

CHAP. 2

An Act concerning the debt of the Province

[Assented to 25th April, 1903]

Preamble.

WHEREAS the outstanding indebtedness of the Province of Quebec, consisting of the funded debt and of temporary loans and advances, amounts at the present time to a sum exceeding thirty-six million dollars, made up of different loans and advances, bearing different rates of interest, and maturing at different dates ; and

Whereas it is expedient to make more effective provision for the consolidation of such loans and indebtedness into one debt, bearing a uniform rate of interest ;

Therefore, His Majesty, with the advice and consent of the Legislative Council and of the Legislative Assembly of Quebec, enacts as follows :

Authority given to issue bonds etc. to redeem indebtedness of province.

1. The Lieutenant-Governor in Council may, notwithstanding anything contained in the acts 60 Victoria, chapter 2, and 45 Victoria, chapter 21, or any other act, from time to time, as he deems expedient, issue bonds, debentures, or Province of Quebec inscribed stock, in pounds sterling, in francs or in dollars and cents, for an amount, in all, not exceeding the total sum necessary to redeem the present total indebtedness of the province, and bearing a rate of interest not exceeding three and one half per cent. per annum, payable half yearly. Such bonds, debentures or inscribed stock shall be redeemable, either after such notice as may be fixed by the Lieutenant-Governor in Council, or at a fixed period, or shall constitute a loan in perpetuity, or partly in one manner and partly in the other.

Application of part of issue to pay off temporary loans, &c.

2. A portion of such bonds, debentures, or inscribed stock may be sold in order to provide a sum of money sufficient in amount to pay off, in whole or in part, the temporary loans and other floating indebtedness of the province at present existing.

Application of bonds to consolidation of funded debt, etc.

3. Such bonds, debentures, or inscribed stock, may also be applied for the consolidation and conversion of the various loans comprising the present funded debt of the province, in whole or in part, by substituting the securities issued under this act for the securities comprised in the said funded debt, and such substitution may be made by exchanging the securities issued under this act for the securities comprised in the said funded debt, or by the sale of the former and the

Proviso.

purchase of the latter ; provided the capital is not increased beyond the amount representing the difference between the then present values of the securities bearing a higher rate of interest and that of the securities substituted for them, as determined by section 5 hereof.

4. Such bonds, debentures, or inscribed stock, may be issued, in the discretion of the Lieutenant-Governor in Council, with or without any provision being made for a sinking fund for the ultimate redemption thereof ; or, in case of any conversion of the whole, or of any portion of the said funded debt, effected under the provisions of this act, an annual sinking fund may be provided for the redemption of the increased debt caused by the conversion ; which sinking fund, at the same rate of interest as the converted debt bears, will, during the term of such converted debt, if a term be fixed, and if not, then within sixty years, provide an amount sufficient to redeem the amount by which the debt has been increased in the conversion ; or provision may be made for the redemption of the bonds or debentures in principal and interest by means of an annuity for a fixed number of years.

How such
bonds, &c.,
to be issued.

5. The Lieutenant-Governor in Council may, from time to time, fix the maximum sum to be paid for any of the present outstanding securities comprised in the said funded debt, or the maximum rate at which the same may be taken in exchange for the securities issued under this act, and may make all other regulations necessary for effectively carrying out the provisions of this act.

How value
of present
securities to
be estab-
lished.

Provided always that none of the present outstanding securities shall be redeemable under this act, before they become due and exigible, unless with the consent of the holders thereof, save in so far as the right to redeem the same is now recognized by law.

Proviso.

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

Coming into
force.