



CHAPTER 58.

An Act to Incorporate the Kaslo and Lardo-Duncan Railway Company.

[8th May, 1897.]

WHEREAS a petition has been presented for an Act to incorporate a company for the purpose of constructing and operating a railway in the District of West Kootenay from Kaslo by Kootenay Lake to Lardo; thence to Upper Kootenay Lake; thence by Duncan River to its headwaters, with a branch beginning at or near Lardo River to and by Trout Lake; and thence to Lardeau on Arrow Lake, with power to build, maintain and operate wharves, docks, steamboats, telegraph and telephone lines, and branch lines of railway, telegraph or telephone to any mine or mines in said District, also to enter into and expropriate land for any of the purposes aforesaid in the usual manner, with all other powers, rights or privileges, necessary, useful, incidental or conducive to the attainment of the foregoing purposes, or any of them :

Preamble

And whereas it is expedient to grant the prayer of said petition :

Therefore, Her Majesty, by and with the advice and consent of the Legislative Assembly of the Province of British Columbia, enacts as follows :—

1. D. W. Moore, of Kaslo, broker, and Franklin McKay, barrister, and Daniel James Munn, capitalist, both of the City of Westminster, in the Province of British Columbia, together with such other persons, firms, and corporations as shall, in pursuance of this Act, become shareholders of the Company hereby incorporated, are hereby constituted a body corporate and politic, by the name of the "Kaslo and Lardo-Duncan Railway Company."

2. The capital stock of the Company shall be two million five hundred thousand dollars, divided into twenty-five thousand shares of one hundred dollars each, which shares shall be transferable in such

Capital stock.

manner and upon such conditions as shall be provided by the by-laws of the Company, and such shares, or any part thereof, may be granted and issued as paid up shares for value received, or services rendered to the Company, either in money at par, or at such price and upon such conditions as the Board of Directors may fix, or as part or all of the consideration for any contract by the Company.

Increase of capital stock.

3. The capital stock of the Company may be increased from time to time to any amount, if such increase be sanctioned by vote, in person or by proxy, of the shareholders who hold at least two-thirds in amount of the subscribed stock of the Company, at a meeting expressly called by the Directors for that purpose by a notice in writing to each shareholder, delivered to him personally, or properly directed to him at his last known place of abode, and deposited in the post office at least thirty days previously to such meeting, stating the time and place and object of such meeting, and the amount of the proposed increase, and the proceedings of such meetings shall be entered in the minutes of the proceedings of the Company, and thereupon the capital stock may be increased to the amount sanctioned by such vote.

Provisional Directors.

4. The persons named in section 1 of this Act are hereby constituted the Provisional Directors of the Company, with power to add to their number, but so that the Directors shall not in all exceed fifteen in number. The Board of Directors so constituted shall have all the powers hereby conferred upon the Directors of the Company, and they shall hold office until the first election of Directors under this Act.

Qualification and number of Directors.

5. Each of the Directors of the Company hereby appointed or elected, shall hold at least twenty shares of the stock of the Company, but the number of Directors to be hereafter elected by the shareholders shall be such number, not exceeding fifteen, as shall be fixed by by-law, and subject to the same conditions as the Directors appointed by or under the authority of the last preceding section. The number thereof may be hereafter altered from time to time in like manner; the votes for their election to be by ballot.

Directors not disqualified by receiving pay.

6. No Director shall be disqualified from holding office by reason of or on account of his being connected, directly or indirectly, as partner in any other company or association, or in any contract with the Company, or on account of his receiving any pay or remuneration for attending to the affairs of the Company.

Quorum of Directors.

7. The majority of Directors shall form a quorum of the Board, and, until otherwise provided by by-law, Directors may vote and act by proxy, such proxy to be held by a Director only, and no meeting of Directors shall be competent to transact business unless three Directors are present thereat in person, the remaining number of Directors required to form a quorum being represented by proxies.

8. The Board of Directors may appoint from out of their number an Executive Committee, composed of at least three Directors, for the transaction of ordinary business of the Company, with such powers and duties as shall be fixed by the by-laws, and the President shall be ex-officio a member of such Committee.

