



## CHAPTER 55.

### An Act to Incorporate the Kootenay & North-West Railway Company.

[*May 20th, 1898.*]

**W**HEREAS a petition has been presented, praying for the incorporation of a company for the purpose of constructing, equipping, operating, and maintaining a standard or narrow gauge railway from some point at or near Golden, in East Kootenay District; thence in a southerly direction up the valley of the Columbia River, on either the east or west side of the said Columbia River, to or near to the Canal Flat at the south end of the Upper Columbia Lake, by the most feasible route; thence in a southerly direction down the valley of the Kootenay River, on either the east or west side of the said Kootenay River, by the most feasible route, to a point at or near Cranbrook, on the British Columbia Southern Railway; with the further power to construct, equip, operate, and maintain a standard or narrow gauge railway from some point at or near Golden, in East Kootenay District, or from some point at or near Golden, on the line of railway aforesaid to be built southerly from Golden; thence in a northerly direction, by the most feasible route through the valleys of the Columbia, Canoe, Fraser, and Parsnip Rivers, on either the east or west sides thereof, passing near Fort McLeod, on McLeod Lake; thence continuing along the valley of the Parsnip River in a northerly direction to the 56th parallel of latitude; thence northerly, crossing the 56th, 57th, 58th, and 59th degrees of latitude by the most feasible route, to the valley of the Liard River, within the 59th and 60th degrees of latitude and west of the 124th degree of longitude, and thence by the most feasible route, either up or down the valley of the Liard River, to the northerly boundary of the Province; or westerly by the most feasible route to a point at or near Teslin Lake, at the northerly boundary of the Province; with power to construct branch lines, and also power to

Preamble

build and operate branch lines from time to time to groups of mines from any point on the main line, or any of its branches, with the power in operating the railway and its branches to use steam, electricity, or other motive power; with power to build telegraph and telephone lines for the purposes of the Company, and for transmission of messages for the public and commercial purposes; with power to build all necessary bridges, roadways, wharves, and docks, and own and operate ferries; and with power to equip and maintain steam and other vessels, and operate the same in connection with the railway and its branches on any navigable water along or near to the line of railway and its branches; and with power to acquire water rights, and to generate electricity for operating the railway and any of its branches, and for the supply of light, heat, and other power; and with power to expropriate lands for the purposes of the Company, and to acquire lands, bonuses, privileges, or other aids from any Government, municipal corporation, or persons or bodies corporate, and to levy and collect tolls from all persons using and on all freight passing over any of such roads, ferries, wharves, and carried on the vessels built, used, or operated by the Company; and with power to lease, make traffic or other arrangements with railway, steamboat, or other companies, and for all other usual and necessary or incidental rights, powers, and privileges in any way conducive to the attainment of the aforesaid objects:

And whereas it is expedient to grant the prayer of the 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:—

**Incorporation.**

1. Leopold Hirsch, capitalist; Arthur Johnson Douglas, capitalist; and A. E. Mitchell-Innes, capitalist, all of London, England, and such other persons 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 Kootenay and North-West Railway Company."

**Construction and route of railway.**

2. The Company may lay out, construct, equip, maintain, and operate a line of railway with one or more tracks of a standard or narrow gauge railway from (a) some point at or near Golden, in East Kootenay District, in the Province of British Columbia; thence in a southerly direction up the valley of the Columbia River, on either the east or west side of the said Columbia River, to or near to the Canal Flat at the south end of the Upper Columbia Lake, by the most feasible route (hereinafter called section 1): (b) thence in a southerly direction down the valley of the Kootenay River, on either the east or west side of the said Kootenay River by the most feasible route, to a point at or near Cranbrook, on the British Columbia Southern Railway (herein-

