

BILL

No. 25 of 1927

An Act respecting a Subvention to the Provincial
Telephone System

(Assented to _____, 1927.)

WHEREAS, the telephone system of the Province has expended over five million dollars on unprofitable extensions of rural and toll lines; and

Whereas, such extensions have been made for the purpose of encouraging and perpetuating settlement in the outlying parts of the Province and to afford protection to the person and property of the settlers; and

Whereas, the system has suffered material and operating losses of over seven hundred and eighty thousand dollars; and

Whereas, it is deemed expedient that the system should be placed upon a sound business basis and that, with that end in view, it should be temporarily relieved from the annual payment of interest and sinking fund charges upon the capital borrowings representing the said expenditure and losses to the extent of three million dollars (hereinafter called "subsidized capital"); and

Whereas, it is estimated that a yearly subvention of one hundred and seventy-seven thousand dollars will be sufficient to discharge the interest and sinking fund charges upon subsidized capital; and

Whereas, by Order in Council, dated the twenty-first day of December, one thousand, nine hundred and twenty-six, it has been ordered that a special warrant should issue for the sum of one hundred and seventy-seven thousand dollars for the purpose of making a subvention to the system for the year one thousand, nine hundred and twenty-six; and

Whereas, the said special warrant has been duly issued:

Now therefore, His Majesty, by and with the advice and consent of the Legislative Assembly of the Province of Alberta, enacts as follows:

1. The said Order in Council and the special warrant issued thereunder are hereby validated and confirmed.

2. An annual subvention of such sum of money as may be necessary to discharge the interest and sinking fund

charges upon subsidized capital may be granted by the Lieutenant Governor in Council to the system for a period of years beginning with the year one thousand, nine hundred and twenty-seven:

Provided, that such subvention shall not in any year exceed the sum of one hundred and seventy-seven thousand dollars (hereinafter called "the maximum subvention") and that such period shall not be greater than a period of nine years.

3. The Lieutenant Governor in Council shall have power—

- (a) to fix the times at which, and the amounts and the manner in which such subventions shall be paid and repaid; and
- (b) to determine the interest and sinking fund charges payable in respect of subsidized capital and also in respect of the total amount of the subventions granted under the provisions of this Act; and
- (c) to make such rules and regulations calculated to carry out the intent of this Act, as may appear expedient.

4. The Lieutenant Governor in Council may raise by way of loan all such sums as may be necessary to carry out the provisions of this Act, and may without any further or other appropriation than is provided by this Act, pay the said sums or any of them to the Department of Railways and Telephones, in pursuance of the terms of any Order in Council made under the provisions of this Act.

5. This Act shall come into force on

No. 25.

FIRST SESSION
SIXTH LEGISLATURE
17 GEORGE V
1927

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An Act respecting a Subvention to
the Provincial Telephone System

Received and read the

First time.....

Second time.....

Third time.....

HON. MR. SMITH.

EDMONTON:
W. D. MCLEAN, ACTING KING'S PRINTER
A.D. 1927