

BILL

No. 41 of 1929.

An Act respecting the Sale of the Edmonton, Dunvegan and British Columbia Railway Company, the Alberta and Great Waterways Railway Company, the Central Canada Railway Company, the Central Canada Express Company and the Pembina Valley Railway.

(Assented to , 1929.)

HIS 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 Government Railways Act, 1929.*"

2. The agreement, a copy of which forms Schedule "A" to this Act, made between His Majesty the King, represented therein by the Honourable the Premier of Alberta and the Honourable Vernon W. Smith, Minister of Railways, of the one part, and the Canadian National Railway Company and the Canadian Pacific Railway Company, of the other part, is hereby ratified and confirmed and declared to be legally binding, according to the tenor thereof, upon the parties thereto; and the parties to the said agreement are hereby authorized and empowered to do whatever is necessary to give full effect to the said agreement, the provisions of which are to be taken as if they had been expressly enacted hereby and formed an integral part of this Act.

3. The Edmonton, Dunvegan and British Columbia Railway Company, the Alberta and Great Waterways Railway Company, the Central Canada Railway Company and the Central Canada Express Company may sell or join in the sale of their respective undertakings to the purchasers named in the said agreement upon the terms and conditions therein set forth, and may execute or join in the execution of any conveyance or transfer of their respective undertakings (as therein defined) made in pursuance of the said agreement without any further or other sanction than that provided by this Act.

4. Any conveyance or transfer made in pursuance of the said agreement shall be sanctioned by the Lieutenant Governor in Council, and upon being so sanctioned a duplicate original of such conveyance or transfer shall be filed in the office of the Registrar of Land Titles for the North Alberta

Land Registration District, and notice thereof shall be forthwith given in *The Alberta Gazette*, and thereupon such conveyance or transfer shall, notwithstanding any of the provisions of The Land Titles Act, come into force and effect, and the Company named as the transferee in the said conveyance or transfer shall possess and be vested with all the railways and undertakings and all other powers, rights, privileges, franchises, assets, effects and properties, real, personal and mixed, belonging to, possessed by or vested in The Edmonton, Dunvegan and British Columbia Railway Company, the Alberta and Great Waterways Railway Company, the Central Canada Railway Company, the Central Canada Express Company and in the Crown in the right of the Province of Alberta in respect thereof and in respect of the Pembina Valley Railway, but subject to the rights of the holders of any outstanding bonds, debentures or other securities charged upon the said undertakings or any of them at any time issued by The Edmonton, Dunvegan and British Columbia Railway Company, the Alberta and Great Waterways Railway Company, the Central Canada Railway Company, the Central Canada Express Company or the Crown in the right of the Province of Alberta in respect thereof or in respect of the Pembina Valley Railway.

5. Upon the filing of such conveyance or transfer the registrar shall, without charge, make a memorandum upon the duplicate certificates of title delivered to him for the purpose, and upon the certificates of title in the register, for all of the lands standing respectively in the names of The Edmonton, Dunvegan and British Columbia Railway Company, the Alberta and Great Waterways Railway Company, the Central Canada Railway Company and the Central Canada Express Company, and the Crown in the right of the Province of Alberta in respect thereof and in respect of the Pembina Valley Railway, setting forth the particulars of the transfer.

SCHEDULE A.

AGREEMENT

AGREEMENT made this 6th day of February, 1923,

BETWEEN:

His MAJESTY THE KING, in the right of the Province of Alberta, represented by the Honourable J. E. Brownlee, Premier of the Province, and the Honourable Verner W. Smith, Minister of Railways, hereinafter called "the Province,"

of the one part,

and

CANADIAN PACIFIC RAILWAY COMPANY and
CANADIAN NATIONAL RAILWAY COMPANY,
hereinafter called "the Purchasers,"

of the other part.