after called section 2): with the further power to construct, equip, maintain, and operate a line of railway with one or more tracks of a standard or narrow gauge from (c) some point at or near Golden, in said East Kootenay District, or from some point at or near Golden on the line of railway hereinbefore empowered to be built southerly from Golden; thence in a northerly direction by the most feasible route through the valleys of the Columbia, Canoe, and Parsnip Rivers, on either the east or west sides thereof, passing near Fort McLeod on McLeod Lake (hereinafter called section 3): (d) thence continuing along the valley of the Parsnip River in a northerly direction to the 56th parallel of latitude (hereinafter called section 4): (e) thence northerly, crossing the 56th, 57th, 58th, and 59th degrees of latitude by the most feasible route, to the valley of the Liard River, within the 59th and 60th degrees of latitude and west of the 124th degree of longitude (hereinafter called section 5): and (f) thence by the most feasible route, either up or down the valley of the Liard River, to the northerly boundary of the Province, or westerly by the most feasible route to a point at or near Teslin Lake, at the northerly boundary of the Province (hereinafter called section 6); with power to construct branch lines, and also power to build and operate branch lines from time to time to groups of mines from any point on the main line, or any of its branches; with the power in operating the railway, or any of its branches, to use steam, electricity, or other known motive power, or any motive power which may be hereafter known and capable of practical use; and the said railway and branches thereof that shall hereafter be constructed or acquired by the Company shall constitute a line of railway called "The Kootenay and North-West Railway Company."

3. The Company may construct, maintain, and work continuous telegraph and telephone lines throughout and along the whole line of the said railway, or any part thereof, and along any branch lines, and may also construct or acquire, by purchase, lease, or otherwise, any line or lines of telegraph or telephone connecting with the line so to be constructed along the line of the said railway, and may undertake to transmit any messages for the public by any such line or lines of telegraphing or telephoning, 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:

- (a.) No Act of this Legislature requiring the Company, in case efficient means are devised for carrying telegraph, telephone, or electric wires underground, to adopt such means, and abrogating the right given by this Act to continue carrying lines on poles,

shall be deemed an infringement of the privilege granted by this Act.

Steamers, ferries,  
etc.

4. The Company may purchase, build, charter, or otherwise maintain, sell, lease, and dispose of, navigate and work steamers, ferries, and other vessels in and upon the inland and coast waters of British Columbia in connection with the said undertaking.

Wharves, etc.

5. The Company may erect, maintain, or work docks, dockyards, wharves, ships, piers, elevators, depôts, and buildings necessary or convenient for the purposes of the Company.

Amount of capital.

6. The capital stock of the Company shall be two million dollars, divided into shares of one hundred dollars each, which shares shall be transferable in such 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 by the Company either in money at par or at such price and upon such conditions as the Directors may fix, or as part or any of the consideration of any contract or services rendered by or on behalf of or for the benefit of the Company.

Increase of stock.

7. The capital stock of the Company may be increased from time to time to any amount if such increase be sanctioned by a vote, in person or by proxy, of the shareholders representing not less than two-thirds in value of the subscribed capital of the Company, such sanction to be given at a meeting called expressly by the Directors for that purpose by a notice published in the British Columbia Gazette for thirty days, and 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 previous 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 meeting 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.

8. The said Leopold Hirsch, capitalist; Arthur Johnson Douglas, capitalist; and A. E. Mitchell-Innes, capitalist, all of London, England, whose names are set forth in section 1 (one) 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 exceed ten 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.

Power to exclude or rescind subscription.

9. The Provisional or elected Directors of the Company may, in their discretion, exclude any one from subscribing for stock in the Company, or rescind the subscription and return the deposit of any

person, if they are of the opinion that such person would hinder, delay, or prevent the Company from proceeding with and completing their undertaking under the provisions of this Act; and if at any time more than the whole stock shall have been subscribed, the said Board of Directors shall allocate and apportion it amongst the subscribers as they shall deem most advantageous and conducive to the furtherance of the undertaking, and in such allocation the Directors may, in their discretion, exclude any one or more of the subscribers, if, in their judgment, this will best secure the building of the said railway.

Apportionment of subscription in excess.

