

*Laws of Her Majesty's Province of Upper Canada*, passed in the year 1849. Montreal: Stewart Derbshire & George Desbarats, 1849.

12 Victoria – Chapter 29

**An Act to provide for affording the Guarantee of the Province to the Bonds of Rail-way Companies on certain conditions, and for rendering assistance in the construction in the Halifax and Quebec Rail-way. 30th May, 1849.**

Whereas at the present day, the means of rapid and easy communication by Rail-way, between the chief centres of population and trade in any country and the more remote parts thereof, are become not merely advantageous, but essential to its advancement and prosperity; And whereas experience has shown, that whatever be the case in long settled, populous and wealthy countries, in those which are new and thinly peopled and in which capital is scarce, the assistance of Government is necessary and may be safely afforded to the construction of lines of Rail-way of considerable extent; and that such assistance is best given by extending to Companies engaged in constructing Rail-ways of a certain length, under Charter from, and consequently with the approval of the Legislature, the benefit of the guarantee of the Government, under proper conditions and restrictions, for loans raised by such Companies to enable them to complete their work: Be it therefore enacted by the Queen's Most Excellent Majesty, by and with the advice and consent of the Legislative Council and of the Legislative Assembly of the Province of Canada, constituted and assembled by virtue of and under the authority of an Act passed in the Parliament of the United Kingdom of Great Britain and Ireland, and intituled, *An Act to re-unite the Provinces of Upper and Lower-Canada, and for the Government of Canada*; and it is hereby enacted by the authority of the same, That it shall be lawful for the Governor in Council, on behalf of this Province, to guarantee the interest on loans to be raised by any Company chartered by the Legislature of this Province for the construction of a Line of Rail-way not less than seventy-five miles in extent, within this Province, on condition,—That the rate of interest guaranteed shall not exceed six per cent, per annum,—that the sum on which interest shall be so guaranteed shall not be greater than that expended by the Company before the guarantee is given, and shall be sufficient to complete their road in a fitting manner, and to the satisfaction of the Commissioners of Public Works, provided always, that no such guarantee be given to any Company until one-half of the entire line of Road shall have been completed,—that the payment of the interest guaranteed by the Province shall be the first charge upon the Tolls and profits of the Company, and that no dividend shall be declared so long as any part of the said interest remains unpaid,—that so long as any part of the principal on which interest is guaranteed by the Province remains unpaid, no dividend shall be paid to the Stockholders, until a sum equal to three per cent, on the amount so remaining unpaid, shall have been set aside from the surplus profits of such Rail-road, and paid over to the Receiver-General under the provisions hereinafter contained as a Sinking Fund for the redemption of the debt on which interest is guaranteed as aforesaid,—and that the Province shall have the first hypothec, mortgage and lien upon the Road, Tolls and Property of the Company for any sum paid or guaranteed by the Province, excepting always, the hypothec, mortgage or lien of holders of bonds or other securities on which interest is guaranteed by the Province, for the interest so guaranteed and the principal; on which it shall accrue.

II. And be it enacted, That each Rail-way Company, deriving any aid or advantage under is Act, shall make up and render to the Inspector-General of Public Accounts of this Province, each half year, a true account in writing of the affairs of such Company, in such form and with such particulars as the said Inspector-General shall from time to time require, which said Accounts shall be signed by the President and the Directors of the said Company, or a quorum of that body, and shall be sworn to by the parties signing the same before one of the Judges of the Superior Courts of common law jurisdiction in Upper-Canada, or one of the Judges of the Court of Superior Civil jurisdiction in Lower-Canada, and the said Company or the proper officer thereof shall, within ten days after the rendering of such account, pay over such amount as may be payable under the provisions of this Act to the Receiver-General of this Province.

III. And be it enacted, That the sum or sums of money hereinbefore provided to be taken from the surplus profits of any Rail-road as a Sinking Fund, shall be invested by the Inspector-General of this Province in such securities of this Province as may be approved by the Governor in Council; Provided always, that it shall be lawful for the Directors of any such Company to make such By-laws as may be requisite to prevent the provision of this Act in respect of such Sinking Fund from bearing unequally upon any class of Stockholders.

IV. And be it enacted, That, provided the conditions mentioned in the foregoing Section be observed, it is expedient that such guarantee be afforded under such further terms and conditions as may be deemed necessary by the Governor in Council and agreed to by the Company applying for such guarantee, it being clearly understood, that no enactments which the Legislature may thereafter make, to ensure the observance of such terms and conditions, or to give effect to the privileged claim and lien of the Province upon the Road, Tolls and Property of the Company, or to secure the Province from loss by such guarantee, shall be deemed an infringement of the rights of the Company.

V. And whereas the proposed Rail-way between Halifax and Quebec will be a great national work, linking together the several portions of the British Empire on the continent of North America, and facilitating the adoption of an extensive, wholesome and effective system of Emigration and Colonisation, and it is right that Canada should render such assistance as her means will admit of towards the accomplishment of a work so important and promising results so beneficial; Be it therefore enacted, That if Her Majesty's Government shall undertake the construction of the said Rail-way, either directly or through the instrumentality of a private Company, it shall be lawful for the Governor in Council, on behalf of this Province, to undertake to pay yearly, in proportion as the work advances, a sum not exceeding twenty thousand pounds sterling towards making good the deficiency (if any) in the income from the Rail-way, to meet the interest of the sum expended upon it, and to place at the disposal of the Imperial Government all the ungranted lands within the Province lying on the line of the Rail-way, to the extent of ten miles on each side thereof, and to undertake to obtain, pay for and place at the disposal of the Imperial Government, all the land required within the Province for the line of the Rail-way, and for proper Stations and Termini.

VI. And be it enacted, That any lands to be taken under the provisions of the next preceding Section, for the purposes therein mentioned, shall be deemed to be lands required for Public Provincial Works, and maybe taken by the Commissioners of Public Works under the provisions of the Act passed in the ninth year of Her Majesty's Reign, and intituled, *An Act to amend the Law constituting the Board of Works*, and of any Act amending the same.

VII. And be it enacted, That any monies which shall be payable on behalf of the Province under any of the provisions of this Act, may be paid out of any unappropriated monies forming part of the Consolidated Revenue Fund; and that all monies due by any Company as having been paid for them under any guarantee given under this Act, shall be deemed monies due by such Company to Her Majesty, payable according to the provisions of this Act, and the conditions agreed upon by the Governor in Council and such Company.