

C A P . L X X I X .

An Act to authorize the consolidation of the debt of the City of Montreal, and for other purposes.

[Assented to 12th July, 1888.]

Preamble.

WHEREAS the city of Montreal has, by its petition, represented that it has received legislative authority to borrow money to the extent in all of \$15,170,000 and has exercised such authority by borrowing \$13,930,000 at various times, and at rates of interest varying from four to seven per cent, which debt it has reduced, by the investment of its sinking fund, by the sum of \$2,410,000; that it would be greatly to the advantage of the said city to be permitted to consolidate the remainder of its debt and to provide for future wants by means of a new issue of permanent debenture stock, bearing a fixed proportion to the city assets and revenue; and has prayed that the requisite power so to do be accorded to it; and it is expedient to grant the prayer of the said petition; Therefore, Her Majesty, by and with the advice and consent of the Legislature of Quebec, enacts as follows:

City may issue permanent debentures to certain amount.

1. The city of Montreal may issue permanent debentures or debenture stock, payable either in currency or sterling, to an amount not exceeding fifteen per centum of the value of the immoveable property within its present or future limits, such value to be taken as established, from time to time, by the assessment rolls of the said city, made and in force for the time being.

Interest thereon.

Such debentures or debenture stock shall bear interest at a rate not exceeding four per centum per annum, and shall constitute a first and privileged charge upon the property and revenues of the said city; subject always however to the prior charge of the presently existing outstanding bonds and consolidated stock, in so far as the same shall remain unredeemed.

Debenture etc, to constitute first charge upon property of city. Proviso.

Portion to be set apart.

2. The city, in providing for such issue, shall set apart and retain a portion thereof, the annual interest on which shall be the equivalent of the amount of annual interest on the existing debt.

Application of such portion or proceeds thereof.

Such portion, or the proceeds thereof, shall be used exclusively for the extinction, by exchange, redemption, purchase or re-payment of the existing debt and permanent stock respectively; in such manner as shall be determined by the said corporation; provided that nothing herein contained shall be held as authorizing the said corpora-

Proviso.