

Railway Act
to apply in
certain cases.

28. The provisions of the law now in force as regards railways in the Province and its amendments, shall apply to the company as regards its railway only, except in cases of incompatibility or derogation, but shall not apply to the said company as regards the other powers conferred upon it by this act.

Coming into
force.

29. This act shall come into force on the day of its sanction.

CHAP. 87

An Act to incorporate the Quebec Eastern Railway Company

[Assented to 28th February, 1907]

Preamble.

WHEREAS the construction of a railway, as hereinafter set forth, would be of great advantage to the region through which it would pass and the vicinity thereof ;

Whereas a petition has been presented by Frank N. McCrea, lumber merchant, of the city of Sherbrooke ; Edmund William Tobin, M. P., lumber merchant, of the town of Bromptonville, and Joseph Alphonse Bégin, N. P., Bernard Quinn and John W. Quinn, lumber merchants, the three latter of the town of Windsor Mills, praying for the passing of an act to incorporate a company authorized to construct and work such railway ; and whereas it is expedient to grant the prayer of such petition ;

Therefore, His Majesty, with the advice and consent of the Legislative Council and of the Legislative Assembly of Quebec, enacts as follows :

Persons
incorporated.

1. Frank N. McCrea, lumber merchant, of the city of Sherbrooke ; Edmund William Tobin, M. P. and lumber merchant, of the town of Bromptonville ; Joseph Alphonse Bégin, notary ; Bernard Quinn and John W. Quinn, lumber merchants, the three latter of the town of Windsor Mills, and such other persons and corporations as may become shareholders of the company, are constituted a corporation under the name of the "Quebec Eastern Railway Company," hereinafter called "the Company."

Name.

Head office.

2. The head office of the company shall be in the city of Sherbrooke, but may be changed to any other place so provided for in any by-law duly adopted at a general or special meeting of the shareholders.

3. The company is authorized to :

Powers.

(a) Lay out, construct, and operate a railway of the gauge of four feet and eight and one-half inches from a point in or near the city of Sherbrooke, by any practicable route, through the counties of Sherbrooke, Richmond, Wolfe, Megantic, Lotbinière and Levis, to a point at or near the southern extremity of the bridge now in course of construction by the Quebec Bridge Company ;

Route of line, &c.

(b) Construct and operate a branch line from a point on its main line to Lyster Station, and from the latter point acquire and operate the existing line to St. Jean des Chaillons ;

Branch line to Lyster, &c.

(c) Operate a branch line from a point on its main line to a point at or near Lime Ridge, in the township of Dudswell, and also other branch lines or extensions from any point on its main line ; provided that, except for the purposes of connecting with other railways, they do not exceed a length of fifteen miles ;

Branch line to Lime Ridge, &c.

(d) Make with the Quebec Bridge Company and with terminal companies and other railway companies all necessary contracts and arrangements to operate its line to the town of Levis and over the said bridge into the city of Quebec.

Contracts with Quebec Bridge Co., &c.

4. The company shall also have power to build such railway and branches in sections and in such order as it may deem proper.

Power to build in sections.

5. The company is authorized to enter into agreements with other railway companies :

Agreements with other companies.

(a) For the passage of its cars and running of its trains over any line of railway which its own line may cross or join, as well as for the running of the trains of any other railway over its own line ;

For running of trains, &c.

(b) For facilitating connections between its railway and any other ;

For facilitating connections, &c.

(c) For acquiring the property, powers, rights, franchises and privileges, and rolling stock of the Lotbinière and Megantic Railway Company, and the Wolfe, Megantic and Lotbinière Railway Company, and other railway companies, and for leasing the same. The Lotbinière and Megantic Railway Company is hereby authorized to enter into such agreements.

For acquiring property, &c., of other companies.

6. The company is authorized to operate its railway and branches by electricity or other motive power besides steam.

Motive power.

Capital stock. **7.** The capital stock of the company shall be one million dollars divided into shares of one hundred dollars each.

Provisional directors. **8.** The persons named in section 1 of this act are constituted provisional directors of the company.

Annual general meeting. **9.** The annual general meeting of the shareholders of the company shall be held in the month of July in each year at the date, hour and place specified in the notices calling the same, which notices shall be given as hereinafter set forth.

Notices of meetings. **10.** All notices of general or special meetings of the shareholders of the company shall be in writing, specifying the date, hour, place and object of the meeting, which notices shall be signed by the secretary and sent by registered letter to the last address given by each shareholder of the company, at least ten days before the meeting.

Directors. **11.** The board of directors shall consist of five members, but the number may be increased to seven or nine, upon the adoption of a by-law to that effect, and a majority shall form a quorum.

Their qualifications. No person shall be a director unless he is shareholder owning, in his own right, twenty shares in the capital stock of the company, and has paid all calls thereon.

Paid directors. The directors may employ one or more of their number as paid director or directors.

Executive committee. The directors may annually appoint from among themselves an executive committee, for such purposes and with such powers and duties as the directors determine by by-law, and the president shall be *ex-officio* a member of such committee.

Directors may vote by proxy, &c. Unless otherwise provided by the company's by-laws, the directors may act and vote by proxy, such proxy to be held by a director only, no director having power to hold more than two such proxies; nor shall any meeting of directors be competent to transact business, unless at least three directors are present in person.

Renewal of proxies. No appointment of a proxy to vote at any meeting of the directors shall be valid for that purpose, unless it has been made or renewed in writing within one year next preceding the time of such meeting.

Property that may be acquired. **12.** The company may purchase, take on lease or in exchange, hire or otherwise acquire any real and personal property and any rights, privileges, water-powers and easements which may be necessary for its business, and lease and alienate or otherwise dispose of and hypothecate the same in favor of trustees, or otherwise; and the present section, in so

far as the said company is concerned, is substituted for paragraph 2 of article 5132 of the Revised Statutes.

