

1937

c 22 Provincial Loans Act

Ontario

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CHAPTER 22.

The Provincial Loans Act.

Creating permanent provincial stock.

1.—(1) The Lieutenant-Governor in Council may create a permanent provincial stock, which shall be known as "Ontario Government Stock," and shall be personal property, and the stock, and the interest thereon, shall be charged upon and paid out of the Consolidated Revenue Fund.

Regulations as to stock.

(2) The stock shall be subject to such regulations as to the inscription, registration, transfer, management and redemption thereof as the Lieutenant-Governor in Council may make.

Time of redemption of government stock.

(3) The Lieutenant-Governor in Council may at the time of the issue of such stock fix the date at which it shall be redeemed. R.S.O. 1927, c. 23, s. 1.

Regulations as to the debt and payment of interest.

2. The Lieutenant-Governor in Council may make such regulations as he deems necessary for the management of the public debt and the payment of the interest thereon, and may, subject to the provisions of section 3 provide for the creation and management of a sinking fund, or other means of securing the repayment of any loan raised by the authority of the Legislature; and may appoint one or more fiscal agents in London, England, or elsewhere, and agree with them as to the rate of compensation to be allowed them for negotiating loans, and for paying the interest of the debt, and may pay the sums necessary to provide the interest, the sinking fund, or other means aforesaid, and such compensation out of the Consolidated Revenue Fund. R.S.O. 1927, c. 23, s. 2.

Fiscal agents, etc.

Raising loans, etc., authorized by Legislature.

3.—(1) Where in any Act authority is given to the Lieutenant-Governor in Council to raise, by way of loan, any sum of money, then, unless there is some provision to the contrary in the Act by which the authority is given, such sum shall, in the discretion of the Lieutenant-Governor in Council, be raised in one of the following ways, or partly in one and partly in another or others thereof, that is to say,—

By issue of debentures.

(a) by the issue and sale of debentures of Ontario, which shall be in such form, for such separate sums, and at such rate of interest, and the principal and

interest whereof shall be made payable at such periods and places as the Lieutenant-Governor in Council deems expedient, and subject to such regulations, including regulations as to inscription, registration and transfer as he may make, and such principal and interest shall be charged on and paid out of the Consolidated Revenue Fund;

(b) by the issue and sale of Ontario Government stock, bearing such rate of interest as is deemed expedient, payable half-yearly, and the principal and interest whereof shall be charged on and paid out of the Consolidated Revenue Fund;

By issue of Ontario Government stock.

(c) by the granting of terminable annuities charged on and to be paid out of the Consolidated Revenue Fund, on terms in accordance with what the Lieutenant-Governor in Council may deem to be the most approved English tables, and based on a rate of interest not exceeding four per centum per annum, and subject to such regulations as the Lieutenant-Governor in Council may make;

By grant of terminable annuities.

(d) by the issue and sale of exchequer bills, exchequer bonds or treasury bills, in sums of not less than \$400 each, in such form and payable at such periods and places as the Lieutenant-Governor in Council deems expedient, and subject to such regulations as he may make, or by temporary loans, and the interest thereon and the amount of such bills or bonds shall be charged on and paid out of the Consolidated Revenue Fund. R.S.O. 1927, c. 23, s. 3 (1).

By issue of exchequer bills, or bonds, or treasury bills.

(2) (a) The Lieutenant-Governor in Council is hereby authorized to raise money by way of loan in such manner and at such times as may be deemed expedient by the issue and sale of securities of one or more of the classes specified in subsection 1, in such amounts as will realize the net sum required for any or all of the following purposes:

Raising loans for refunding purposes.

(i) Payment, refunding or renewal from time to time of the whole or any part of any loan made or securities issued under the provisions of this or any other Act, notwithstanding that the issue of securities for such purpose may have the effect of increasing the amount of the public debt;

(ii) Payment of the whole or any part of any loan or of any liability or of any bonds, debentures or

other securities, payment whereof is guaranteed or assumed by the Province of Ontario.

(b) A recital or declaration in the Order of the Lieutenant-Governor in Council authorizing the issue and sale of securities to the effect that the amount of the securities so authorized is necessary to realize the net sum required to be raised by way of loan shall be conclusive evidence of that fact. 1935, c. 55, s. 2.

Lieutenant-Governor in Council may provide a sinking fund, general or special.

Proviso.

Securities payable in in any currency.

Issue of new securities on maturity of treasury bills.