Executive Committee.

9. The chief place of business of the Company shall be at the City of Kaslo, but the Company may from time to time, by by-law, appoint and fix other places within or beyond the limits of Canada, at which the business of the Company may be transacted, and at which the Directors or shareholders may meet when called, as shall be determined by the by-laws.

Chief place of business Kaslo.

10. The first annual meeting of the shareholders of the Company for the appointment of Directors, shall be held on the first Monday in October, one thousand eight hundred and ninety seven, at the principal office of the Company at Kaslo, and the annual general meeting of the shareholders for the election of Directors, and the transaction of business generally, shall be held on the same day in each year thereafter at the same place, unless otherwise provided by the by-laws; and notice of each such meeting shall be given by publication thereof in the British Columbia Gazette for four weeks, and by such further means as shall from time to time be directed by the by-laws.

First and other annual meeting for election of Directors and otherwise.

11. No failure to elect Directors or to hold the first or any annual meeting shall operate as a dissolution of the Company, but anything omitted to be done may be afterwards performed at a meeting called in conformity with the by-laws, or at a meeting called specially for the purpose.

Failure to hold meeting not to operate as a dissolution.

12. Special general meetings of the shareholders may be convened in such manner as shall be provided by the by-laws, and, except as hereinafter provided, notice of such meeting shall be given in the same manner as notice of annual general meetings; the purpose for which such meeting is called shall be mentioned in the notice thereof, and a copy of such notice shall be sent to each shareholder by mail, post paid, to the last known address of such shareholder at least thirty days before such meeting, and, except as herein provided, all such meetings shall be held at the chief place of business of the Company.

Special meetings of shareholders.

13. If at any time before the first annual meeting of the shareholders of the Company, it should become expedient that a meeting of the Directors of the Company, or a general special meeting of the shareholders of the Company, should be held before such meeting can be conveniently called, and notice thereof given in the manner provided by this Act, or by the by-laws, or before by-laws in that behalf have been passed, and at a place other than the chief place of business of the Company in Kaslo, before the enactment of the by-law

Special meetings of Directors or shareholders before first annual meeting.

authorising the holding of the meeting elsewhere, it shall be lawful for the President, or for any three of the Directors of the Company, to call special meetings either of Directors or of shareholders, or of both, to be held at such times and places respectively as may be determined, such times and places to be stated in the notices to be given of such meetings respectively; and notices of such meetings may be validly given by a circular mailed to the ordinary address of each Director or shareholder, as the case may be, in time to enable him to attend such meeting, stating in general terms the purpose of the intended meeting, and in case of a meeting of shareholders, the proceedings of such meeting shall be held to be valid and sufficient, and to be binding on the Company in all respects if every shareholder of the Company be present thereat in person or by proxy, notwithstanding that notice of such meeting shall not have been given in the manner required by this Act.

Proxy to be a shareholder.

14. Unless otherwise provided by the by-laws, the person holding the proxy of a shareholder shall be himself a shareholder.

Amount of calls on unpaid shares.

15. No call upon unpaid shares shall be made for more than ten per centum upon the amount thereof, and thirty days shall intervene between each call.

Construction and route of "The Kaslo and Lardo-Duncan Railway."

16. The Company may lay out, construct, acquire, equip, maintain and operate a line of railway, with one or more tracks, either standard or narrow gauge, in the District of West Kootenay, from Kaslo by Kootenay Lake to Lardo; thence to a point on Upper Kootenay Lake; thence by Duncan River to its headwaters, with a branch beginning at or near Lardo River to and by Trout Lake; and thence into Lardeau on Arrow Lake, and also branches from any points along said line of railway to any mines in said district, no branch to exceed twenty miles in a direct line from the main line of railway, and the said line of railway and branches, and any extensions thereof that shall hereafter be constructed or acquired, shall constitute the line of railway herein called the "Kaslo and Lardo-Duncan Railway Company."

Telegraph and telephone lines.

