



CHAPTER 38.

An Act to borrow the Sum of Ten million Dollars for the Purposes therein specified.

[31st May, 1916.]

HIS MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of British Columbia, enacts as follows:—

1. This Act may be cited as the "British Columbia Loan Act, short title 1916."

PART I.

2. (1.) The Lieutenant-Governor in Council may (in addition to all other moneys authorized to be raised or borrowed by any other Act of the Province) borrow or raise from time to time, in such amounts, in such manner, and at such times as may be deemed expedient, any sum of money not exceeding ten million dollars by the sale of debentures or Treasury bills or notes, or by the issue and sale of "British Columbia Stock" under the provisions of the "Inscribed Stock Act" or otherwise.

Power to borrow
\$10,000,000

(2.) Treasury bills or notes may be renewed and reissued from time to time, and the amount outstanding on any original or renewed Treasury bills or notes or securities may be converted into debentures or "British Columbia Stock" under the provisions of the "Inscribed Stock Act" or otherwise, but so as to be repayable not later than the thirtieth day of June, 1941.

Reissue of amount
of short term loans.

3. All moneys borrowed or raised pursuant to this Act shall bear interest at a rate not exceeding four and one-half per centum per

Interest.

annum, to be fixed at the time of sale, and to be paid half-yearly, and shall be repayable at a date to be fixed at the time of sale, not later than the thirtieth day of June, 1941.

Negotiation of
loan.

4. It shall be lawful for the Lieutenant-Governor in Council to appoint the Minister of Finance, or other person or persons or agent from time to time, the agent of the Government for the purpose of negotiating any such loan, and the Minister of Finance or other duly appointed person or agent may arrange all details and do, transact, and execute all such deeds, matters, and things as may be requisite during the conduct of negotiations or for the purpose of placing the loan.

Repayment.

5. The Lieutenant-Governor in Council may from time to time provide for the payment of the half-yearly interest on and also for the repayment of every loan under this Act by appropriating yearly out of the general revenue of the Province such sums of money as may be sufficient for such interest and for the creation and maintenance of a sinking fund for the final payment of every such loan, and may make provision for the investment from time to time of the amount of any sinking fund or any part thereof.

Application of
money borrowed.

6. (1.) Moneys raised under this Act shall, after payment of discount, commission, brokerage, and other expenses of every loan hereunder, be applied in and towards the advance to the Pacific Great Eastern Railway Company authorized in and by Part II. of this Act, and the balance of such moneys shall be paid into the Consolidated Revenue Fund of the Province.

Special account for
railway loan.

(2.) The moneys necessary to carry out the provisions of section 7 of this Act shall not form part of the Consolidated Revenue Fund, but shall be paid into a special account in the name of the Minister of Finance, and shall only be paid thereout in accordance with the provisions of this Act.

PART II.

Advance to Pacific
Great Eastern Rail
way Company.

7. Out of the moneys raised under this Act the Lieutenant-Governor in Council may advance by way of loan to the Pacific Great Eastern Railway Company the sum of six million dollars upon and subject to the terms and conditions in this Part of this Act contained and set forth.

Consideration for
loan.

8. (1.) For and in consideration of the said advance by way of loan of the said sum of six million dollars, the Pacific Great Eastern Railway Company shall cause to be legally, validly, effectually, and absolutely assigned, transferred, set over, and assured unto His Majesty in right of his Province of British Columbia (herein repre-

sented by the Minister of Finance and his successors in office) shares in the share capital of the Pacific Great Eastern Railway Company up to the par value of two million dollars, fully paid up and non-assessable and not subject to or being under any liens, claims, demands, liabilities, preferences, or priorities whatsoever, and so as not to involve any increase in the authorized share capital of the said the Pacific Great Eastern Railway Company.

(2.) To the full extent to which necessity shall or may exist the Pacific Great Eastern Railway Company is given corporate power and authority to do, perform, carry out, and fulfil every act, deed, transaction, matter, and object whatsoever so as to enable the purposes of this section to be fully carried out and effected.

