

crosses the Bell River, then the powers granted by this act shall cease and be null and void as respects so much of the line as then remains uncompleted.

- 13.** This act shall come into force on the day of its sanction. Coming into force.

## CHAP. 66

An Act to incorporate the Canadian Eastern Railway Company

[Assented to 9th March, 1906]

**W**HEREAS the persons hereinafter mentioned have, by Preamble.  
petition, represented that the construction of the railway hereinafter described will promote colonization, contribute to the development and utilization of the natural resources of the Province of Quebec, and will be advantageous to the trade of the Province, and for such reasons the construction and operation of such railway will constitute an enterprise of public interest; 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 such petition;

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

**1.** The Honorable Edouard B. Garneau, merchant, of Québec; David William Campbell, shipping agent; Aimé Geoffrion, Persons incorporated.  
advocate; Luke Moore, agent, and Victor Cusson, advocate, all of Montreal, as well as all other persons who may become shareholders in the company, are hereby incorporated under the name of "The Canadian Eastern Railway Company," herein- Name.  
after called "the company":

**2.** The head office of the company shall be in the city of Montreal or in such other place in the Province of Quebec as the Head office.  
company determines by by-law.

**3.** The persons mentioned in section 1 of this act are hereby Provisional directors,  
constituted provisional directors of the company, with power to their term of office and powers.  
act as directors until the first meeting of shareholders of the company, and in particular to open subscription books for the

stock of the company, to make calls on the shares subscribed, to cause the same to be paid, to issue bonds, to have explorations and plans made, to acquire existing maps and plans or surveys, to commence and continue the construction and operation of the said undertaking, and for that purpose to do all things and enter into agreements of all kinds, which shall be binding on the company.

Capital stock  
and shares.  
Calls.

**4.** The capital stock of the company shall be twenty-five million dollars, divided into shares of one hundred dollars each, and may be called up by the directors, from time to time, as they deem necessary, but no one call shall exceed ten per cent. on the shares subscribed. The company may, by by-law, enact that any portion of such capital stock shall be issued in amounts of sterling money of Great Britain, and every twenty pounds sterling of the capital stock so issued shall give the same rights as to voting as are given by a share of one hundred dollars of the said capital stock.

Issue of  
capital stock  
in sterling  
money, &c.

Issue of pre-  
ferred stock.

**5.** The company may, under the authority of a resolution passed by the ordinary shareholders at any annual general meeting or at a special general meeting duly called for that purpose, at which meeting shareholders representing at least fifty per cent. in value of the subscribed stock of the company are present or represented by proxy, issue any portion of its capital stock, not exceeding ten million dollars, or the equivalent thereof in sterling money, as preference stock, and such preference stock shall have such preference and priority as respects dividends and otherwise over ordinary stock as may be declared by the resolution. Holders of such preference stock shall be shareholders within the meaning of this act, and shall in all respects possess the rights and be subject to the liabilities of shareholders within the meaning of this act; provided, however, that in respect of dividends and otherwise, they shall, as against the ordinary shareholders, be entitled to the preference and rights given by such resolution.

Privileges of  
holders of  
such stock.

Calling of  
first meeting  
of sharehold-  
ers and elec-  
tion of di-  
rectors  
thereat.

**6.** So soon as five hundred thousand dollars of the capital stock has been subscribed and ten per cent. paid in, the provisional directors shall call a meeting of the shareholders of the company at the place where the head office is situate at such time as they think proper, at which meeting the shareholders who shall have paid at least ten per cent. on the amount of stock subscribed for by them, shall elect from the persons qualified not less than seven nor more than fifteen directors.

Annual  
meeting,  
when and  
where held.

**7.** The annual meeting of the shareholders shall be held at such time and at such place as shall be fixed by by-law of the company.

**8.** At each annual meeting, the shareholders assembled who have paid all calls due on their shares shall choose not less than seven nor more than fifteen persons, as may be, from time to time, provided by by-law of the company, to be directors of the company, one or more of whom may be paid officers of the company. No person other than a shareholder entitled to vote may vote or act as a proxy at any meeting of the company.

Election of directors at annual meeting.

Shareholders alone to hold proxies.

**9.** The directors may annually appoint from among themselves an executive committee composed of at least three directors, for such purposes and with such duties as the directors by by-law determine and with such remuneration as may be determined by such by-law, and the president shall be *ex officio* a member of such committee.

Appointment and duties of executive committee.

**10.** The directors of the company elected by the shareholders may issue debentures or fully paid and unassessable shares, or both, whether subscribed for or not, and may allot and hand over any such shares or debentures in payment for all or any of the undertakings, properties, moveable or immoveable, rights, powers, franchises, plant, rolling stock, docks, elevators, wharves, warehouses, vessels or materials of any kind and also for the *bona fide* claims of contractors and engineers or other persons having claims against the company for services rendered or work done, due regard being had to the then market value of the said stock or bonds, and such issue and allotment of stock shall be binding on the company, and such stock or bonds shall not be subject to calls.