17. The Company may construct, maintain, and work telegraph and telephone lines throughout and along the whole line of the Kaslo and Lardo-Duncan Railway, or any part or parts thereof, and may also construct, or acquire by purchase, lease or otherwise, any line or lines of telegraph connecting with the line so to be constructed along the line, or part of the line, of the said railway; and may undertake to transmit any messages for the public by any such line or lines of telegraph or telephone, and collect tolls for so doing, or may lease such line or lines of telegraph or telephone, or any portion thereof. And they may use any improvements that may hereafter be invented (subject to the rights of the patentees) for telegraphing or telephoning, and any other means of communication that may be deemed expedient

by the Company at any time hereafter: Provided, however, no Act of this Legislature requiring the Company in case efficient means are devised for carrying telegraph or telephone wires under ground, to adopt such means, and abrogating the right given by this Act to continue carrying lines on poles through cities, towns, or incorporated villages shall be deemed an infringement of the privileges granted by this Act. Wires underground.

18. The "Vancouver Island Telegraph Regulation Act" shall extend and apply to the telegraph and telephone lines constructed under the authority of this Act. "Vancouver Island Telegraph Regulation Act."

19. The Company may purchase, build, charter or otherwise acquire, equip, maintain, sell or dispose of and navigate and work steamers and other vessels in and upon the waters of British Columbia, in connection with the said undertaking, and generally to do all acts and things necessary, usual or incidental in and to the exercise of the powers, rights and privileges granted by this Act, in so far as the Legislature of this Province has power to grant same; and the generality of the latter part of this clause is not to be held to be restricted by the specific mention of any of the rights and privileges by this Act conferred, or to impair or derogate from the same, and shall be deemed and taken to include any right and privilege acquired by the Company incidental to the exercise of the powers by this Act granted. Steamers and other vessels.

20. The Company may erect, maintain or work docks, dockyards, wharves, slips, piers, elevators, dépôts and buildings necessary or convenient for the purposes of the Company at any point on or in connection with the Kaslo and Lardo-Duncan Railway. Docks, wharves, depots and buildings.

21. The Directors may, from time to time, make and prescribe such by-laws as to them appear needful and proper to provide for the remuneration of the President and Directors of the Company, or of any Executive Committee of such Directors, the transfer of stock and shares, the registration, inscription and transfer of stock, shares and bonds, the payment of dividends and interest, the election of Directors, increasing and decreasing the number of Directors, the procedure at general meetings and meetings of their own bodies, the appointment of committees, and for all other matters by this Act to be regulated by by-laws, and generally for managing the affairs and property of the Company, and for carrying out the objects contemplated by this Act not inconsistent with this Act or contrary to law, and may, from time to time, repeal, amend and re-enact the said by-laws: Provided that the said by-laws so made shall in no case have any force or effect after the next general meeting of shareholders which shall be held after the passage of such by-laws, unless they are approved of by such general meeting. By-laws.

Moneys expended previous to passage of Act.

22. All moneys expended by the Provisional Directors, or any of them, in furtherance of the undertaking authorised by this Act, either before or after the passing of this Act, shall be treated as cash advanced on account of the Company, and at the first meeting of Directors after the passing of this Act a resolution shall be passed giving credit to each Provisional Director, in the books of the Company, for such amount as he or they may have expended.

Power to receive, etc., grants of land, bonus, exemption, etc.

23. The Company may receive, take and hold, enjoy, sell, lease or otherwise dispose of, either conditionally or absolutely, or for any limited estate or interest therein, and upon such terms and conditions as the Directors deem proper, from any government, person, corporation, municipal or otherwise, any land, bonus, donations, loans, gifts of money, bonds, guarantee of bonds or interest guarantees, exemption from taxes or other impost, or any or all of same, and generally any benefit or advantage to the Company, or in aid of the same, of any nature or kind whatsoever; and the generality of the latter part of this clause is not to be held to be restricted by the specific mention of the foregoing ways and means.

Mortgage bonds.

