

BILL

No. 93 of 1912.

An Act to authorize the Guarantee of Certain Securities of
The Canadian Northern Western Railway Company.

(Assented to 1912.)

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

1. The Lieutenant Governor in Council is hereby authorized on such terms and conditions not inconsistent with the provisions of this Act as may be agreed upon with the Canadian Northern Western Railway Company (hereinafter called the company) to guarantee the payment of the principal and interest of the bonds, debentures, debenture stock or other securities (hereinafter called securities) of the company in respect of each of the lines of railway mentioned in the first column of the schedule to this Act, being the column of such schedule headed "Lines of Railway," to the extent of the amounts per mile respectively set opposite each of such lines in the second column of the said schedule, being the column headed "Guarantee per mile in dollars," and for and in respect of the mileages of such lines respectively set opposite each of such lines in the third column of the schedule (whether the same be for and in respect of the whole mileage of such lines respectively or any portion thereof) being the column headed "Mileage guaranteed," and upon the terms hereinafter set forth.

2. The certificate of the Minister of Railways and Telephones of the Province of Alberta as to the mileage of the said respective lines of railway shall, for the purposes of this Act and of the guaranteed securities, be conclusive, but the said Minister may issue interim certificates from time to time based upon the estimated mileages of the said lines or any of them, or fixing temporarily the mileages with regard thereto. Final certificates shall be ultimately issued by the said Minister with regard to each of the said lines to accord with the miles and fractions of miles of the said lines actually constructed between the points authorized. The said securities may be made payable in whole or in part in lawful money of Canada or in its equivalent in sterling or other money. Interest thereon shall be payable at the rate of four per cent. per annum half-yearly. The principal shall be payable in thirty years from the passing of this Act.

3. The said securities shall be secured by one or more deeds of trust by way of mortgage or charged to a trustee or trustees approved by the Lieutenant Governor in Council and such deed or deeds of trust shall grant a first mortgage or charge upon the line or lines of railway included therein and with respect to the mileage of which the securities secured thereby are issued, and the rolling stock and equipment, present and future, acquired for the purposes of the said line or lines so included in such deed or deeds of trust respectively, and the tolls, revenues and income arising and to arise therefrom,

and the rights, privileges, franchises and powers of the company now or hereafter held or enjoyed in respect of the said line or lines and the operation and maintenance thereof.

4. The kind of securities to be guaranteed, and the form and terms thereof, and the form and terms of the deed or deeds of trust by way of mortgage securing them, and the times and manner of the issue of the securities, and the disposition of the moneys to be raised thereon by sale, pledge or otherwise, pending the expenditure of such moneys for the purposes of the said lines of railway respectively, and the form and manner of the guarantee or guarantees from time to time or at any time given in respect thereof shall be such as the Lieutenant Governor in Council may approve.

5. The said guarantee or guarantees shall be signed by the Provincial Treasurer or such other officer as may be designated by the Lieutenant Governor in Council and upon being so signed the Province of Alberta shall become liable for the payment of the principal and interest of the securities guaranteed according to the tenor thereof, and the Lieutenant Governor in Council is hereby authorized to make arrangements for supplying the money necessary to fulfil the requirements of the said guarantee or guarantees and to advance the amount necessary for that purpose out of the general revenue of the province, and in the hands of any purchaser, pledgee or other person acquiring any of such securities the said guarantee or guarantees so signed shall be conclusive evidence that the requirements of this Act with respect to the guaranteed securities and the deed of trust and all matters relating thereto have been complied with.