Issue of new securities for retirement of temporary loan.

(3) On authorizing the issue of debentures or stock, under clauses *a* or *b*, of subsection 1, the Lieutenant-Governor in Council may provide for a special sinking fund with respect to such issue, and may at any time provide for a general sinking fund for all such portions of the debentures or stock as have been or are hereafter issued without provision for a sinking fund with respect to them; provided that the amount to be invested out of the Consolidated Revenue Fund in any such sinking fund shall not exceed one-half of one per centum per annum on the amount of the debentures or stock to which it relates.

(4) Any of such securities may be made payable in any currency.

(5) Where a sum has heretofore been or is hereafter temporarily raised by way of loan by the issue and sale of exchequer bills, exchequer bonds or treasury bills as provided in clause *d* of subsection 1, the Lieutenant-Governor in Council, upon the maturity of such exchequer bills, exchequer bonds or treasury bills, or before the maturity thereof, may direct that a further issue be made of such exchequer bills, exchequer bonds or treasury bills to the amount of those maturing, or may direct the issue and sale of debentures of Ontario, of Ontario Government stock or of terminable annuities for the retirement of such exchequer bills, exchequer bonds or treasury bills before or upon their maturity, and any debentures, Government stock or terminable annuities so issued shall be redeemable or payable within the term of years fixed by the Act authorizing the loan and such term shall be reckoned from the date of the issue of such debentures, Government stock or terminable annuities, but nothing in this subsection shall authorize the issue of any security beyond the amount of any loan authorized by Act of this Legislature. R.S.O. 1927, c. 23, s. 3 (2-4).

(6) Where a sum has heretofore been, or is hereafter, raised by temporary loan the Lieutenant-Governor in Council may from time to time retire such temporary loan or any part

thereof by the issue of treasury bills to an equal amount, or may direct the issue and sale of debentures of Ontario, of Ontario Government stock, or terminable annuities, for the retirement of such temporary loan, and any debentures, Government stock or terminable annuities so issued shall be redeemable or payable within the term of years fixed by the Act authorizing the loan, and such term shall be reckoned from the date of the issue of such debentures, Government stock or terminable annuities; but nothing in this subsection shall authorize the issue of any security beyond the amount of any loan authorized by Act of this Legislature. 1933, c. 59, s. 2; 1934, c. 43, s. 2.

(7) All debentures, bonds, certificates for inscribed stock or annuities, exchequer bonds or treasury bills issued by the Lieutenant-Governor in Council upon the authority and credit of the Province for obtaining money by way of loan shall contain in the body of the debenture, bond or other document a statement of the particular Act or legislative authority under which such loan has been authorized, and no bonds hereafter issued shall be valid unless such statement of the legislative authority for the particular loan is contained in the body of the debenture, bond or other security.

Debentures, bonds, etc., to contain authority.

(8) In any advertisement for the sale of debentures, bonds or of other securities set out in subsection 7, issued in the name of the Treasurer of Ontario or any other provincial officer there shall be contained a statement of the legislative authority under which the said loan is authorized. R.S.O. 1927, c. 23, s. 3 (5, 6).

Advertisement to contain authority.

4. The Lieutenant-Governor in Council may direct that the whole or any part of Ontario Government stock be inscribed and transferred in a register kept in the United Kingdom, or in any foreign country, at such place, and by such bank, officer or person as he may appoint. R.S.O. 1927, c. 23, s. 4.

Register for inscribed stock of Ontario.

5.—(1) The Lieutenant-Governor may, under the Great Seal or in Council, authorize any person to make any declaration, and take any steps necessary to record such inscribed stock or any portion thereof under and in accordance with the provisions of the Imperial Acts, known as the Colonial Stock Acts of 1877 to 1900, or any amendments thereof.

Lieutenant-Governor in Council to have such stock recorded.

(2) The Treasurer of Ontario may, out of the Consolidated Revenue Fund, pay, satisfy and discharge any judgment, decree, rule or order of a Court in the United Kingdom, which, under the provisions of section 20 of *The Colonial Stock*

Payment, etc., authorized.

Act, 1877, or any amendment thereto, is to be complied with by the registrar of the inscribed stock of Ontario in England.

Payment of lost debentures and coupons.

(3) In the event of the loss of any debenture or coupon for interest on any debenture, the Treasurer of Ontario may out of the Consolidated Revenue Fund, pay the amount thereof and may take a bond in such amount and in such form as he may deem advisable, indemnifying the Province of Ontario against loss in respect of such payments. R.S.O. 1927, c. 23, s. 5.