24. The Company, under the authority of a special general meeting of the shareholders called for the purpose, at which meeting not less than two-thirds of the whole amount of stock issued shall be represented, may issue mortgage bonds to the extent of forty thousand dollars per mile of the Kaslo and Lardo-Duncan Railway, for the purposes of the undertaking authorised by the present Act, upon the whole or any part thereof, which issue shall constitute a first mortgage and privilege upon the said railway constructed or acquired, and to be thereafter constructed or acquired, and upon its real and personal property acquired, and to be thereafter acquired, including rolling stock and plant, and upon its tolls and revenues (after deducting from such tolls and revenues the working expenses), and upon the franchises of the Company, the whole as shall be declared and described as so mortgaged in any deed of mortgage as hereinafter provided: Provided always, however, that if the Company shall have issued, or shall intend to issue, land grant bonds under the provisions of the twenty-fifth section hereof, any lands granted, and to be granted to the Company, may be excluded from the operation of such mortgage and privilege; and provided, also, that such mortgages and privileges shall not attach upon any property which the Company are hereby authorised to acquire or receive, until the same have been conveyed to the Company, but shall attach upon such property, if so declared in such deed, as soon as the same shall be conveyed to the Company, and such mortgage and privilege may be evidenced by a deed or deeds of mortgage executed by the Company with the authority of its shareholders, expressed by a resolution passed at such special general meeting; and any such deed may contain such description of the

property mortgaged by such deed, and upon such conditions respecting the payment of the bonds secured thereby, and of the interest thereon, and the remedies which shall be enjoyed by the holders of such bonds, or by any trustee or trustees for them, in default of such payment, and the enforcement of such remedies, and may provide for such forfeitures and penalties in default of such payment as may be approved by such meeting, and may also contain, with the approval aforesaid, authority to the trustee or trustees, upon such default, as one of such remedies, to take possession of the railway and property mortgaged, and to hold and operate the same for the benefit of the bondholders thereof for a time to be limited by such deed, or to sell the said railway and property after such delay and upon such terms and conditions as may be stated in such deed, and with like approval. Any such deed may contain provisions to the effect that upon such default, and upon such other conditions as shall be described in such deed, the right of voting possessed by the shareholders of the Company, and by the holders of preferred stock therein, or by either of them, shall cease and determine, and shall thereafter appertain to the bondholders, or to them and to the holders of the whole or of any part of the preferred stock of the Company as shall be declared by such deed; and such deed may also provide for the conditional or absolute cancellation, after such sale, of all or any of the shares so deprived of voting power, or of any or all of the preferred stock of the Company, or both; and may also, either directly by its terms or indirectly by reference to the by-laws of the Company provide for the mode of enforcing and exercising the powers and authority to be conferred and defined by such deed under the provisions hereof; and such deed and provisions thereof, made under the authority hereof, and such other provisions hereof as so shall purport (with like approval) to grant such further and other powers and privileges to such trustee or trustees, and to such bondholders, as are not contrary to law or to the provisions of this Act, shall be valid and binding; but if any change in the ownership or possession of the said railway and property shall, at any time, take place under the provisions hereof, or of any such deed, or in any other manner, the said railway and property shall continue to be held and operated under the provisions hereof; and if the Company does not avail itself of the power of issuing bonds secured upon the land grant alone, as in this Act provided, the issue of bonds as hereby authorised may be increased to any amount not exceeding sixty-five thousand dollars per mile of the said Kaslo and Lardo-Duncan Railway, made up of the said sum of forty thousand dollars per mile of the said railway, and a further sum not exceeding five dollars per acre for all and any land granted to the Company in aid of the said railway and undertaking authorised by this Act.