6. All moneys realized by sale, pledge or otherwise of the securities hereby authorized shall be paid directly by the purchaser, subscriber, pledgee or lender into a bank or banks approved by the Lieutenant Governor in Council to the credit of a special account in the name of the Treasurer of the province or to such other credit as the Lieutenant Governor in Council may direct; and if money be borrowed by the company upon pledge or otherwise of any of the securities prior to sale thereof, which money shall be paid in as aforesaid, the amount so paid in shall be deducted from the purchase price subsequently received for the securities so borrowed upon, and the balance only shall be paid in; and securities borrowed upon may after the loans thereon have been paid or discharged by the company be issued or re-issued, and shall be secured by the said deed or deeds of trust and entitled to the benefit thereof notwithstanding such loans and payment or discharge. The balances at the credit of the special account or accounts shall be credited with interest at such times and at such rates as may be agreed upon between the company and the bank holding same, and the said balances shall from time to time be paid out to the company or its nominees in monthly payments as far as is practicable as the construction of the respective lines of railway specified in the schedule hereto is proceeded with to the satisfaction of the government according to the specifications fixed by contract between the government and the company, and from time to time as the said work of construction proceeds the government shall out of the said balances pay to the company or its nominees in monthly payments as far as is practicable such sums as an engineer appointed by the Lieutenant Governor in Council shall certify as justified, having regard to the proportion of work done upon the said respective lines

of railway as compared with the whole work done and to be done upon such lines respectively, each line for this purpose being treated as a separate line. The balance, if any, of the proceeds of such securities (at the rates respectively specified in the schedule hereto) which may remain after the completion of each of the said lines of railway, respectively, treated as separate lines, shall be paid over to the company or its nominees. Pending completion of the said respective lines the balances at the credit of such special accounts shall, until paid out as above provided for, be deemed part of the mortgaged premises under said deed or deeds of trust and shall not be taken to be public moneys received by the province.

7. Work to the value of at least two hundred (200) miles of constructed line shall be done by the company upon the lines in the schedule mentioned on or before the 31st day of December, 1912, and similarly each consecutive year until the whole of the said lines are completed and ready for traffic; and the said lines shall be completed and ready for traffic on or before the 31st day of December, 1915.

8. The said lines shall be constructed to a general standard in all respects, apart from grades and curvature (as to which the character of the country through which the lines pass shall be taken into consideration) not inferior to the standard fixed by the specifications of the main line of the Canadian Northern Railway between Winnipeg and Edmonton, and to the satisfaction of the Minister of Railways and Telephones.

9. Any payment by the province of principal or interest on the said securities, pursuant to the guarantee thereof, shall not in any event be taken to affect the liability of the company therefor under the securities so paid or under the deed or deeds of trust securing the payment thereof, but such liability shall remain unimpaired and enforceable by the province against the company. The province shall be subrogated as against the company to all rights, privileges and powers to which the holders of the respective securities so paid were entitled by virtue of such securities, or of the said deed or deeds of trust prior to payment by the province under its guarantee, and shall with respect to the securities so paid be in the same position as a holder of securities upon which the company has made default.

10. Subject to the proviso in this section contained, the deed or deeds of trust hereinafter called the original instruments) securing the securities hereby authorized to be guaranteed may provide for the issue from time to time and ranking *pari passu* with the said securities and without preference or priority one over the other of additional securities of similar kind, tenor and effect in respect of the mileage of any of the lines mentioned in the schedule hereto, and also additional securities of similar kind, tenor and effect also ranking *pari passu* and without preference or priority as aforesaid in respect of additional lines of railway in the Province of Alberta to be hereafter constructed by the company, but not exceeding twenty thousand dollars (\$20,000) per mile of such additional lines; provided always, that before any such additional securities are issued the guarantee by the province of the payment of the principal, and interest thereof shall first have been authorized and the amounts to be issued per mile in respect of such lines shall first have been fixed by the Legislative Assembly and that such guarantee shall first have been given pursuant thereto.

11. A supplementary deed or deeds of trust (herein called supplementary instruments) covering the said lines mentioned in the schedule hereto in respect of which additional securities are authorized to be issued or such additional lines as aforementioned, as the case may be, in the form approved by the Lieutenant Governor in Council shall from time to time be taken to the trustees of the original instruments, and such additional securities shall be issued under the terms of the original instruments and supplementary instruments which, together with the mortgaged premises covered by the original and supplementary instruments, shall form the security for all securities issued thereunder in the same manner and with the same effect as if the original instrument and supplementary instrument or instruments formed together but one instrument and as if all the securities issued or to be issued under the original or supplementary instruments were issued under one instrument.