13. Paragraph 6 of article 5137 of the Revised Statutes is replaced for the company by the following : R. S. Q., art. 5137, par. 6, replaced.

“ 6. The company may :

(a) Take and hold shares in other corporations and sell and dispose of the same ; and amalgamate with any other company having objects altogether or in part similar ; Shares in other corporations.

(b) Build, acquire or hire hotels at different places along or near the line, and operate or run and lease the same ; Building of hotels, &c.

(c) Take shares in bridge, terminal, hotel and navigation companies. ” Shares in certain companies.

14. The company is further authorized to make agreements with any other railway company for leasing, selling or transferring the whole of its railway, branches, extensions, rights, franchises and privileges, or any part thereof, to such other railway company, on such conditions as the company deems expedient. Agreements with other companies.

15. The second paragraph of article 4655 of the Revised Statutes as enacted by the act 2 Edward VII, chapter 30, section 1, is replaced for the company so far as bills and notes are concerned by the following : R. S. Q., art. 4655, par. 2, replaced.

“ The company may make, draw, endorse and accept notes to order and bills of exchange ; and every such note or bill of exchange made, drawn, accepted or endorsed by the president or vice-president, or other officer authorized by the by-laws of the company, shall be binding on the company, and every such note or bill of exchange fulfilling such conditions shall be deemed to have been duly executed with the required authorization, until the contrary be proved, and, in no case, shall it be necessary to affix the seal of the company to such notes and bills of exchange. ” Bills and notes.

16. The following paragraphs are added to article 5132 of the Revised Statutes in so far as the company is concerned : Paragraphs added to art. 5132, R. S. Q.

“ 20. All shareholders in the company, whether British subjects or aliens, or residents in Canada or elsewhere, shall have equal rights to hold stock in the company and to vote on the same, and shall be eligible to hold office in the company. ” Rights of shareholders.

“ 21. The directors may make and issue, as paid-up stock, shares in the company, whether subscribed for or not, and may allot and hand over such stock as paid-up stock, and the Issuing of paid-up stock, &c.

mortgage bonds of the company, in payment for the right of way, plant, rolling stock or materials of any kind, and also for the services of contractors and employees, and may also allot and hand over such shares of stock to the creditors of the company, whether such creditors are shareholders or directors of the company or not, in payment for any indebtedness of the company, or purchases made by the same, and such issue and allotment of stock shall be binding on the company, and such stock shall not be assessable for calls."

R. S. Q., art. 5132, par. 11, repealed.
Loans. **17.** Paragraph 11 of article 5132 of the Revised Statutes is replaced by the following :

" 11. The directors of the company are also authorized to borrow, in Canada or elsewhere, all moneys required to construct, complete, maintain and work its railway, branches and extensions, and other works authorized by this act, and to issue mortgage bonds, bearing the seal of the company and signed by the president or vice-president, and countersigned by the secretary, which mortgage bonds shall not exceed thirty thousand dollars per mile of single track of the railway, branches and extensions.

Bonds, &c., how payable, &c. All bonds, debentures, mortgages and other securities authorized by this act, as well as their coupons, and certificates of interest due, may respectively be made payable to bearer; and in such case, they shall be transferrable by simple delivery, and the holder may sue for the recovery thereof in his own name.

Bonds in whose favor. The company shall have power to secure its said mortgage bonds in favor of any company, corporation, bank or person, whether such person be a member of the board of the company or not, with the sanction of a majority of the shareholders, expressed in a resolution passed at a general or special meeting duly convened therefor.

Resolution. Such deeds shall contain a description of the property mortgaged, in general terms describing the section of railway intended to be mortgaged, by naming the points at which such section commences and ends; and the section of railway so described shall be deemed to include all the property of the company lying between such points, with bridges, station allowances and all buildings erected thereon, and all property moveable and immoveable, capable of being mortgaged and used or intended to be used by the company in connection with the working of its railway; and such deeds shall further contain the conditions agreed upon as to the payment of the bonds which they are intended to secure; they shall mention the rate of interest, and specify the recourse of the bondholders or their trustees, as well as the method of exercising the same, in default of payment of the said bonds or coupons;

Contents of trust deeds,

they may further contain stipulations as to forfeiture of rights and fines and penalties, in default of payment; and they shall generally provide for the maintenance of all obligations stipulated by the company in favor of all bondholders, so as to render every security given valid and obligatory.

It shall not be necessary, in order to preserve the priority lien, charge, mortgage or privilege purporting to appertain to 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; a copy of any such mortgage deed or agreement, certified to be a true copy by the secretary shall be received as *prima facie* evidence of the original in all courts of justice, without proof of the signature or seal upon such original.

Bonds and trust deeds need not be registered.
Copy thereof
prima facie evidence.

18. The railway shall be completed before the first day of June, nineteen hundred and thirteen.

Date of completion of railway.

19. This act shall come into force on the day of its sanction.

Coming into force.

CHAP. 88

An Act to incorporate *La Compagnie du Chemin de Fer de Québec et de l'Ile d'Orléans*

[Assented to 28th February, 1907]

WHEREAS the persons hereinafter mentioned have, by petition, represented that the construction of the railway hereinafter described will be advantageous to the region through which it will pass, to its local trade and to the trade of the Province;

Preamble.

Whereas they have prayed for the incorporation of a company for the purpose of constructing and operating a railway and for other purposes as hereinafter described, and whereas they have further prayed that certain clauses of the general law respecting railways be amended for the purposes of the undertaking, and it is expedient to grant the prayer of said petition;

Therefore, His Majesty, with the advice and consent of the Legislative Council and of the Legislative Assembly of Quebec, enacts as follows: