the Lieutenant Governor in Council

- (a) out of the General Revenue Fund, without further appropriation, or
- (b) from the proceeds of any loan made under *The Provincial Loans Act* or the sale of securities owned by the Province.

**22.** (1) The seal of the Corporation on any notes, bonds, debentures or other securities of the Corporation and the signature of

- (a) any person authorized by the Corporation to execute the notes, bonds, debentures or other securities or any coupon attached thereto, or
- (b) the Provincial Treasurer, the Deputy Provincial Treasurer or the person designated by the Lieutenant Governor in Council to sign a guarantee that is endorsed on the notes, bonds, debentures or other securities,

may be engraved, lithographed, printed or otherwise reproduced on the notes, bonds, debentures or other securities of the Corporation or on the guarantee endorsed thereon, as the case may be.

(2) The reproduced signature of any person referred to in subsection (1) is for all purposes deemed to be the signature of that person and is binding on the Corporation and the Province of Alberta notwithstanding that the person whose signature is reproduced did not hold office at the date of the notes, bonds, debentures or other securities or at the date of delivery thereof.

**23.** Subject to the approval of the Lieutenant Governor in Council, the Corporation is empowered to provide for the creation, management and application of sinking funds or other means of securing the repayment of any loan raised or notes, bonds, debentures or other securities issued by the Corporation, including the redemption by call of any such securities issued subject to redemption in advance of maturity.

**24.** Reserve fund.

**25.** Audit.

**26.** Annual report to the Legislative Assembly.

**27.** The Railway Act not to apply.

**28.** The Securities Act, 1955, not to apply.

**29.** Commencement of Act.

**24.** (1) The Corporation may set aside out of the revenues of the Corporation such sums of money as are necessary for the maintenance, operation and replacement of its railways.

(2) The Corporation may, from time to time, with the approval of the Lieutenant Governor in Council, invest all or any portion of the moneys so set aside and not presently required

(a) in stock, debentures or securities of the Province, of the Government of Canada or of any of the provinces of Canada,

(b) in any debentures or securities the payment of which is guaranteed by the Province, the Government of Canada or any of the provinces,

(c) in debentures of any city, town, village, county, municipal district, school district, school division or hospital district in the Province, or

(d) in the working plant of its railways, and may afterwards, whenever required to meet expenditure dispose of such investments to that end, in such manner, on such terms and in such amounts as may be necessary or expedient.

(3) At the date of maturity of any loan of the Corporation, such portion of the moneys so set aside as is deemed proper may be used for retiring the loan, in whole or in part, if any funds that exist in the sinking fund for that purpose are first so used.

**25.** The Provincial Auditor or his nominee shall from time to time and at least once every year audit the receipts and expenditures of the Corporation.

**26.** (1) The Corporation shall annually, after the end of its fiscal year, prepare a general report summarizing its transactions and affairs during its last fiscal year and showing the revenues and expenditures during that period, together with a full and complete statement of the reserve funds of the Corporation, and audited balance sheet of its financial transactions during that period and such other information as the Lieutenant Governor in Council may require.

(2) When the report is prepared, the Provincial Treasurer shall lay a copy of it before the Legislative Assembly if it is in session and if not, within fifteen days of the next ensuing session.

**27.** *The Railway Act* does not apply to the Corporation or any railway of the Corporation.

**28.** *The Securities Act, 1955* does not apply with respect to any securities or transactions of the Corporation.

**29.** This Act comes into force on the day upon which it is assented to.

No. 114

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SECOND SESSION

FIFTEENTH LEGISLATURE

13 ELIZABETH II

1965

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**BILL**

An Act respecting the Alberta Resources Railway Corporation

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Received and read the

First time.....

Second time.....

Third time.....

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HON. MR. MANNING

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