

# BILL

No. 43 of 1917.

An Act to authorize the Guarantee of Certain Securities of Lacombe and Blindman Valley Electric Railway Company.

(Assented to \_\_\_\_\_, 1917.)

WHEREAS by chapter 48 of the Statutes of Alberta, 1909, it was enacted that Lacombe and Blindman Valley Electric Railway Company (thereby incorporated and hereinafter called "the company") should be authorized to construct the line of railway therein mentioned, and to issue bonds or other securities to the extent of \$14,000 per mile secured by mortgage upon the said line of railway;

And whereas the company has issued first mortgage debenture bonds upon 39.1 miles of the said line of railway to the extent of \$7,000 per mile making a total amount of \$273,700 (hereinafter referred to as "the previous securities"), and payment both as to principal and interest of the previous securities has been guaranteed by the Province of Alberta under the provisions of chapter 5 of the Statutes of Alberta, 1913 (Second Session), intituled "*An Act to authorize the Guarantee of Securities of Light Railways*" upon terms and conditions not inconsistent therewith;

And whereas it is expedient, to enable the construction of the said line of railway to be completed, that the province authorize the guarantee of bonds or other securities of the company to the extent of \$14,000 per mile of the mileage of the said line of railway;

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 is hereby authorized on such terms and conditions not inconsistent with the provisions of this Act as may be agreed upon with the company to guarantee the payment of the principal and interest of the bonds, debentures, debenture stock or other securities (hereinafter called "the guaranteed securities") of the company in respect of the said line of railway to the extent of \$14,000 per mile of such line.

2. The certificate of the Minister of Railways and Telephones of the Province of Alberta as to the mileage of the said line 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 mileage of the said line or fixing temporarily the mileage with regard thereto. Final certificates shall be ultimately 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 guaranteed 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 five per cent. per annum half yearly. The principal shall be payable in twenty years from the passing of this Act.

3. The said guaranteed 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 trusts shall grant a first mortgage or charge upon the said line of railway included therein and with respect to the mileage of which the guaranteed securities secured thereby are issued, and the rolling stock and equipment, present and future, acquired for the purposes of the said line so included in such deed or deeds of trusts 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 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.

6. All moneys realized by sale, pledge, or otherwise of the guaranteed securities hereby authorized shall subject to the proviso in this section contained 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 guaranteed 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 subse-

quently received for the guaranteed securities so borrowed upon and the balance only shall be paid in; and guaranteed securities borrowed upon may after the loans thereon have been paid or discharged by the company be issued or reissued and shall be secured by the said deed or deeds of trust and entitled to the benefit thereof notwithstanding such loans and payments 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 is practicable as the construction of the line of railway is proceeded with to the satisfaction of the Government, according to the 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 line of railway as compared with the whole work done and to be done upon such line. Pending completion of the said line 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; provided, however, that simultaneously with the issue of the guaranteed securities as authorized hereunder, the previous securities shall be redeemed, exchanged or otherwise retired as provided for by the provisions of a trust indenture dated March 18th, 1914, made between the company, Canada Trust Company as trustee therein mentioned and His Majesty the King representing the Province of Alberta, for the purpose of securing the previous securities as aforesaid; provided also, that upon the redemption, exchange or retirement of the previous securities simultaneously with the issue of the guaranteed securities authorized hereunder, the said trust indenture dated March 18th, 1914, above referred to and all the clauses and covenants thereof shall thereupon cease, determine and be wholly void.

7. The said line 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 line passes shall be taken into consideration) to the satisfaction of the Minister of Railways and Telephones.

8. Any payment by the province of principal or interest on the said guaranteed 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 guaranteed 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 guaranteed securi-

ties so paid be in the same position as a holder of guaranteed securities upon which the company has made default.

9. Subject to the proviso in this section contained the deed or deeds of trust (hereinafter called "the original instruments") securing the guaranteed securities hereby authorized may provide for the issue from time to time and ranking *pari passu* with the said guaranteed 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 the said line of railway and also of 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 \$14,000 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.

10. A supplementary deed or deeds of trust (hereinafter called "supplementary instruments") covering the said line in respect of which additional guaranteed securities are authorized to be issued or such additional lines as hereinbefore mentioned 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 guaranteed 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 guaranteed 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 guaranteed securities issued or to be issued under the original or supplementary instruments were issued under one instrument.

11. Should the constructed mileage of the said line of railway herein mentioned be less than the mileage herein mentioned by reason whereof there remains—

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

A surplus of proceeds of the moneys realized by the 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 extensions of the said line or of branches therefrom, or of other lines of railway in Alberta approved by the Lieutenant Governor in Council. 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 9 and 10 of this Act and the provisions of section 10 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.

**12.** The time for the construction of the line of railway which the company is authorized to construct, or in respect of which the province is authorized to guarantee the securities, which, but for the passing of this Act would have expired, is hereby extended until the thirty-first day of December, A.D. 1917.

No. 43.

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FIFTH SESSION  
THIRD LEGISLATURE  
7 GEORGE V  
1917

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Received and read the

First time . . . . .

Second time . . . . .

Third time . . . . .

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HON. MR. SIFTON.

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EDMONTON:  
J. W. JEFFERY, KING'S PRINTER.  
A.D. 1917