12. Should the constructed mileage of any line or lines specified in the schedule to this Act, or the aggregate mileage of some or all of such lines, be less than the mileages estimated in the said schedule, by reason whereof there remains—

A surplus of authorized mileage in respect of which no securities at the rates respectively specified with regard thereto in such schedule were actually issued or guaranteed; or

A surplus of proceeds of the moneys realized by sale, pledge or otherwise of guaranteed securities issued in respect thereof,

the Lieutenant Governor in Council may guarantee additional securities in respect of such surplus of mileage or authorize the application of such surplus of proceeds, whichever may be the case, in or in respect of the further construction by the company of extension of the lines mentioned in the said schedule, or of branches therefrom, or of other lines of railway in Alberta approved by the Lieutenant Governor in Council.

(2) A supplementary deed or deeds of trust covering the mileage further constructed by the company under this section shall be taken to the trustees of the original instruments mentioned in sections 10 and 11 of this Act, and the provisions of section 11 shall, where not inconsistent with this section, apply to the supplementary deeds executed under this section and to the securities which may be issued and guaranteed in pursuance hereof.

SCHEDULE.

<i>Lines of Railway</i>	<i>Guarantee Mileage per mile guaranteed in dollars</i>	
1. From a point on the Canadian Northern Railway in the Town of Athabasca Landing; thence in a generally north-easterly direction to a point on the Athabasca River at or near Fort McMurray.....	\$15,000	175.
2. From a point on the line described in paragraph 1 of this schedule; thence in a generally easterly direction to a point at or near Lac la Biche.....	15,000	40

3. From a point on the authorized line of the Canadian Northern Railway at the town of Athabasca Landing; thence in a north-westerly direction on the north side of the Athabasca River to Lesser Slave Lake; thence on the north side of Lesser Slave Lake to a point at the Village of Grouard, and thence to a point on Peace River at Peace River Landing.	15,000	100
4. From a point on the Canadian Northern Alberta Railway at or near Onoway; thence in a generally north-westerly direction to a point on the provincial boundary line at or near Pine or Peace River Passes, or one of them. . . .	20,000	250
5. From a point on the constructed line of the Canadian Northern Railway at or near Edmonton; thence in a north-easterly and easterly direction on the north side of the North Saskatchewan River to St. Paul de Metis, and thence to the eastern boundary of the Province of Alberta.	13,000	100
6. From a point on the constructed line of the Canadian Northern Railway at or near Bruderheim; thence in a generally easterly and south-easterly direction to a point at Vermilion; thence in a southerly direction to a point at or near Wainwright and through Medicine Hat to a point on the southern boundary of the Province of Alberta; with a branch from a point north-west of Vermilion in townships 53 and 54 easterly to the eastern boundary of the province.	13,000	200
7. From a point at or near Calgary; thence in a generally north-easterly direction to the company's authorized line running toward the Brazeau River.	13,000	100
8. From Camrose in a generally south-easterly direction, keeping north of the Battle River until the line reaches to or near the eastern boundary of Range 12; thence in a south-easterly direction to the eastern boundary of the Province of Alberta.	13,000	80
9. From a point on the company's line, Brazeau branch, at or near Medicine River; thence in a generally southerly direction through the Village of Cochrane and thence west of the Porcupine Hills into Pincher Creek, on the authorized line of the Canadian Northern Railway running south-westerly from Macleod, and northerly from the said point of juncture at or near the Medicine River west of Pigeon Lake to Strathcona.	15,000	100
10. From a point on the company's line running toward the Brazeau River, at or near Blackfalds; thence in a generally easterly and southerly direction to connect with the Saskatoon-Calgary line of the Canadian Northern Railway.	13,000	130

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THIRD SESSION
SECOND LEGISLATURE
2 GEORGE V
1912

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An Act to authorize the Guarantee of
Certain Securities of The Canadian
Northern Western Railway Company.

Received and read the

First time

Second time

Third time

EDMONTON:
JAMES E. RICHARDS, Government Printer
A.D. 1912