25. The Company may issue mortgage bonds to the extent of five dollars per acre upon any land granted in aid of the said railway and

Land grant bonds.

of the undertaking authorised by this Act, such issue to be made only upon similar authority to that required by this Act for the issue of bonds upon the railway, and when so made such bonds shall constitute a first mortgage upon such lands, and shall attach upon them when they shall be granted, if they are not actually granted at the time of the issue of such bonds, and such mortgage may be evidenced by a deed or deeds of mortgage to be executed under like authority to the deed securing the issue of bonds on the railway, and such deed or deeds of mortgage to be executed under like authority to the deed securing the issue of bonds on the railway, and such deed or deeds under like authority may contain similar conditions, and may confer upon the trustee or trustees named thereunder, and upon the holders of the bonds secured thereby, remedies or authorities, power and privileges, and may provide for forfeitures and penalties similar to those that may be inserted and provided for under the provisions of this Act in any deed securing the issue of bonds on the railway, together with such other provisions and conditions, not inconsistent with law or this Act, as shall be so authorised. And such bonds may be styled Land Grant Bonds.

Lithographed signatures.

26. If it is provided by the mortgage deed executed to secure the issue of bonds that any of the signatures to bonds, or to the coupons thereto appended, may be engraved, stamped or lithographed thereon, such engraved, stamped or lithographed signature shall be valid and binding on the Company.

Denomination of bonds, etc.

27. The bonds authorised by this Act to be issued upon the railway and upon any land that may be granted to the Company, or upon both, may be so issued in whole or in part in the denomination of dollars, pounds sterling, or francs, or in any or all of them, and the coupons may be for payments in denominations similar to those of the bonds to which they are attached, and the whole or any of such bonds may be pledged, negotiated, or sold upon such conditions and at such price as the Board of Directors shall from time to time determine. And provision may be made by the by-laws of the Company, that after the issue of any bond the same may be surrendered to the Company by the holder thereof, and the Company may in exchange therefor issue to such holder inscribed stock of the Company, which inscribed stock may be registered or inscribed at the chief place of business of the Company, or elsewhere, in such manner and with such rights, liens, privileges, and preferences, at such place and on such conditions, as shall be provided for by the by-laws of the Company.

Registration of bonds.

28. It shall not be necessary, in order to preserve the priority, lien, charge, mortgage, or privilege purporting to appertain or be created by any bond issued or mortgage deed executed under the provisions of this Act, that such bond or deed should be registered in any manner

or in any place whatever, but a duplicate original of every such mortgage deed shall be deposited in the office of the Registrar-General of Titles, and in like manner a duplicate original of any agreement entered into by the Company under section 29 of this Act shall also be deposited in the said office, and a copy of any such mortgage deed or agreement so filed, certified to be a true copy by the Registrar-General of Titles, shall be received as *prima facie* evidence of the original in all Courts of Justice, without proofs of the signatures or seals upon such original.

29. If at any time an agreement be made by the Company with any person intending to become a bondholder of the Company, or be contained in any mortgage deed executed under the authority of this Act, restricting the issue of bonds by the Company under the powers conferred by this Act, defining or limiting the mode of exercising such powers, the Company, after the deposit thereof with the Registrar-General of Titles, as hereinbefore provided, shall not act upon such powers otherwise than as defined, restricted, and limited by such agreement; and no bond thereafter issued by the Company, and no order, resolution, or proceeding thereafter made, passed or had by the Company or by the Board of Directors, contrary to the terms of such agreement, shall be valid and effective.

Agreements restricting issue of bonds.

30. The Company may, from time to time, issue guaranteed or preferred stock, at such prices, to such amount, and upon such conditions as to the preferences and privileges thereto, or to different issues or clauses thereof, and otherwise, as shall be authorised by the majority in value of the shareholders present in person or represented by proxy at any annual meeting, or any special general meeting thereof called for the purpose, notice of intention to propose such issue at such meeting being given in the notice calling such meeting, and not less than two-thirds in value of the whole stock issued being represented at such meeting; but the guarantee of preference to such stock accorded shall not interfere with the lien, mortgage, and privilege attaching to bonds issued under the authority of this Act. And the holders of such preferred stock shall have such power of voting at meetings of the shareholders as shall be conferred upon them by the by-laws of the Company.

Preferred stock.