WITNESSETH AS FOLLOWS:

1. The Province shall sell and the Purchasers shall purchase for the considerations and upon the terms and conditions hereinafter set forth, the undertakings of The Edmonton, Dawson and British Columbia Railway Company, the Central Canada Railway Company, the Central Canada Express Company and the Alberta and Great Waterways Railway Company and of the Province in respect thereof and in respect of the Pembina Valley Railway. The expression "undertakings" shall include the railways, rolling stock and equipment, telegraph and telephone lines, lands, buildings, structures, plant, machinery, tools, materials, supplies, goods, moneys, credits, things in action, contracts, rights, powers, privileges and franchises and other assets whatsoever of the said Companies and of the Province in respect thereof and in respect of the Pembina Valley Railway and the capital stocks of the said Companies.

2. The said undertakings are sold free from all encumbrances except the \$7,000,000 (11,438,350) First Mortgage Four Per Cent Debenture Stock of The Edmonton Dawson and British Columbia Railway Company due February 16, 1942; the \$2,420,000 First Mortgage Four and One-half Per Cent Gold Bonds of the same Company due October 22nd, 1944, and the \$7,400,000 First Mortgage Five Per Cent Debentures of the Alberta and Great Waterways Railway Company due January 1, 1950, and the Province shall release and discharge and procure the release and discharge of all other encumbrances and liabilities affecting the said undertakings.

3. This Agreement is subject to enabling legislation and the parties will respectively apply to the Legislature and to Parliament at their next Sessions for ratification thereof.

Should such enabling legislation not be passed at such Sessions, or should this Agreement not be approved by the shareholders of the Canadian Pacific either before or within ninety days after the passing of such enabling legislation, this Agreement shall be null and void.

4. Forthwith after ratification the Province shall deliver possession of the said undertakings to the Purchasers and do and execute, or procure to be done and executed, all such assurances and things as shall be requisite to vest the same in the Purchasers free from all encumbrances and liabilities except the Debenture Stock, Bonds and Debentures mentioned in paragraph 2 hereof; any expense necessarily incurred by the Purchasers in acquiring a good title to the said undertakings may be set off against the purchase price hereby agreed to be paid. At the option of the Purchasers the said undertakings, or any part thereof, shall by the Province be transferred to and vested in any Company or Companies now or hereafter incorporated for the purpose of acquiring, holding and operating the same.

5. As part of the consideration for the said sale the Purchasers shall pay to the Province the sum of Fifteen Million Five Hundred and Eighty Thousand Dollars in instalments as follows:

Five Million Dollars on the first day of June, 1929, if delivery of the undertakings has been made on or before such date, and if delivery has not been made on such date, then on the date such delivery takes place, whichever is later; Five Million Dollars on the first day of June, 1933; Five Million Five Hundred and Eighty Thousand Dollars on the first day of June, 1939, and interest on the deferred instalments on the first day of June in each year at the rate of Four Per Cent per annum from the date of delivery of possession.

6. As a further part of the consideration for the said sale the Purchasers shall pay and satisfy the principal and interest of the Debenture Stock and Bonds of The Edmonton, Dunvegan and British Columbia Railway Company specifically mentioned in paragraph 2 hereof, accruing after the date of delivery of possession, and shall indemnify the Province against all actions, proceedings, claims and demands in respect thereof. Interest for the period current at the date of delivery of possession but not yet matured shall be apportioned between the Province and the Purchasers as of that date.

7. As a further consideration for the said sale the Purchasers shall complete the construction of the extensions of The Edmonton, Dunvegan and British Columbia Railway from Wembley to Hythe, about twenty-five miles, and the Central Canada Railway from Whitelaw to the Water Hole

District, about fifteen miles, and will pay to the Province the cost of said extensions incurred by the Province up to the date of delivery of possession.

8. The Purchasers shall also within five years construct and put into operation not less than sixty miles of additional branch lines and extensions of the Edmonton, Dunvegan and British Columbia and Central Canada railways in the Peace River District.

