

A.D. 1887.



CHAP. 35.

An Act to Incorporate the Kootenay and Athabasca Railway Company.

[7th April, 1887.]

WHEREAS a petition has been presented praying for the incorporation of a Company for the construction and operation of a line of Railway in the Province of British Columbia, from some point at or near Revelstoke, on the main line of the Canadian Pacific Railway; from thence to a point at or near the head of Kootenay Lake and following the valleys of Ill-com-opolux River, Trout Lake and Lardeaux Creek: Preamble.

And whereas it is expedient to grant the prayer of such 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 McLeod Stewart, President Canada Atlantic Railway, Ottawa; James Isbester, Contractor, Ottawa; Alexander MacLean, President Canadian Granite Company, Ottawa, Clarence W. Moberly, Civil Engineer, Victoria, B. C.; Duncan MacArthur, President and Manager Commercial Bank, Winnipeg, Manitoba; and all such persons as may become shareholders in the Company hereby incorporated, are hereby constituted a body corporate and body politic under the name of "The Kootenay and Athabasca Railway Company," hereinafter called the Company. Incorporation.

Corporate name.

2. The Company may lay out, construct and operate a Railway from some point at or near Revelstoke, on the main line of the Canadian Pacific Railway, from thence to a point at or near the head of Kootenay Lake, and following the valleys of Ill-com-opolux River, Trout Lake and Lardeaux Creek. Line of railway to be constructed.

3. The persons named in the first section of this Act, with power to add to their number by a resolution passed by a majority at any meeting at which the whole number are represented, either in person Provisional Directors.

A.D. 1887.	<p>or by proxy, are hereby and shall be constituted Provisional Directors of the Company; and at any meeting of the Provisional Directors not less than five shall be a quorum, whether represented in person or by proxy, and shall hold office as such until the first election of Directors under this Act, and shall have power forthwith to open stock books and procure subscribers to stock for the undertaking, and to receive payments on account of stock subscribed, and to proceed with all necessary preliminary undertakings, and to cause plans and surveys to be made, and to deposit in any chartered bank of Canada moneys received by them on account of stock subscribed.</p>	
Quorum.		
Stock books to be opened.		
Advances by Provisional Directors.	<p>4. All moneys expended by the Provisional Directors in furtherance of this undertaking, either before or after the passing of this Act, shall be considered as cash instalments on stock. And at the first meeting of Directors a resolution shall be passed giving credit to each Provisional Director in the books of the Company for such amount as he may have so expended.</p>	<p>5. The head office of the Company shall be at the City of Victoria, but the Directors may change it to any other place if found advisable, and may establish one or more offices in Canada or elsewhere.</p>
Capital stock and shares.	<p>6. The capital stock of the Company shall be one million dollars, with power to increase the same in manner provided in the "Consolidated Railway Act, 1879," to be divided into shares of one hundred dollars each; and the money so raised shall be applied, in the first place, to the payment of all expenses and disbursements connected with the organization of the Company and preliminary expenses and making the plans and estimates connected with the works hereby authorized, and the remainder of such money shall be applied to the making, equipping, completing and maintaining of the said Railway and other purposes of this Act.</p>	<p>7. So soon as shares to the amount of one hundred thousand dollars in the capital stock of the Company have been subscribed, and ten per cent. paid thereon, the Provisional Directors shall call a general meeting of the subscribers to the said stock, at the City of Victoria, for the purpose of electing Directors of the Company, giving at least four weeks previous notice by public advertisements in the British Columbia Gazette and in some daily newspaper published in British Columbia, and also by circulars addressed by mail to each subscriber, of the time, place and purpose of such meeting. Thereafter an annual meeting of the shareholders shall be held at the head office of the Company, for the election of Directors and other general purposes, or a special meeting of the shareholders may be called on such day and at such hour as may be directed by the By-laws of the Company. Notices of such meeting to be printed and circulars mailed as above</p>
Application of moneys raised.		
First general meeting for election of Directors.		
Notice.		
Annual general meeting.		
Notice.		

mentioned. At such general meeting a majority of the shareholders in the capital stock of the Company, who have paid up ten per cent. thereof, and are present in person or are represented by proxy, shall choose nine persons to be Directors of the Company, of whom five shall be a quorum. Voting shall be by ballot.

A.D. 1887.

First election, number and quorum.

Voting by ballot.

8. No person shall be eligible as a Director of the Company unless he is the owner and holder of at least ten shares in the capital stock of the Company, and has paid up all calls thereon.

Qualification of Directors.

9. The Directors of the Company may adopt such rules, regulations, and By-laws as may be deemed expedient for the detailed management of the Company, provided they are not inconsistent with this Act or the "Consolidated Railway Act, 1879."

Directors may make regulations for management of Company

10. The Directors of the Company may employ one of their number as paid Director.

Paid Director.

11. The Directors of the Company may make and issue, as paid up stock, shares in the Company, and may allot such shares in payment of or for work done by engineers, contractors and other persons who have been and are engaged in promoting the undertaking, and also in payment of right of way, plant, rolling stock, or other purposes in connection with the interest of the Company, and such paid up stock shall be unassessable thereafter for calls.

Paid up stock in payment of right of way, &c.

12. The Directors of the Company may, by by-law or resolution passed by them, close the stock books after said amount of one hundred thousand dollars has been subscribed, and ten per cent. paid thereon, and may from time to time re-open the said stock books and receive subscriptions for additional shares of stock up to the limit authorized by this Act, as the same may be required for the purposes of this Company.

When stock books may be opened and closed.

13. The Company may receive, acquire, and hold grants of land for the purposes of the said Company, and may also purchase or lease any land grants or privileges for the same purposes.

Grants in aid.