31. The phrase "working expenses" shall mean and include all expenditures of maintenance of the railway and the stations, buildings, works and conveniences belonging thereto, and of the rolling and other stock, and moveable plant used in the working thereof, and also all such tolls, rents, or annual sums as may be paid in respect of the hire of engines, carriages, waggons, etc., let to the Company; and also all rents, charges, or interest on the purchase money of land belonging to the Company, purchased but not paid for, or not fully paid for, and

"Working expenses," meaning of.

also all expenses of and incidental to working railway and traffic thereon, including stores and consumable articles; also rates, taxes, insurance, and compensation for accident or losses; and also all salaries and wages of persons employed in or about the working of the railway and traffic, and all office and managing expenses, including Directors' fees, agency, legal, and other expenses.

Lands held for sale may be conveyed to Trustees.

32. The lands acquired by the Company and held for sale for the purpose thereof may be conveyed to the Trustees, to be held and conveyed by them upon the trusts and for the purposes herein declared in reference to such lands, and all moneys arising from the sale of such lands shall be held and applied in trust for the purposes following, that is to say:—First, in payment of the expenses connected with the acquisition, survey, management and sale of the said lands; secondly, in payment of the interest on bonds secured by such lands from time to time; thirdly, in payment and redemption of the said bonds when and as they become due; and, fourthly, for the general purposes of the Company.

Release of lands sold from lien, etc.

33. All lands sold and conveyed by the Company and the said Trustees, after a conveyance thereof to them upon the trusts aforesaid, and which have been paid for in cash, shall be forever released and discharged from all mortgages, liens and charges of any kind or nature by this Act or by the Company created, and the purchase money arising from the sale of such land shall be applied in accordance with the trusts in the last preceding section declared.

Bonds, etc., transferable by delivery.

34. All bonds, preference stock, debentures and other securities hereby authorised, and coupons and interest warrants thereon respectively, may be made payable to bearer, and shall in that case be transferable by delivery without regard to any equities between the holder or holders thereof and the Company.

Timber, gravel, etc., from public lands.

35. It shall be lawful for the Company, with the consent of the Chief Commissioner of Lands and Works, to take from any public lands adjacent to or near the line of the said railway, all stone, timber or gravel and other material which may be necessary or useful for the construction of the railway, and also where necessary to fill in upon public lands.

Time of commencement and completion of work.

36. The work of construction of the main line of railway shall be commenced within two years from the passage of this Act, and shall be completed within four years from such commencement: nevertheless, failure to comply with the conditions of this section shall not prejudice the rights, powers or privileges of the Company in respect of such parts thereof as shall, at the expiration of such limited periods, be constructed, nor any other rights, powers or privileges of the Company by this Act conferred.

37. The clauses or sections of the "British Columbia Railway Act" shall, in so far as the Legislature of the Province has power to enact the same, apply to this Company, in the same manner and to the same extent as if the same had been set forth clause by clause in this Act, save and except that in case of any conflict, inconsistency or repugnancy between the other clauses of this Act and the clauses or sections of the said "Railway Act" so made a part of this Act, the other clauses of this Act shall prevail and override any clauses or sections of the "Railway Act" so incorporated herewith to the extent of any such conflict, inconsistency or repugnancy; and provided further, that none of the provisions of the clauses or sections of such "Railway Act" so adopted shall in anywise restrict or curtail any of the powers, rights and privileges by the other clauses of this Act conferred upon the Company, but all powers and privileges referred to in the said clauses or sections of the said "Railway Act" shall be deemed to be in addition to and in furtherance of the powers, rights and privileges conferred upon the Company by the other clauses of this Act.

Application of "British Columbia Railway Act."

38. The stock of the Company shall be personal property. No shareholders of the Company shall, in any manner, be liable to or be chargeable or be charged with the payment of any debt or demand due by the Company, or any sum beyond the amount unpaid on his, her or their subscribed shares in the capital stock of the Company.

No Stock to be personalty.

39. This Act may be cited as the "Kaslo and Lardo-Duncan Railway Company Act, 1897."

Short title.

VICTORIA, B. C. :

Printed by RICHARD WOLFENDEN, Printer to the Queen's Most Excellent Majesty.

1897.