**10.** It shall be lawful for the Directors, in procuring subscriptions for stock, to allot such stock in such amounts, and subject to the payment of such calls, of such amount, and at such times, and at such discount as they may think fit, and to stipulate for the payment of the purchase money at the time of subscription or by instalments; and the amount of every such instalment, as and when payable, shall be deemed to be money due in respect of a call made in accordance with the provisions contained in section 35 of the "British Columbia Railway Act"; and non-payment of any such instalment shall carry with it all the rights, incidents, and consequences as mentioned in the said Act, as in the case of a call due by a shareholder on a share.

Allotting of stock.

**11.** The said Provisional Directors, or elected Directors, may pay or agree to pay, in paid-up stock, or in the bonds of the Company, or in both stock and bonds, such sums as they may deem expedient, to engineers or contractors, or for right of way or material, plant or rolling stock; and also, when sanctioned by a vote of the shareholders at any general meeting, for the services of promoters or other persons who may be employed by the Directors for the purpose of assisting the Directors in the furtherance of the undertaking, or purchase of the right of way, material, plant, or rolling stock, whether such promoters or other persons be Provisional or elected Directors or not; and any agreements so made shall be binding on the Company.

Payment in paid-up stock.

**12.** 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 that purpose.

Failure to hold first meeting, etc.

**13.** In the election of Directors under this Act, no person shall be a Director unless he shall be the holder and owner of at least ten shares of the stock of the Company, upon which all calls have been paid.

Director, qualification for.

**14.** No Director shall be disqualified from holding office by reason of or on account of his being concerned, directly or indirectly, or as a partner in a firm, or in any other company or association having business dealings with the Company, or contracts with the Company,

Director not disqualified by holding office, etc.

or concerned in any way by contract or otherwise with the Company, or holding office thereunder, or on account of his receiving any salary or remuneration from the Company.

Quorum, etc.

**15.** The majority of the 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 the Directors shall be competent to transact business unless three Directors are present thereat in person, and the remaining number of Directors required to form a quorum are represented by proxies.

Executive Committee.

**16.** The Board of Directors may appoint from out of their number an Executive Committee for the transaction of the ordinary business of the Company, with such powers and duties as may be fixed by the by-laws, and the Chairman shall be ex-officio a member of such committee.

Chief place of business.

**17.** The chief place of business and head office of the Company shall be at the City of Victoria, British Columbia, and 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.

First annual meeting.

**18.** The first annual meeting of the shareholders of the Company for the appointment of Directors, shall be held at the head office of the Company, on the first Monday in January, one thousand eight hundred and ninety-nine, 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, unless otherwise provided by the by-laws; and notice of such meeting shall be given in the same manner as provided in section 7 of this Act.

Borrowing power.

**19.** The Company shall be entitled to borrow money on mortgages, bonds or debentures.

Special general meetings.

**20.** 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 meetings shall be given in the same manner as notices of annual general meetings; the purpose for which such meeting is called shall be mentioned in the notices thereof, and, except as herein provided, all such meetings shall be held at the head office of the Company.

Special general meeting before first annual meeting.

**21.** 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 special general meeting of the shareholders of the Company, should be held before such meeting can be conveniently called, and notice thereof given in the manner pro-

vided by this Act, or by the by-laws or before the by-laws in that behalf have been passed, and at a place other than the head office of the Company, before the enactment of the by-law authorising the holding of such meeting, it shall be lawful for the Chairman or any three Directors of the Company to call special meetings either of the Directors or 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 publication in the British Columbia Gazette, and by a circular mailed to the ordinary address of each Director or Shareholder, as the case may be, 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, notwithstanding that notice of such meeting shall not have been given in the manner required by this Act; the notice of such meetings shall appear in two issues of the British Columbia Gazette, and be given by circular for a date not sooner than twenty-one days from the mailing of such circulars.