Grant of corporate power.

9. The Pacific Great Eastern Railway Company shall have full corporate power to borrow the said sum of six million dollars under this Act, and to repay the same with interest and other moneys, and to secure the repayment thereof with interest and other moneys, in manner and by this Part of this Act provided and set forth.

Corporate powers in respect of loan and repayment.

10. The Pacific Great Eastern Railway Company shall repay to the Government of the Province of British Columbia at the Treasury, in the Parliament Buildings, in the City of Victoria, every principal sum borrowed under this Part of this Act, together with the entire cost of placing such part of the principal loan under Part I. of this Act as is under Part II. of this Act advanced to the Pacific Great Eastern Railway Company, including all discounts, commissions, brokerages, costs, and other expenses, to the end and intent and so that the said Government shall not be at any cost, loss, or outgoing whatsoever in respect of the advance made to the Pacific Great Eastern Railway Company under Part II. of this Act, in instalments, and at any time or times on or before the thirtieth day of June, 1926; but adjustments of interest shall only be made as from each half-yearly interest date; all moneys received hereunder shall form part of the Consolidated Revenue Fund of the Province.

Repayment of principal moneys

11. The Pacific Great Eastern Railway Company shall also at the place of payment aforesaid pay to the said Government half-yearly interest on every sum of money for the time being remaining borrowed and owing under this Part of this Act at the rate per centum at which the principal loan may be placed, without any deduction or abatement whatsoever; all moneys received hereunder shall form part of the Consolidated Revenue Fund of the Province.

Interest.

12. All the moneys which may be advanced to the Pacific Great Eastern Railway Company under Part II. of this Act shall be actually and bona fide and honestly expended in and about the construction of the line of railway of the Pacific Great Eastern Railway Company in such manner as may be directed by, and to the

Expenditure of moneys.

satisfaction of, the Lieutenant-Governor in Council, and subject to the supervision and certificate of such Engineer as may be from time to time designated and appointed by the Lieutenant-Governor in Council, and employed at the joint expense of the Pacific Great Eastern Railway Company and the Government, and the said company must and shall from time to time make all necessary payments of its equal share to the said Engineer in such manner as may be directed by the Lieutenant-Governor in Council; and in the event of default, all necessary moneys shall and may be recovered by the Minister of Finance from the Pacific Great Eastern Railway Company by action in any Court of competent jurisdiction as a debt due to His Majesty in right of this Province.

Security for
repayment

13. For the purpose of securing the repayment of every sum of money advanced to the Pacific Great Eastern Railway Company under this Part of this Act, together with interest, costs, and other moneys as in this Act aforesaid, the Pacific Great Eastern Railway Company shall make, execute, and deliver to His Majesty the King in right of the Province of British Columbia (herein represented by the Minister of Finance and his successors in office), in such form as may be prescribed and approved by the Lieutenant-Governor in Council:—

Mortgage.

(a.) A mortgage and charge upon the entire undertaking and line of railway and properties, real and personal, and assets, credits, and effects whatsoever of the Pacific Great Eastern Railway Company, which shall rank subject to and be subject to all such charges and securities as have heretofore been made and issued under and by virtue of and in pursuance of the provisions of chapter 34 of the Statutes of 1912, being the "Pacific Great Eastern Agreements Act" and amending Acts, and chapter 36 of the Statutes of 1912, being the "Pacific Great Eastern Incorporation Act" and amending Acts, and chapter 65 of the Statutes of 1914, being the "Pacific Great Eastern Aid Act," and to no other charges or securities whatsoever; and the Pacific Great Eastern Railway Company shall not hereafter make or issue or permit to be made or issued any other charge or encumbrance which shall purport to be prior to or to have any preference or priority over the charge created hereunder and by the mortgage and charge executed hereunder:

