

# BILL

No. 5 of 1936 (Second Session).

An Act respecting the Interest Payable on Debentures and Other Securities of the Province.

(Assented to \_\_\_\_\_, 1936.)

**H**IS 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 Securities Interest Act.*"

**2.** In this Act, unless the context otherwise requires, "securities" means all debentures heretofore issued by the Province, all stock heretofore issued by the Province, all treasury bills issued by the Province, all saving certificates issued by the Province and all debentures guaranteed by the Province save and except only the Seven Million, Four Hundred Thousand Dollar Five Per Centum Debentures of the Alberta and Great Waterways Railway Company.

**3.—(1)** Notwithstanding any stipulation or agreement as to the rate of interest payable in respect of any security, on, from and after the first day of June, 1936, the rate at which interest shall be payable in respect of any security shall be as follows:

Where the security bears interest at the rate of six and one-half per centum, the rate of interest shall be three and one-quarter per centum;

Where the security bears interest at the rate of six per centum, the rate of interest shall be three per centum;

Where the security bears interest at the rate of five and one-half per centum, the rate of interest shall be two and three-quarters per centum;

Where the security bears interest at the rate of five per centum, the rate of interest shall be two and one-half per centum;

Where the security bears interest at the rate of four and one-half per centum, the rate of interest shall be two and one-quarter per centum;

Where the security bears interest at the rate of four per centum, the rate of interest shall be two per centum;

Where the security bears interest at the rate of three and one-half per centum, the rate of interest shall be two per centum; and

Where the security bears interest at the rate of three per centum, the rate of interest shall be two per centum.

(2) No person shall be entitled to recover in respect of any security any interest at a higher rate than the rate hereby prescribed in respect of that security, and the rights of the holder of any security shall be such as are set out in this Act and no action shall be brought or maintained in any court of the Province in respect of any such security or for the purpose of enforcing any foreign judgment founded on any such security.

4. A certain Order in Council dated the thirtieth day of May, 1936, and numbered O.C. 734/36, a copy of which is set out in the schedule hereto, is hereby confirmed, ratified and validated, and the same shall be deemed to have the same force and effect as if it had been enacted as a part of this Act.

5. In case the holder of any security holds the same as a trustee or fiduciary, it shall be lawful for such holder to accept, in full satisfaction of his claim for interest on such security, interest at the rate provided by this Act or by the Order in Council hereby validated, and no action shall be brought or maintained against such holder in any court of the Province by reason of the acceptance by him of interest at the rate aforesaid in full satisfaction of the rate stipulated in respect of the security.

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

---

SCHEDULE.

O.C. 734/36.

Approved and Ordered,  
(*Sgd.*) W. L. WALSH,  
*Lieutenant Governor.*

Edmonton, Saturday, May 30th, 1936.

The Executive Council has had under consideration the report of the Honourable the Provincial Treasurer, dated May 30th, 1936, stating that:

Whereas the Public Accounts of the Province indicate that over a period of years, revenues of the Province have been insufficient to meet the ordinary expenditures of the Government and expenditures for Unemployment Relief; and

Whereas for the purpose and with the object of meeting the deficiency in revenue, existing taxes have been increased and new taxes have been imposed; and

Whereas it is evident that notwithstanding such increase in taxation the resultant revenue will prove inadequate to meet the expenditures of the Province; and

Whereas it is essential to the welfare of the Province that the policy of increasing the debt of the Province by borrowing funds for the purpose of meeting the deficiency in revenue be discontinued; and

Whereas approximately 47% of the revenue of the Province is required to provide for the payment of debt charges, and the average rate of interest on the debenture debt is 4.89 per centum; and

Whereas the essential services of Government cannot be carried on unless the rate of interest payable in respect of the debt of the Province is reduced by fifty per centum;

Therefore, upon the recommendation of the Honourable the Provincial Treasurer, the Executive Council advises that the Provincial Treasurer be and he is hereby authorized and empowered to offer and, if the order is accepted, to pay in respect of and in full satisfaction for and discharge of any interest accruing on, from and after the first day of June, 1936, on each and every of the securities specified in Part I of the Schedule herein contained, on each of the dates subsequent to the last mentioned date upon which any such interest becomes due and payable, a sum computed at the rate set out in respect of such security in Part II of the Schedule;

The Executive Council further advises, upon the recommendation of the Honourable the Provincial Treasurer that a copy of this Order be published in *The Alberta Gazette*.

---

#### THE SCHEDULE.

##### PART I.

Securities hereinbefore referred to;  
 All debentures heretofore issued by the Province;  
 All stock heretofore issued by the Province;  
 All treasury bills issued by the Province;  
 All debentures guaranteed by the Province save and except only the \$7,400,000 Five Per Cent. Debentures of the Alberta and Great Waterways Railway Company;  
 All Savings Certificates.

##### PART II.

#### TABLE OF RATES OF COMPUTATION OF PAYMENTS IN RESPECT OF INTEREST ON THE SECURITIES MENTIONED IN PART I HEREOF.

Where the Security bears Interest at:	The Rate of Computation of the Payment to be made in respect of the Interest on the Security shall be:
Six and one-half per cent.....	Three and one-quarter per cent.
Six per cent. ....	Three per cent.
Five and one-half per cent....	Two and three-quarters per cent.
Five per cent.....	Two and one-half per cent.
Four and one-half per cent....	Two and one-quarter per cent.
Four per cent. ....	Two per cent.
Three and one-half per cent..	Two per cent.
Three per cent. ....	Two per cent.

(Sgd.) WILLIAM ABERHART,  
*Chairman.*

No. 5.

---

---

SECOND SESSION  
EIGHTH LEGISLATURE  
1 EDWARD VIII  
1936

---

---

**BILL**

An Act respecting the Interest Pay-  
able on Debentures and Other  
Securities of the Province.

---

---

Received and read the

First time.....

Second time.....

Third time.....

---

---

HON. MR. FALLOW.

---

---

EDMONTON:  
A. Shnitka, King's Printer  
1936