

may, with the approval of the Lieutenant-Governor in Council, and without submitting the same for the approval of the municipal electors, pass a by-law to amend the first mentioned by-law by providing for an increased rate of interest, and also, if necessary, for a corresponding increase in the special annual tax imposed by such by-law.

Payment of interest for one year makes debentures valid.

"5903b. Where the interest for one year or more on a debenture, or the principal of one of a series of debentures, issued under a by-law passed either before or after the 19th February, 1914, has been paid by the municipal or other corporation which has issued such debentures, the by-law authorizing such issue, and the debentures issued thereunder, shall thereupon become valid and binding upon such corporation.

If by-law is approved by Lt.-Gov. in Council, every municipal debenture is valid.

"5903c. Every municipal debenture issued under a by-law approved of by the Lieutenant-Governor in Council, whether before or after the 19th February, 1914, in cases where such approval is required, is valid, and its validity cannot be contested for any cause whatsoever."

Coming into force.

3. This act shall come into force on the day of its sanction.

CHAP. 51

An Act to amend the Revised Statutes, 1909, by inserting therein articles 6119a, 6119b, 6119c and 6119d.

[Assented to 19th February, 1914]

HIS MAJESTY, with the advice and consent of the Legislative Council and of the Legislative Assembly of Quebec, enacts as follows:

R. S. 6119a—
6119d
enacted.

1. The Revised Statutes, 1909, are amended by inserting therein, after article 6119 thereof, a new sub-section and articles as follows:

"§ 4.—*Powers of certain companies to issue and re-issue bonds, debentures and other securities*

Joint stock company may hypo-

"6119a. Notwithstanding any existing law, any joint stock company, incorporated under an act of the Legislature of the Province of Quebec, or by letters-patent, or any company so incorporated outside the province, if empowered

thereto by its charter or its letters patent, may by authentic deed—for the purpose of securing any bonds, debentures or debenture stock which it is by law entitled to issue—hypothecate, mortgage or pledge any property, moveable or immoveable, present or future, which it may own in the province.

“**6119b.** Such hypothecation, mortgaging or pledging may be by trust deed to any trustee, and such security shall be good and valid, notwithstanding that the mortgagor or pledgor may be permitted by the trustee to remain in the possession and use of the property so mortgaged or pledged.

“**6119c.** The rights which such hypothec and mortgage give upon immoveables, and the manner in which they must be registered, shall be governed by the provisions of the Civil Code in the title of *Privileges and Hypothecs* and that of *Registration of Real Rights*, and they shall be subject thereto.

The mortgaging and pledge of moveables shall confer a privilege upon moveables present and future, ranking immediately after the other privileges on moveables, enumerated in articles 1994, 1994*a*, 1994*b* and 1994*c* of the Civil Code. Such hypothec and such privilege shall take effect only from the date of the registration of the deed by which they are constituted, in the Registry office of the registration division in which the company has its head office in the province, and also in any other division in which it has a place of business.

The registrar shall inscribe the trust deed creating a hypothec upon or a pledge of the moveables, in a register which he shall keep for that purpose, and which shall be at all times, during office hours, open to inspection by the public. The registrar may exact, for such registration and for such inspection, the fee which shall from time to time be fixed by the Lieutenant-Governor in Council.

“**6119d.** 1. Where a company has redeemed any bonds or debentures previously issued, such company shall have power to keep such bonds or debentures alive for the purpose of re-issue; provided, that the conditions of issue do not expressly indicate the contrary, and that the bonds or debentures have not been redeemed in pursuance of an obligation on the company so to do. The latter proviso, however, shall not apply if such obligation be one enforceable only by the person to whom such bonds or debentures were issued, or his assigns.

2. Where a company has purported to exercise the

the cate &c.,
all property,
moveable
or immoveable.

Trust deed.

What law to govern.

Confers a
privilege on
moveables.

Take effect
only from
registration.

Special register for
moveables.

Redeemed
bonds may
be kept alive
for re-issue.

Proviso.

Exception.

Power to
re-issue.

power mentioned in the foregoing paragraph, such company shall have power to re-issue the bonds or debentures, either by re-issuing the same bonds or debentures or by issuing others in their place; and upon such a re-issue the person entitled to the bonds or debentures shall have the same rights and privileges as if the bonds or debentures had not been previously issued.

Where transferred to a nominee.

3. Where with the object of keeping bonds or debentures alive for the purpose of re-issue, they have been transferred to a nominee of the company, a transfer from such nominee shall be deemed to be a re-issue for the purposes of this sub-section.

Where deposited as security.

4. Where a company has deposited any of its bonds or debentures to secure advances from time to time on current account or otherwise, the bonds or debentures shall not be held to have been redeemed by reason only of the fact that the company may have ceased to be indebted whilst such bonds or debentures remained so deposited.

Re-issue or substitution not to be considered as issue of a new bond.

5. The re-issue of a bond or debenture or the issue of another in its place, shall not be treated as the issue of a new bond or debenture for the purposes of any provision limiting the amount or number of bonds or debentures to be issued."

2. This act shall come into force on the day of its sanction.

CHAP. 52

An Act to amend the Revised Statutes, 1909, relating to Railway Companies.

[Assented to 19th February, 1914]

HIS MAJESTY, with the advice and consent of the Legislative Council and of the Legislative Assembly of Quebec, enacts as follows:

R.S. 6476
am.

1. Article 6476 of the Revised Statutes, 1909, is amended:

a. By adding thereto, after the words: "in the charter" in the third line thereof, the words: "or in the by-laws".

b. By adding thereto, at the end thereof, a new paragraph as follows:

Number of directors may be

"3. The company shall always have power, by by-law, to increase the number of its directors to a maximum of fifteen, or reduce it to a minimum of three, but no by-law to that