Assignment of
shares

(b.) Shall assign, transfer, set over, and assure, or cause to be validly, effectually, and lawfully assigned, transferred, set over, and assured, unto His Majesty the King (herein represented by the Minister of Finance as aforesaid) shares in the share capital of the Pacific Great Eastern Railway Company up to an amount which, when added to the two million dollars in par value absolutely assigned to the

Government, will be equal to fully twelve million two hundred and fifty thousand dollars in par value of the authorized share capital of the Pacific Great Eastern Railway Company, to hold all and singular the said shares unto His Majesty the King absolutely: Provided that if the Pacific Great Eastern Railway Company shall duly make or cause to be made all payments and repayments necessary to be made in order to enable the Pacific Great Eastern Railway Company fully to comply with all the obligations cast upon the said company by this Part of this Act, then the said shares, up to a par value of ten million two hundred and fifty thousand dollars, shall by the Minister of Finance, with the authority of the Lieutenant-Governor in Council, be reassigned to the order of the Pacific Great Eastern Railway Company, but so that, in the event of default being made by the Pacific Great Eastern Railway Company in the payments of principal or interest, the Lieutenant Governor in Council may sell the said shares in such manner and at such times as may be deemed advisable and without prejudice to the liability of the Pacific Great Eastern Railway Company for any deficiency, but the balance (if any) from the proceeds of such sale, after the claims of the Province have been satisfied, shall be paid to the order of the Pacific Great Eastern Railway Company: Provided further that at any time prior to the sale of the said shares the Pacific Great Eastern Railway Company shall be at liberty to redeem the same by making full payment of all sums then owing, together with interest at the agreed rate per centum upon all overdue sums from their respective due dates:

Proviso for redemption

- (c.) An agreement in such form as may be prescribed and approved by the Lieutenant-Governor in Council, whereby in the event of the granting by the Government of Canada of any sum by way of subsidy or bonus on, or assistance to, the line of railway of the Pacific Great Eastern Railway Company from the City of Vancouver to the Town of Prince George, in British Columbia, the Pacific Great Eastern Railway Company will cause the amount of every such grant of subsidy and bonus and assistance to be paid to the Government of British Columbia into the Consolidated Revenue Fund of the Province at the Treasury in the Parliament Buildings, in the City of Victoria, without any deduction or abatement whatsoever, in so far as may be necessary to pay off any moneys remaining borrowed and unpaid under this Part of this Act. If paid between interest dates a credit of bank interest (if any) received shall be allowed to the company.

Bonus from Government of Canada

Concurrence of
Pacific Great
Eastern Develop-
ment Company,
Limited.

14. The Pacific Great Eastern Railway Company must and shall cause and procure the Pacific Great Eastern Development Company, Limited, in such form and manner as may be approved by Order in Council, to join with the said the Pacific Great Eastern Railway Company in application for the making of the advance authorized under this Part of this Act, and to request the payment of such advance to the Pacific Great Eastern Railway Company; and in consideration of the granting of such request to guarantee to the Government of British Columbia the repayment of the principal and interest and costs and all other moneys lawfully to become payable and repayable in respect of the said advance, and for the securing of such payment and repayment, to execute to His Majesty the King (herein represented by the Minister of Finance), for securing the repayment of the said advance of six million dollars and all other moneys to become payable in connection therewith, a first mortgage and paramount charge upon all the undertaking and assets and lands and townsites and terminals, credits and effects of the said the Pacific Great Eastern Development Company, Limited, and the instrument creating the first and paramount charge as aforesaid shall, in addition to all such other terms and provisions as may be prescribed and approved by the Lieutenant-Governor in Council, contain provisions to the following effect, that is to say:—

Control of sale of
lands.

(a.) No lands shall be sold except at prices and on terms and conditions approved by the Lieutenant-Governor in Council:

Control of moneys.

(b.) No payment shall be made out of the proceeds of sales except with the approval first had and obtained of the Lieutenant-Governor in Council:

Division of pro-
ceeds of sales.
Cost of subdivision.