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

**23.** Calls upon unpaid shares may be made at any time; provided Calls. however, that no such call shall be made for more than ten per centum of the amount of such subscribed stock, and at least thirty days must intervene between each call and not more than fifty per cent. shall be called in any one year for such per centum upon the amount thereof, as the Directors may determine.

**24.** The Directors may from time to time make and prescribe such By-laws. by-laws as to them appear needful and proper to provide for the remuneration of the Chairman and the Directors of the Company, or any of the Executive Committee; 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; 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 from time to time to repeal, amend and re-enact the said by-laws.

**25.** All contracts made and all moneys expended by the Provisional Directors in connection with the Company or upon its behalf, either Moneys, etc., expended before passing of Act, etc. before or after the passing of this Act, shall be treated as engagements made or cash advanced on account and on behalf of the Company, and

at the first meeting or any subsequent meeting of the Directors after the passing of this Act resolutions may be passed confirming and giving credit for the same, and paid-up shares or partly paid-up shares may be issued in liquidation of any claims arising thereout or upon credit given as aforesaid.

Power to acquire, hold, etc., land, donations, etc.

**26.** The Company may receive, take, 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 may 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.

Borrowing powers.

**27.** The Company, under the authority of a vote of the majority of the issued capital stock of the Company at a special general meeting of the shareholders called for the purpose, at which meeting at least two-thirds of the subscribed stock of the Company shall be represented in person or by proxy, may dispose of the undertaking in whole or in part, or may issue, in addition to such other power of borrowing that the Company may have under the "British Columbia Railway Act," mortgage bonds for the purpose of the undertaking authorised by the present Act, and in case mortgage bonds are issued such issue shall constitute a first mortgage and privilege upon the said railway, or all or part of its real or personal property acquired, and to be hereafter 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 bonds under the provisions of the twenty-eighth section hereof, any lands or other property acquired or to be acquired by the Company, may be excluded from the operations of such mortgages and privileges; and provided, also, that such mortgage and privileges, shall not attach upon any property which the Company are hereby authorised to acquire or receive until the same shall 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 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 of 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 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 property after such delay and upon such terms and conditions as may be stated in such deed 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 the 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 shares 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 thereof, and such deed and the provisions thereof, under the authority hereof, and such other provisions thereof as 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 property shall at any time take place under the provisions hereof or of any such deed, or in any other manner, the said property shall continue to be held and operated under the provisions hereof.

**28.** The Company may dispose of, or issue mortgage bonds upon Land bonds. any lands granted for any estate therein in aid of the said railway, and of the undertaking authorised by this Act, such mortgage bond issues 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 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, powers 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 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 Bonds."

Signatures to bonds,  
etc.

**29.** If it is provided by the mortgage 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.

**30.** The bonds authorised by this Act to be issued upon the railway and upon any land that may be granted to the Company, or both, may be so issued in whole or in part in the denominations of dollars, pounds sterling, or francs, or in any or all of them, and the coupons may be for payment 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 head office of the Company, or elsewhere, in such manner, with such rights, lien, privileges, and preferences, at such place, and on such conditions as shall be provided for by the by-laws of the Company.

Registration of  
mortgages, etc.

**31.** It shall not be necessary in order to preserve the priority, lien charge, mortgage, or privilege purporting to appertain or to 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 notarial copy of every such mortgage deed shall be deposited and filed in the office of the Registrar-General of Titles, of which deposit and filing notice shall be given in the British Columbia Gazette, and in like manner a notarial copy of any agreement entered into by the Company under sections 27 and 28 of this Act, shall also be deposited and filed 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 *primâ facie*

evidence in all Courts of Justice without proofs of the signatures or seal upon such original.

**32.** If at any time an agreement be made by the Company with any person 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 with bondholders restricting issue of bonds.

