

CANADA RAILWAY LOAN ACT.

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27. For the purpose of constructing the said railway there shall be raised by loan and appropriated, a sum not exceeding 3,000,000 *l.* sterling, bearing interest at a rate not exceeding 4 per centum per annum, upon the guarantee of the payment of the interest of such loan by the Commissioners of Her Majesty's Treasury, under the provisions of "The Canada Railway Loan Act, 1867."

Loan (with Imperial guarantee) for construction of road.

28. The Consolidated Revenue Fund of Canada shall be, and is, hereby charged with the principal and interest of the loan, immediately after the charges specifically made thereon by sections 103, 104, and 105 of "The British North America Act, 1867."

Consolidated Revenue Fund charged.

29. A sinking fund is hereby provided for the payment by the Government of Canada of an annual sum at the rate of 1 per centum per annum on the entire amount of principal money whereon interest is guaranteed, which shall be remitted the Commissioners of Her Majesty's Treasury, by equal half-yearly payments, in such manner as they may from time to time direct, and shall be invested and accumulated under their direction in the name of four trustees, nominated from time to time, two by the Commissioners of Her Majesty's Treasury and two by the Government of Canada; and such sinking fund and its accumulations shall be invested in securities of the Provinces of Canada, Nova Scotia, and New Brunswick, issued before the union of Canada, or at the option of the Government of Canada, in such other securities as may be proposed by that Government, and approved by the Commissioners of Her Majesty's Treasury, and shall be applied under the direction of the Commissioners of Her Majesty's Treasury in discharge of the principal money whereon interest is guaranteed; and the Consolidated Revenue Fund of Canada shall be, and the same is, hereby charged with the amount of the said sinking fund immediately after the principal and interest of the loan.

Sinking fund provided for.

Its investment.

Its application.

30. The Consolidated Revenue Fund of Canada shall be, and the same is, hereby charged with any sum issued out of the Consolidated Fund of the United Kingdom, under "The Canada Railway Loan Act, 1867," with interest thereon, at the rate of 5 per centum per annum, immediately after the sinking fund.

Charge on Consolidated Revenue Fund.

31. The sinking fund shall be continued until all principal and interest of the loan, and all sums issued out of the Consolidated Fund of the United Kingdom, under "The Canada Railway Loan Act, 1867," and all interest thereon are fully discharged, or until the sinking fund and its accumulations are adequate to discharge so much thereof as remains undischarged.

Continuance of sinking fund.

32. The Government of Canada is hereby empowered to raise, by loan, for the completion of the railway, a further sum not exceeding 1,000,000 *l.* sterling (without guarantee by the Commissioners of Her Majesty's Treasury), and the Consolidated Revenue Fund of Canada shall be, and the same is, hereby charged with the money so raised and interest, immediately after the charges made thereon in pursuance of the five next preceding sections of this Act.

Loan (without Imperial guarantee).

33. For the purpose of effecting the loan, the interest of which is to be guaranteed in manner hereinbefore mentioned, it shall be lawful for the Governor to authorise debentures to the amount of 3,000,000 *l.* sterling, to be issued in such form, and payable at such period, and for such sums, and at such rate of interest, as shall be most convenient, and as shall be in accordance with the terms of "The Canada Railway Loan Act, 1867."

Effecting of guaranteed loan by issue of debentures.

34. For the purpose of effecting the loan of 1,000,000 *l.* sterling, mentioned in the 32nd section of this Act, or any part thereof, it shall be lawful for the Governor in Council to authorise the issue of debentures either in currency or sterling money, in such form, bearing such rate of interest, not exceeding 6 per centum per annum, in such sums and payable at such periods as may be most convenient; or it shall be lawful for the Governor in Council to issue permanent Canadian Stock, or Terminable Annuities, or Exchequer Bills, or securities in any other form that may be most convenient, and as shall be in accordance with "The Canada Railway Loan Act, 1867."

Effecting of loan secondly mentioned.

35. Separate accounts of the monies raised under this Act shall be kept by the Receiver General, and all sums required for the carrying out of this Act shall be paid out of such monies, and not out of any other fund, except that the Governor in Council may authorise the advance, out of the Consolidated Revenue Fund, of such sums as it may be necessary to expend for the purposes aforesaid, before the said loans can be raised, such sums to be repaid to the Consolidated Revenue Fund out of the loans.

Accounts.
Advances and their repayment.

— No. 2. —

The Secretary to the Treasury to the Under Secretary for the Colonies.

Sir,

Treasury Chambers, 13 February 1868.

I AM directed by the Lords Commissioners of Her Majesty's Treasury to state, for the information of the Duke of Buckingham and Chandos, that my Lords approve generally of the Act of the Canadian Legislature, 31 Vict. c. 13, for the construction