(c.) The proceeds of sales shall be divided as follows:—

First: In payment of the cost of subdivision and ordinary brokerage for the sale of each tract of land as sold and of the cost of such works of improvement to render lands saleable as may be authorized by Order in Council;

One-half to Govern-
ment.

Second: Thereafter the Pacific Great Eastern Development Company, Limited, shall pay to the Government of British Columbia into the Consolidated Revenue Fund of the Province, at the Treasury in the Parliament Buildings at Victoria, one-half of the proceeds of sale after deducting such costs as aforesaid, in respect whereof credit shall be given in reduction of moneys borrowed and unpaid under this Part of this Act; and

One-half to
company.

Third: The remainder of the proceeds shall be paid and applied to such purposes and objects as the Pacific Great Eastern Development Company, Limited, may think fit, subject, however, to the consent of the Lieutenant-Governor in Council.

15. For the purpose of securing the repayment of every sum of money advanced to the Pacific Great Eastern Railway Company under this Part of this Act, together with interest, costs, and other moneys as in this Act aforesaid, the Pacific Great Eastern Development Company, Limited, shall assign, transfer, set over, and assure, or cause to be validly, effectually, and lawfully assigned, transferred, set over, and assured, unto His Majesty the King (herein represented by the Minister of Finance as aforesaid) shares in the share capital of the Pacific Great Eastern Development Company, Limited, up to an amount equal to fully forty-nine per cent. in par value of the authorized share capital of the Pacific Great Eastern Development Company, Limited, fully paid up and non-assessable, to hold all and singular the said shares unto His Majesty the King absolutely: Provided that if the Pacific Great Eastern Railway Company shall duly make or cause to be made all payments and repayments necessary to be made in order to enable the Pacific Great Eastern Railway Company fully to comply with all the obligations cast upon the said company by this Part of this Act, then the said shares shall, by the Minister of Finance, with the authority of the Lieutenant-Governor in Council, be reassigned to the order of the Pacific Great Eastern Development Company, Limited, but so that, in the event of default being made by the Pacific Great Eastern Railway Company in the premises, the Lieutenant-Governor in Council may sell the said shares in such manner and at such times as may be deemed advisable and without prejudice to the liability of the Pacific Great Eastern Railway Company and the Pacific Great Eastern Development Company, Limited, for any deficiency, but the balance (if any) from the proceeds of such sale, after the claims of the Province have been satisfied, shall be paid to the order of the Pacific Great Eastern Development Company, Limited: Provided further that at any time prior to the sale of the said shares the Pacific Great Eastern Railway Company shall be at liberty to redeem the same by making full payment of all sums then owing, together with interest at the agreed rate per centum upon all overdue sums from their respective due dates.

Collateral security
for repayment.

16. To the full extent to which necessity shall or may exist the Pacific Great Eastern Development Company, Limited, is given corporate power and authority to do, perform, carry out, and fulfil every act, deed, transaction, matter, and object whatsoever, so as to enable the purposes of this Act and every of them to be fully carried out and effected.

Corporate power to
Pacific Great
Eastern Develop-
ment Company,
Limited.

PART III.

Validation of 1915
debentures.

17. The ten year debentures issued in pursuance of an Order in Council approved on the first day of December, 1915, and comprising the following denominations, namely: Nos. C 001 to C 500, inclusive, of the value of five hundred dollars each, and Nos. C 501 to C 3380, inclusive, of the value of one thousand dollars each, are hereby declared to have been duly and properly issued in pursuance of the authority vested in the Lieutenant-Governor in Council by section 2 of chapter 38 of the Statutes of 1915, being "An Act to ratify the Issue and Sale of certain Treasury Bills and to provide for the Repayment of the same," and the principal of the said debentures and the interest thereon shall be chargeable on the Consolidated Revenue Fund.

VICTORIA P.C.

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