

BILL

No. 109 of 1936.

An Act respecting the Development of Provincial
Industries.

(Assented to _____, 1936.)

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 Provincial Industries Development Act.*"

2. In this Act, unless the context requires a contrary meaning, the expression "Minister" means the Minister of Trade and Industry.

3. It shall be the duty of the Minister and he is hereby empowered to do all such acts and things as he deems proper and convenient for the purpose of encouraging and assisting the establishment of industries for the processing or manufacture of any natural product of the Province and for the purpose of the extension of any such industry.

4. The Lieutenant Governor in Council may from time to time authorize the Provincial Treasurer to guarantee on behalf of the Province the securities, obligations and financial undertakings of any company incorporated under any Act of the Province which has for its object the development of any natural resource of the Province or the processing of any product of the Province or the manufacture of any commodity in the manufacture whereof a substantial use is made of any natural product of the Province, and may authorize the Provincial Treasurer on behalf of the Province to execute any instrument for that purpose:

Provided always,—

- (a) that the authorized capital of the company shall not exceed one hundred thousand dollars;
- (b) that at least forty per centum of the issued capital of the company has been issued at par and has been fully paid for;
- (c) that the total amount of the securities, obligations and financial undertakings of the company so guaranteed shall not exceed sixty per centum of the total amount of the authorized capital of the company;
- (d) that at the time of the giving of any such guarantee there are no outstanding preference shares of any kind whatsoever issued by the company;
- (e) that at the time of the giving of any such guarantee there are no outstanding bonds, debentures or

debenture stock of any description issued by the company other than such bonds, debentures or debenture stock as may be guaranteed pursuant to this Act;

- (f) that at the time of the giving of any such guarantee there are no outstanding mortgages, charges or encumbrances upon the undertaking of the company other than such mortgages, charges or encumbrances as are guaranteed pursuant to this Act;
- (g) that the aggregate of all guarantees given pursuant to this Act shall not at any time for the time being exceed the sum of two hundred and fifty thousand dollars.

5. In case any of the securities, obligations or financial undertakings of a company have been guaranteed pursuant to this Act, and so long as the guarantee continues,—

- (a) the company shall not increase its authorized capital or issue any further shares of the authorized capital of the company without the consent of the Minister first had and obtained and then only subject to such conditions as he may prescribe;
- (b) the company shall not issue any bond, debenture or debenture stock without the consent of the Lieutenant Governor in Council first had and obtained;
- (c) the company shall not borrow or raise or secure the payment of any money nor shall it charge with the payment of any money its undertaking without the consent of the Lieutenant Governor in Council first had and obtained;
- (d) the company shall not engage in any other business other than the business in which it was engaged at the time of the giving of the guarantee without the consent of the Lieutenant Governor in Council first had and obtained;
- (e) the company shall not declare a dividend on its shares in excess of eight per centum per annum without the consent of the Lieutenant Governor in Council first had and obtained;
- (f) the company shall not pay any commission on the sale of any of its shares in excess of ten per centum;
- (g) the company shall at all times observe and comply with any regulations made in pursuance of this Act as to the allotment and sale of shares to the producers of any product of the Province processed or used in the process of manufacture as well as to the public; as to the establishment, maintenance and management of a sinking fund or other method for the retirement or liquidation of the guaranteed loan; as to circumstances under which the company shall be entitled to declare and pay a dividend in respect of its shares; and generally as to the manner in which the books of account and other records of the business of the company shall be kept.

6. Every company in respect of whom a guarantee has been given pursuant to this Act shall, so long as such

guarantee remains in force, if and when required so to do by the Provincial Treasurer, cause its books to be investigated and audited at the expense of the company by such auditors and in such manner as may be from time to time prescribed by the Provincial Treasurer, and it shall be the duty of the auditors to report fully as to any such investigation and audit to the Provincial Treasurer.

7. In the event of the Provincial Treasurer being called upon to make any payment in respect of any guarantee given pursuant to this Act, the Provincial Treasurer shall be subrogated as against the company to which the guarantee relates and to all the rights, powers, remedies and securities of the person entitled to the benefit of such guarantee, and no payment by the Provincial Treasurer shall affect any liability of the company or release any security given by the company to which such guarantee relates, and such liability and security shall, notwithstanding any such payment, remain and continue in full force and effect and enforceable by the Provincial Treasurer against the company.

8. In the event of its becoming necessary to pay any sum or sums of money under any guarantee by this Act provided for, the Lieutenant Governor in Council may raise by way of loan such sum or sums of money by such means as may seem proper and convenient, and may apply the same in fulfilment of any such guarantee according to the terms thereof without any further or other appropriation than is hereby provided.

9. The Provincial Treasurer shall make an annual report to the Legislature of all guarantees entered into by him on behalf of the Province pursuant to this Act during the fiscal year immediately preceding the Session of the Legislature at which the report is made; and of all sums of money paid during the fiscal year aforesaid under any such guarantee.

10. The Lieutenant Governor in Council may from time to time,—

- (a) prescribe the conditions applicable to any guarantee given pursuant to this Act and the nature, conditions and form of any such guarantee;
- (b) prescribe as to the allotment and sale of shares in the capital of any company in respect of which a guarantee is given pursuant to this Act to producers of any product of the Province processed or used in the process of manufacture as well as to the public; as to the establishment, maintenance and management of a sinking fund or other method for the retirement or liquidation of the guaranteed loan; as to the circumstances under which the company shall be entitled to declare and pay a dividend in respect of its shares; and generally as to the manner in which the books of account and other records of the business of the company shall be kept.

11. This Act shall come into force on the day upon which it is assented to.

No. 109.

FIRST SESSION
EIGHTH LEGISLATURE
1 EDWARD VIII
1936

BILL

An Act respecting the Development
of Provincial Industries.

Received and read the

First time.....

Second time.....

Third time.....

HON. MR. MANNING.

EDMONTON:
A. Shnitka, King's Printer
1936