14. The Company may construct and operate electric telegraph and telephone lines along and in connection with the railway and its branches; and may construct wharves, docks, elevators, warehouses, and other buildings as may be found requisite for carrying on the traffic of the Company.

Telegraph and telephone lines.

Wharves, &c.

15. The Company may drain any marsh or flooded lands which may be granted or leased to the Company from time to time, provided such works of drainage shall not interfere with vested rights.

Drainage.

16. The Company may build, acquire, lease, work, and operate steam or other vessels, to run in connection with the said railway.

Steam vessels, &c.

A.D. 1887.

Leases of other connecting railway lines

17. The Company may enter into an agreement with any other company whose line of railway connects with the railway of the Company, for conveying or leasing to such company the railway of the Company, in whole or part, or any rights or powers acquired under this Act, subject to such terms and conditions as the Directors of the Company deem fit; provided that the said conveyances, leases, and agreements have been first sanctioned by a majority of the votes of the shareholders present in person, or represented by proxy, at any regular or special meeting held under the conditions of this Act. And the Company shall have power to lease other connecting railway lines, or parts thereof, under similar conditions.

Bonds may be issued with approval of shareholders.

18. The Directors of the Company, under the authority of the shareholders to them given by resolution at any general or special meeting called for that purpose, at which meeting shareholders representing at least two-thirds in value of the subscribed stock of the Company are present, or represented by proxy, may issue bonds, under the seal of the Company, signed by the President, or other presiding officer, and countersigned by the Secretary or Treasurer, and such bonds may be payable at such time, and in such manner, and at such place or places in Canada or elsewhere, and bearing such rate of interest as the Directors may think proper; and the Directors shall have power to issue and sell, or pledge all or any of the said bonds at the best price and upon the best terms and conditions which, at the time, they are able to obtain, for the purpose of raising money for prosecuting the said undertaking: Provided that the bonds so issued, pledged, or sold shall not exceed twenty-five thousand dollars per mile of railway authorized under this Act.

Disposal of bonds.

Limitation as to amount.

Mortgage deed to secure bonds.

19. Notwithstanding anything in this Act contained, the Company may secure the bonds to be issued by them by a mortgage deed creating such mortgage, charges, and incumbrance upon the whole or any part of such property, assets and revenues of the Company, present or future, or both, as shall be described in such deed; but such rents and revenues shall be subject, in the first instance, to the payment of the working expenses and proper maintenance of the railway; and the said deed of the Company may grant to the holders of such bonds, or to the trustee or trustees named in such deed, all and every the powers and remedies granted by this Act, as the case may be; and all such powers, rights, and remedies as shall be contained in such mortgage deed shall be valid and binding, and available to the bondholders in such manner and form therein provided, and every mortgage deed shall be deposited in the office of the Provincial Secretary of British Columbia.

Provisions of deed

Validity of deed.

Bonds to be a first charge on undertaking.

20. The bonds hereby authorized to be issued shall be taken and considered to be the first preferential claim and charge upon the Company, and the franchise, undertaking, tolls, and income, and real and

personal property thereof, now or at any time hereafter acquired, save and except as provided in the next preceding section, and each holder of the said bonds shall be deemed to be a mortgagee or incumbrancer upon the said securities pro rata with all other bondholders; and all the proceedings upon the bonds shall be taken through the trustee or trustees regularly appointed.

A.D. 1887.

21. If the Company shall make default in paying the interest or principal of any bonds hereby authorized at the time when the same shall, by the terms of the bond, become due and payable, then at the next annual general meeting of the Company, and all subsequent general meetings, all holders of bonds being and remaining in default shall in respect thereof have and possess the same rights, privileges, and qualifications for Directors, and for voting at general meetings, as would be attached to them as shareholders if they had held fully paid up shares of the Company to a corresponding amount: Provided, nevertheless, that the right given by this section shall not be exercised by any bondholder unless the bond in which he shall claim to exercise such right shall have been registered in his name in the same manner as is provided by law for the registration of the shares of the Company; and for that purpose the Company shall be bound on demand, on default made in principal or interest, to register any transfers thereof in the same manner as a transfer of shares: Provided, also, that the exercise of the right given by this section shall not take away, limit or restrain any other of the rights or remedies to which the holders of the said bonds shall be entitled.

Provision in case of default of payment of bonds.

Proviso as to registration.

Certain rights not to be impaired.

22. All bonds hereby authorized, and the coupons thereon, may be made payable to bearer, and shall be transferable by delivery until registration thereof, in manner provided by the next preceding section, and while so registered they shall be transferable by written transfers registered in the same manner as in the case of shares.

Transfer of bonds, how made.

23. The Company may become party to promissory notes and bills of exchange for sums not less than one hundred dollars, and any such bill or note drawn, accepted, or indorsed by the President or Vice-President of the Company and countersigned by the Secretary, shall be binding on the Company, and any such note or bill of exchange so made, drawn, accepted, or indorsed shall be presumed to have been made, drawn, accepted, or indorsed by proper authority until the contrary be shown, and in no case shall it be necessary to have the seal of the Company affixed to such promissory note or bill of exchange, nor shall the President or Vice-President be individually responsible for the same, unless the said promissory note or bill of exchange has been issued without proper authority: Provided that nothing in this section shall be construed to authorize the Company to issue any note or bill, payable to bearer, or intended to be circulated as money, or as the note or bill of a bank.

Company may become party to promissory notes, bills, &c.

A.D. 1887

Time for construction.

24. The surveys of the railway shall be commenced within twelve months from the first day of June, next, and completed before the expiration of 1888, and the work of construction shall be commenced within three years, and completed within five years, from the coming into force of this Act, to the satisfaction of the Lieutenant-Governor in Council.

Short title.

25. This Act may be cited as the "Kootenay and Athabasca Railway Company Act, 1887"

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