Lieutenant-Governor in Council may change the form of debt, and on what conditions.

6. The Lieutenant-Governor in Council may change the form of any part of the debt of Ontario by substituting one class of the securities aforesaid for another, or by issuing one debenture either fully registered or registered as to principal only in exchange for ten or more debentures of an equal aggregate amount, provided that neither the capital of the debt nor the annual charge for interest is thereby increased, except where a security bearing a lower rate of interest is substituted for one bearing a higher rate of interest, in which case only the amount of the capital may be increased by an amount not exceeding the difference between the then present value of the securities; but such substitution shall not be made unless the consent of the holder of the security for which another is substituted is obtained, or such security is previously purchased or redeemed by or on account of Ontario, and such substitution may be made by the sale of a security of one class and the purchase of that for which it is desired to substitute it. R.S.O. 1927, c. 23, s. 6.

Power to cancel debentures, etc., acquired on sinking fund account.

7. The Treasurer of Ontario may cancel any or all debentures, bonds and other securities of the Province of Ontario which come into his hands through purchase for sinking fund, or otherwise, and upon cancellation such debentures, bonds and other securities shall cease to be a charge upon the Consolidated Revenue Fund. R.S.O. 1927, c. 23, s. 7.

Certain regulations made by Lieutenant-Governor in Council to have force of law.

8.—(1) The regulations made by the Lieutenant-Governor in Council under this or any former Act shall, in so far as they are not inconsistent with the Act under which they are made, have the same force and effect as if embodied and enacted in an Act of this Legislature.

Officers not bound to see to trusts.

(2) No officer or person employed in the inscription, registration, transfer, management or redemption of any of the aforesaid securities, or in payment of any dividend or interest thereon, shall be bound to see to the execution of any trust, expressed or implied, to which such securities are subject, or shall be liable in any way to any person for anything by him done in accordance with any such regulation. R.S.O. 1927, c. 23, s. 8.

9. All money raised by the issue and sale of any of the aforesaid securities shall be paid to the Treasurer, and shall form part of the Consolidated Revenue Fund. R.S.O. 1927, c. 23, s. 9.

Money raised to form part of Con. Rev. Fund.

10. The Lieutenant-Governor in Council may direct that money invested in Ontario Government stock, bonds or debentures and the interest thereon shall be free from all provincial taxes, succession duty, charges and impositions and from municipal taxation. R.S.O. 1927, c. 23, s. 10.

Exemption from taxation.

11. Nothing in this Act shall authorize any increase of the public debt without the express authority of this Legislature, except in the manner and to the extent hereinbefore mentioned. R.S.O. 1927, c. 23, s. 11.

Debt not to be increased except as herein provided.

12.—(1) The Lieutenant-Governor in Council may provide for the manner of executing provincial securities, and that the signature of the Treasurer of Ontario upon provincial securities and the coupons attached thereto may be lithographed or engraved, the securities being in such case countersigned by the Assistant Treasurer or such officer or officers of the Treasury department as may be appointed for the purpose. R.S.O. 1927, c. 23, s. 12.

Provincial securities, how executed.

(2) Where in any Act authority is given to the Lieutenant-Governor in Council to raise, by way of loan, any sum of money the Lieutenant-Governor in Council may from time to time authorize the Treasurer of Ontario to raise the whole or any part thereof by temporary loan, and, in such case, unless the Lieutenant-Governor in Council otherwise directs, such sum as the Treasurer is authorized to raise by temporary loan or any part thereof may be raised by way of cheques creating overdrafts having the facsimile signature of the Treasurer of Ontario affixed thereto by the use of a rubber stamp or by printing, lithographing or engraving and bearing such signatures or countersignatures of other officers, who for the time being are authorized to sign or countersign cheques, as would make such cheques if not creating overdrafts binding on the Province of Ontario, and all moneys paid in honouring any such cheque by any bank upon which such cheque is drawn shall conclusively be deemed to have been raised by the Lieutenant-Governor in Council in pursuance of such Act. 1934, c. 43, s. 3.

Authority for temporary loans and overdrafts.

13. Nothing in this Act shall impair or prejudicially affect the rights of the holder of any securities heretofore issued. R.S.O. 1927, c. 23, s. 13.

Securities heretofore issued protected.