**33.** The Company may from time to time issue guaranteed or preferred stock at such price, to such amount, and upon such conditions as to the preferences and privileges thereto, or to different issues or classes thereof, and otherwise as shall be authorised by the majority in value of the shareholders, such authority to be given at an annual meeting or at any special general meeting thereof called for the purpose, at which meeting shareholders representing at least two-thirds in value of the subscribed capital of the Company shall be present in person or by proxy, notice of intention to propose such issue at such meeting being given in the notice calling such meeting; but the guarantee or 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.

Guaranteed and preferred stock.

**34.** The phrase "working expenses" shall mean and include all expenditures of maintenance of the undertaking and the buildings, works, and conveniences belonging thereto, and of the rolling and other stock and movable plant used in the working thereof, and all such tolls, rents, or annual sums as may be paid in respect of hire of machinery, engines, carriages, or waggons let to the Company, also all rents, charges, or interest on the purchase money of land belonging to the Company, purchased but not paid for, and also all expenses of and incidental to working, undertaking, and traffic thereon, including stores and consumable articles, also rates, taxes, insurance, and compensation for accidents or losses, also all salaries and wages of persons employed in or about the working of the undertaking and traffic and all offices and managing expenses, including directors' fees, agency, legal, and other like expenses.

Meaning of "working expenses."

Trusts of moneys realized from sale of lands held for sale.

**35.** Any lands acquired by the Company and held for sale for the purpose thereof, may be conveyed to trustees, to be held or 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: (firstly), in payment of the expenses connected with acquisition, survey, management, and sale of 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 as they become due; and (fourthly), for the general purposes of the Company.

After sale lands released

**36.** All lands sold and conveyed by the Company and the said trustees, after a conveyance thereof to them upon the trusts aforesaid, 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.

Bonds, how payable, etc.

**37.** All bonds, preference stock, debentures and other securities hereby authorised, and the 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.

Liability on shares.

**38.** The stock of the Company shall be personal property. No shareholder of the Company shall in any manner be liable to or be chargeable or 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.

Taking of stone, etc.

**39.** It shall be lawful for the Company, subject to 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.

Power to purchase whole lots instead of rights of way only.

**40.** Whenever it shall be necessary, for the purpose of procuring sufficient lands for stations, or gravel pits, or for constructing, maintaining, and using the said railway, and in case by purchasing the whole of any lot or parcel of land over which the railway is to run, the Company can obtain the same at a more reasonable price or to greater advantage than by purchasing the railway line only, the Company may purchase, hold, use, and enjoy such lands, and also the right of way thereto, if the same be separated from their railway, and may mortgage, sell, and convey the same, or any part thereof, from time to time, as they may deem expedient; but the compulsory clauses of the "British Columbia Railway Act" shall not apply to this section.

Sidings, etc., to take stone, gravel, etc.

**41.** When said gravel, stone, earth, or sand shall be taken under the preceding section of this Act, at a distance from the line of railway,

the Company may lay down the necessary sidings and tracks over any lands which may intervene between the railway and the lands on which said material shall be found, and all the provisions of the "British Columbia Railway Act," and of this Act, shall apply and may be used and exercised to obtain the right of way from the railway to the land on which such materials are situated ; and such rights may be so acquired for a term of years, or permanently, as the Company may think proper ; and the powers in this and preceding section may at all times be exercised and used in all respects, after the railway is constructed, for the purpose of repairing and maintaining the said railway.

**42.** The Company shall have power to collect and receive all charges subject to which goods or commodities shall come into their possession, and on payment of such back charges, and without any formal transfer, shall have the same lien for the amount thereof upon such goods and commodities as the person to whom such charges were originally due, and shall be subrogated by such payment in all the rights and remedies of such person for such charges. Collection of charges.

**43.** The Company shall have power to purchase and hold such land as may be required at each extremity of the said railway for the purpose of building thereon storehouses, warehouses, engine houses, and other erections for the use of the Company, and the same and portions thereof in their discretion to sell, re-convey, and also to make use of, for the purpose of the said railway, any stream or water-course at or near which the said railway passes, doing, however, no unnecessary damage thereto, and not impairing the usefulness of such stream or water-course. Acquisition of land for storehouses, etc.

