

tion of the fortifications therein mentioned, sums not exceeding one million one hundred thousand pounds:

And whereas by the Canada Defences Loan Act, 1870, the Treasury were authorized to guarantee the payment of the principal of such loan and of interest thereon at a rate not exceeding four per cent. 33 & 34 Vict.,
c. 82.

And whereas no portion of the last-mentioned loan has been raised, and no such guarantee has been given:

And whereas it is expedient to authorize the Treasury to guarantee a portion, not exceeding two millions five hundred thousand pounds, of such loan of eight million pounds for the above-mentioned purposes, and to guarantee a further portion of the said loan not exceeding one million one hundred thousand pounds in substitution for a guarantee of a loan under the Canada Defences Loan Act, 1870:

Be it therefore enacted by the Queen's Most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same, as follows:—

1. This Act may be cited as "The Canada (Public Works) Loan Act, 1873."

2. The Treasury may guarantee in such manner and form, and on such conditions as they think fit, the payment of the principal and interest (at a rate not exceeding four per cent. per annum) on all or any part of any loan raised by the Government of Canada for the purpose of the construction of the Pacific railway, and the improvement and enlargement of the Canadian canals, so that the total amount so guaranteed from time to time do not exceed three million six hundred thousand pounds.

Short title.
Power to Treasury
to guarantee loan.

3. The Treasury shall not give any guarantee under this Act unless and until provision is made by an Act of the Parliament of Canada, or otherwise, to the satisfaction of the Treasury—

Conditions of
guarantee.

- (1) For raising and appropriating the said proposed loan of eight million pounds:
- (2) For charging the consolidated revenue fund of Canada with the payment of the principal and interest of any loan guaranteed by the Treasury under this Act, immediately after the charge of the loan for fortifications created by the said Act of the Parliament of Canada of the year one thousand eight hundred and sixty-eight, chapter forty-one:
- (3) For payment by the Government of Canada of a sinking fund at the rate of one per cent. per annum on the entire amount of the loan guaranteed by the Treasury under this Act, and for charging the consolidated revenue fund of Canada with the payment of such sinking fund immediately after the principal and interest of the last-mentioned loan:
- (4) For charging the consolidated revenue fund of Canada with any sum issued out of the Consolidated Fund of the United Kingdom under this Act with interest thereon at the rate of five per cent. per annum, immediately after the said sinking fund:
- (5) For the due payment and application of the money raised by any loan guaranteed by the Treasury under this Act, in such manner as the Treasury from time to time direct:
- (6) For remitting to the Treasury the annual sums for the sinking fund by equal half-yearly payments, in such manner as they from time to time direct, and for the investment and accumulation thereof, under their direction, in the names of four trustees, nominated from time to time, two by the Treasury and two by the Government of Canada.

The Treasury may guarantee the loan in such portions as they think fit, and before guaranteeing any portion of the loan after the first, shall satisfy themselves that the portion of the loan previously guaranteed (or an equal amount of any other loan of the Government of Canada), together with an equal amount of that portion of the said loan of eight million pounds which is not guaranteed by the Treasury, has been or is in the course of being spent for the purposes mentioned in this Act.

4. The said sinking fund may be invested only in such securities as the Government of Canada and the Treasury from time to time agree upon, and shall, whether invested or not be applied from time to time, under the direction of the Treasury, in discharging the principal of the loan guaranteed by the Treasury under this Act, and the interest arising from such securities (including the interest accruing in respect of any part of any loan discharged by means of the sinking fund), and the resulting income thereof shall be invested and applied as part of such sinking fund.

Application of
sinking fund.

5. Every Act passed by the Parliament of Canada which in any way impairs the priority of the charge upon the consolidated revenue fund of Canada created by that Parliament of the loan guaranteed under this Act, and the interest and sinking fund thereof, and the sums paid out of the Consolidated Fund of the United Kingdom and the interest thereon, shall, so far only as it impairs such priority, be void, unless such Act has been reserved for the signification of Her Majesty's pleasure.

Alteration of Act
relating to
guaranteed loan.

6. The Treasury are hereby authorized to cause to be issued from time to time, out of the growing produce of the Consolidated Fund of the United Kingdom, such sums of money as may at any time be required to be paid to fulfil the guarantee under this Act in respect either of principal or interest.

Issue out of
Consolidated Fund.

7. The Treasury may from time to time certify to one of Her Majesty's Principal Secretaries of State the amount which has been paid out of the Consolidated Fund of the United Kingdom to fulfil the guarantee under this Act, and the date of such payment; such certificate shall be communicated to the Governor of Canada, and shall be conclusive evidence of the amount having been so paid and of the time when the same was so paid.

Certificate of
amount paid out of
Consolidated Fund.

8. The Treasury shall cause to be prepared and laid before both Houses of Parliament a statement of any guarantee given under this Act, and an account of all sums issued out of the Consolidated Fund of the United Kingdom for the purposes of this Act, within one month after the same are so given or issued, if Parliament be then sitting, or if Parliament be not sitting, then within fourteen days after the then next meeting of Parliament.

Accounts to be laid
before Parliament.

9. The Canada Defences Loan Act, 1870, is hereby repealed.

Repeal of
33 & 34 Vict.,
c. 82.