9. The Province shall pay the principal and interest of the \$7,400,000 Five Per Cent Debentures of the Alberta and Great Waterways Railway Company due January 1, 1930, as they shall respectively fall due, and shall at all times indemnify and save harmless the Purchasers and the property and undertakings of the Alberta and Great Waterways Railway Company hereby sold from and against all loss, costs, charges, damages and expenses by reason thereof.

10. The Province shall also at or before transfer of the said undertakings release and discharge The Edmonton, Dunvegan and British Columbia Railway Company, the Central Canada Railway Company, the Central Canada Express Company and the Alberta and Great Waterways Railway Company from all liability to the Province of whatever kind or nature, including loans or advances of money made by the Province, guarantees given and contracts and engagements entered into on behalf of any of the said Companies except the liability of The Edmonton, Dunvegan and British Columbia Railway Company in respect of the guarantees given by the Province for the payment of principal and interest of the Debenture Stock and Bonds of The Edmonton, Dunvegan and British Columbia Railway Company specified in paragraph 2 hereof. And the Province shall indemnify and save harmless the Purchasers and their assigns, and the said several Companies, their works and undertakings, from any and all liabilities to any person or corporation whatsoever incurred by the said Companies or any of them, prior to the date of delivery of possession, save as aforesaid in respect of the Debenture Stock and Bonds of The Edmonton, Dunvegan and British Columbia Railway Company specified in paragraph 2 hereof.

11. Until delivery of possession of the said undertakings the Province shall continue to maintain and operate the said undertakings in accordance with its standards and practices heretofore observed and followed, and at its own expense and risk.

12. As soon as may be after the delivery of possession a balance shall be struck as between the current accounts receivable and cash on hand and in the bank balances of the several undertakings on the one hand, and the current ac-

counts payable in respect of the said undertakings on the other, including a proportion of taxes, rentals, premiums and other like periodic payments up to the date of delivery of possession; and in the event of a deficiency the amount thereof shall be payable by the Province to the Purchasers, and in the event of a surplus the amount thereof shall be payable by the Purchasers to the Province.

13. The Purchasers and their assigns, owners of the said undertakings, with respect to any portions of the railways of the said Companies aided by guarantee of bonds, debentures, debenture stock or other securities under the provisions of any statute of the Province of Alberta, shall remain subject to the existing provisions of section 11 of *The Railway Taxation Act* for the remainder of any of the periods therein mentioned.

14. The Province shall communicate to the Purchasers all contracts and engagements entered into by the Province or any of the said Companies affecting the said undertakings, and will on request of the Purchasers terminate any or all of the same at such time or times as the Purchasers may require.

IN WITNESS WHEREOF the Premier and Minister of Railways of the Province and the Presidents of the Canadian Pacific Railway Company and the Canadian National Railway Company have subscribed these presents.

J. E. BROWNLEE,
Premier of Alberta.

VERNON W. SMITH,
Minister of Railways.

CANADIAN PACIFIC RAILWAY COMPANY,
.....
President.

CANADIAN NATIONAL RAILWAY COMPANY,
.....
President.

THIRD SESSION

SIXTH LEGISLATURE

19 GEORGE V

1929

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An Act respecting the Sale of the Edmonton, Dunvegan and British Columbia Railway Company, the Alberta and Great Waterways Railway Company, the Central Canada Railway Company, the Central Canada Express Company and the Pembina Valley Railway.

Received and read the

First time.....

Second time.....

Third time.....

MON. MR. SMITH

EDMONTON:
W. F. SMITH, KING'S PRINTER
A.D. 1929

Title: 1929 (6th, 3rd) Bill 41, An Act respecting the Sale of the Edmonton, Dunvegan and British Columbia Railway Company, the Alberta and Great Waterways Railway Company, the Central Canada Railway Company, the Central Canada Express Company and the Pembina Valley Railway