

BILL

No. 70 of 1913 (Second Session.)

An Act to authorize the Guarantee of Securities of Light Railways.

(Assented to

1913.)

WHEREAS it is expedient to make provision for the transportation facilities in portions of the province not served by existing railways;

Therefore 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 may on such terms and conditions not inconsistent with the provisions of this Act as may be agreed upon with the company, guarantee the payment of the principal and interest of the bonds, debentures, debenture stock or other securities (hereinafter called the securities) of a company in respect of the line or part of the line of the railway of such company, to the extent of an amount not being more than fifty per cent. of the estimated cost of construction thereof, and in any event not being more than \$7,000 a mile of the mileage of such railway or part thereof.

2. The certificate of the Minister of Railways and Telephones of the Province of Alberta as to the mileage of the said line 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 mileage of the said line, or fixing temporarily the mileage with regard thereto. A final certificate shall ultimately be issued by the said Minister with regard to the said line to accord with the miles and fractions of miles of the said line 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 not more than five per cent. per annum and may be made payable either yearly or half-yearly.

3. The said securities shall be secured by one or more deeds of trust by way of mortgage or charge 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 of railway and the rolling stock and equipment, present and future, acquired for the purposes of the said line, 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 of railway 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 line of railway 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, and that the company is a company within the meaning of this Act, and that the railway is a railway to which this Act applies.

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 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 the 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 practicable as the construction of the line of railway 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, amounts equal respectively to one half of such sums as an engineer appointed by the Lieutenant Governor in Council shall certify as justified, having regard to the proportion of the work done upon the said line of railway as compared with the whole work done and to be done thereon. The balance, if any, of the proceeds of such securities which may remain after the completion of the said line of railway

may be paid over to the company or its nominees upon such terms and conditions and in such amounts and at such time or times as shall be agreed upon between the company and the government.

7. 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.

8. No securities shall be guaranteed hereunder until it has been made to appear to the satisfaction of the Minister of Railways and Telephones that adequate provision has been made by the company for furnishing the balance of the money necessary to construct and equip the railway; and no such securities shall be sold, pledged or otherwise disposed of without the consent of the Minister of Railways and Telephones.

9. In this Act unless the context otherwise requires—

(a) The word "company" shall mean a railway company authorized by the Province of Alberta to construct and operate a railway in the Province of Alberta, the length of which between the authorized termini in the company's special Act mentioned is not more than forty miles;

(b) The expression "cost of construction" shall include surveys and location, engineering expenses, acquisition of right-of-way and station grounds, grading, construction of bridges, trestles, culverts, ties, rails and fastenings, track laying and surfacing, construction of telegraph and telephone lines and necessary equipment, construction of necessary stations and other buildings and erections, construction of water stations and providing for an adequate supply of water, all spurs, switches, sidings and all other railroad construction and rolling stock of whatever kind necessary to the effectual operation of the line of railway, interest during construction, all other work or expense incidental to and properly chargeable to the cost of construction and rolling stock equipment of the line of railway.

10. This Act may be cited as "*The Light Railways Assistance Act*".

No. 70

FIRST SESSION

THIRD LEGISLATURE

4 GEORGE V

1913

(SECOND SESSION)

BILL

An Act to authorize the Guarantee of
Securities of Light Railways.

Received and read the

First time.....

Second time.....

Third time.....

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