**44.** The Company shall have power to take and use water for generating electricity to be used as motive power in the operation of the railway or the production of any power for the operation of the railway, and for the purpose of the supplying of light, heat and power, and the carrying on the undertaking of the Company, and the Company in being empowered to apply for and exercise water privileges shall be deemed and considered to be a specially incorporated Company, under the provisions of Part IV. of the "Water Clauses Consolidation Act, 1897," and to have and to exercise all the powers and privileges of a company specially incorporated for the purpose of applying for, obtaining, exercising and using water-power privileges. "Water Clauses Consolidation Act, 1897."

**45.** The Company shall have power to agree for connections and make running arrangements with any railway company, or steamboat company, if lawfully empowered to enter into such agreement, upon terms to be approved by two-thirds in value of the shareholders at a special general meeting to be held for that purpose ; and it shall also be lawful for the Company to enter into any agreement with any rail- Running arrangements with other companies.

way company, if lawfully authorised to enter into such agreement, for the sale or leasing or hiring of their railway, or of any portion of their railway, or the use thereof, or for the sale or lease or hiring of any locomotives, tenders, plant or rolling stock, or other property, or either or of both, or of any part thereof, or touching any service to be rendered by the one company to the other, and the compensation therefor, if the arrangements and agreement shall be approved of by two-thirds in value of the shareholders voting in person or by proxy at a special general meeting to be called for that purpose, and every such agreement shall be valid and binding according to the terms and tenor thereof, and the company or companies purchasing, leasing, or entering into such an agreement for using the said railway may, and are hereby authorised to work the said railway in the same manner as if incorporated with their own line.

Aliens.

**46.** Aliens, as well as British subjects and companies incorporated abroad, whether licensed or registered in the Province of British Columbia or not, may be shareholders in the Company.

“B. C. Railway Act.”

**47.** The clauses or sections of the “British Columbia Railway Act” shall, in so far as the Legislature of this 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 in the case of any conflict, inconsistency or repugnancy between the other clauses of this Act and the clauses or sections of the “British Columbia Railway Act” so made a part of this Act, the other clauses of this Act shall prevail and override any clause or section of the “British Columbia Railway Act” so incorporated herewith, to the extent of any such conflict, inconsistency or repugnancy.

Commencement and completion of work.

**48.** The Company shall commence section one within two years and complete said section within three years, and complete section two within four years, and shall commence section three within two years and complete said section within four years from the date of the passage of this Act; and complete the remaining sections of the line of railway within six years from the date of the passing of this Act. Nevertheless, failure to complete any one or more of the said sections, or portions of any section, within the time so limited for the completion of the same respectively, shall not prejudice the rights, powers or privileges of the Company in respect of such part or parts (if any) of the sections as to which such failure shall be made as shall, at the expiration of such limited time, be made and completed, or in respect of any section or sections as to which the period so limited for the completion thereof shall not have been determined.

Chinese and Japanese.

**49.** No Chinese or Japanese person shall be employed in the construction or operation of the undertaking hereby authorised under a



penalty of five dollars per day for each and every Chinese or Japanese person employed in contravention of this section, to be recovered upon complaint of any person under the provisions of the "Summary Convictions Act, 1889," and amending Acts.

**50.** The Company shall, within six months after the passage of Security. this Act, deposit with the Provincial Government the sum of five thousand dollars, either in cash or approved bonds, as security that the Company will expend not less than ten thousand dollars in surveys or construction of the railway hereby authorised to be built, before the 30th June, 1899, and in default of such expenditure the aforesaid sum of five thousand dollars shall be forfeited to and become the property of the Government, as liquidated and ascertained damages, and not as a penalty; and should such security not be deposited with the Government within the aforesaid time, all the rights and privileges conferred by this Act shall be null and void.

**51.** This Act may be cited as the "Kootenay and North-West Rail- Short title. way Company's Act, 1898."