

## THE MUNICIPAL LOAN FUND OF UPPER CANADA.

The Upper Canada Municipal Loan Fund, to consist of all moneys directed to form part thereof, was established by the 16th Vict., cap. 22, passed on the 10th November, 1852. Unlimited powers of borrowing on the credit of the said fund, subject to the approval of the Governor in Council, were by the same Act conferred upon the Upper Canada Municipalities to enable them to effect certain public improvements, and these powers continued until the passing of the Act 18 Vict., chap. 13, on the 18th December, 1854, by which the Fund itself was limited to £1,500,000 sterling, together with such further sums as constitute the Sinking Fund thereof, and the extent to which a Municipality might borrow was thereby limited to 20 per cent. on the aggregate valuation of property in the said Municipality, according to the then last assessment roll thereof; and by the 22nd Vict., chap. 15, passed on the 4th May, 1859, no further loans to Upper Canada Municipalities could be made on the credit of the Fund, except under By-laws sanctioned by the Governor in Council prior to the date of that Act.

The moneys which have been directed to constitute the Fund are :

1. Those paid in by the Municipalities on account of the principal and interest of their respective loans.

2. By the 20th Vict., chap. 20, passed 20th June, 1857, it was provided that the share of the Municipalities Fund, accruing to any Municipality certified by the Receiver General to be in default, or to the several Municipalities in any County while such County is so certified to be in default, may be carried to the credit of such Municipality or County on account of such default. By the 22nd Vict., chap. 15, sec. 6, passed 4th May, 1859, (known as the Compromise Act), it was provided that so long as any sum of money is payable to the Receiver General by any Municipality under previous Acts relating to the Loan Fund, he may always retain in his hands any sum of money which would otherwise be payable by him to such Municipality, crediting the same to it in his accounts with it under the said Acts. But by the 22nd Vict., chap. 48, sec. 20, passed also on the 4th May, 1859, (being the Seigniorial Amendment Act of 1859), it was enacted that so long as any Municipality shall at any time be in default in any payment which ought to have been made by it to the said Loan Fund, such Municipality shall have no share in any distribution of the Upper Canada Municipalities Fund, which shall be made while such Municipality is so in default, and the share it would otherwise have had shall go to the other Municipalities.

3. By the Act just cited it was also provided that a sum of money equal to that which under the provisions of the Seigniorial Amendment Act of 1859, will be payable yearly to Seigniors in Lower Canada out of the Provincial Funds, over and above the amount payable to them out of the Fund for the relief of the censitaires under the Seigniorial Act of 1854, shall be payable yearly out of the Consolidated Revenue Fund of this Province to the credit of the Upper Canada Municipal Loan Fund, so long as the Province is under advances to the said Fund.

By the 16th Vict., chap. 22, the Governor in Council was authorized to direct loans to be made from the Upper Canada Building Fund to meet the charges on the Loan Fund from time to time, but this provision was never acted upon.

The payments to be made by the Municipalities were fixed by the 16th Vict., chap. 22, at the yearly rate of 6 per cent. for interest, and 2 per cent. for Sinking Fund on the amount of their respective Loans. By the 20th Vic., chap. 20, it was provided with respect to the cases of Municipalities in default, that as it might be inexpedient to press the collection of the whole sum due, the Governor might issue his warrant to the Sheriff directing what rate that officer should levy, providing that such rate should not be less than 12½ cents on the dollar of the yearly value of the assessed property of such Municipalities. But another and final change was made by the passing on the 4th May, 1859, of the 22nd Vict., chap. 15, and as this Act imposes various duties and obligations upon the Municipalities interested and their officers, as well as prescribes the amount to be