Issue of paid-up stock in payment of undertakings, &c., acquired by company, &c.

**11.** The company may acquire, in whole or in part, by lease or purchase, and exercise the franchises and rights the same kind as its own conferred upon any company within the territorial limits assigned to the company.

Purchase, &c., of franchises, &c., of other companies.

**12.** The company may transfer to its nominees such stocks as may be necessary to qualify them as directors of any other company in which it may hold stock.

Transfer of stock to nominees to qualify as directors.

**13.** The company may, for the purposes of its business, acquire, by lease, purchase or otherwise, and use and dispose of, any rights in letters patent, franchises and patent rights.

Power to acquire, &c., letters patent, &c.

**14.** The company may lay out, construct and operate a railway of the gauge of four feet, eight and one-half inches, whereof the motive power shall be steam, electricity or other motive power, from a point in or near the city of Montreal, in the Province of Quebec, and extending in a northeasterly direc-

Power to build, &c., certain line of railway, with branches, &c.

tion to a point on the Atlantic or on the Gulf of St. Lawrence or the Straits of Belle Isle as may be found most convenient and practicable, and such other branch lines as may be necessary for the opening or development of the territory on either side of the main line; and the said main line of railway and branches together with such other branch lines or extensions of the said main line of railway, as are hereafter constructed or acquired by the company, shall constitute the line of railway, The Canadian Eastern Railway, provided always that such branch lines or extensions shall be subject to the approval of the Lieutenant-Governor in council.

Power to issue bonds to certain sum per mile of railway and branches.

**15.** The company may issue bonds, debentures or other securities to the extent of twenty-five thousand dollars per mile of the main line and branches or extensions; and such bonds, debentures or other securities may be issued only in proportion to the length of railway constructed, or under contract to be constructed, or separately in respect of the main line and any of the branches, on the whole line of railway and branches; and the company may issue such bonds, debentures or other securities in one or more separate series, and limit the security for any series to such of the franchises, properties, assets, rents and revenues of the company, present or future, or both, as are described in the mortgage made to a trustee or trustees to secure such separate series of bonds, debentures or other securities.

Power to build, &c., steam and other vessels in certain waters and enter into agreements respecting freight, buy grain and other freight and carry on business as ship owner.

**16.** The company may, for the purposes of its business, build, purchase, hire, or otherwise acquire, charter, own, control and operate steam and other vessels for the carriage of passengers, mails and cargo, on any lakes, rivers or other navigable waters, or on the river and gulf of St. Lawrence, within the limits of the Province of Quebec, as is found expedient; and may enter into agreements with owners of such vessels for any of such purposes; and may purchase grain and other freight for cargo, and sell or otherwise dispose thereof and of such vessels; and may generally carry on the business of ship owner and carrier by land and water in connection with its undertakings.

Power to acquire, &c., stock in other companies engaged in carrying passengers, mails and cargo, &c.

**17.** The company may acquire, take, subscribe and hold, either in the name of the company, or in the name of some persons as trustee or trustees for the company, and dispose of, shares in any incorporated company having for one of its objects the carrying of passengers, mails and cargo from any ports reached by its railway to any other port or ports.

In conducting steam-ship business.

**18.** The company may, in the operation of any of its steam-ship business:

a. Charge, on all property placed with it, or in its custody, such fair remuneration as may be fixed by the directors for storage, warehousing, wharfage, dockage, cooperage or any other care or labour in or about any such property on the part of the company over and above the regular freight and primage upon any such property carried, or contracted to be, or intended to be carried by it;

b. Recover all charges and moneys paid or assumed by it subject to which goods come into its possession, and, without any formal transfer, shall have the same lien for the amount thereof upon such goods as the persons to whom such charges were originally due had upon such goods while in their possession, and the company shall be subrogated by such payment to the rights and remedies of such persons for such charges;

c. On non-payment of freight advances and other charges due upon goods or property in its possession or under its control, sell at public auction the goods whereupon such advances and other charges have been made, and retain the proceeds, or so much thereof as is due to the company, together with the costs and expenses incurred in and about such sale, and shall return the surplus (if any) to the owner of such goods or property; but before any such sale takes place, thirty days' notice of the time and place thereof and of the amount of the charges or moneys payable to the company in respect of such goods or property shall be given by registered letter, transmitted through the post-office to the last known address of the owner of any such goods or property, except in the case of perishable goods or effects which may be sold after the expiration of one week, or sooner if necessary, unless otherwise provided in the contract between the parties.

**19. 1.** The company may purchase, lease or otherwise acquire, hold, enjoy, and manage, either in the name of the company or in the name of a trustee or trustees for the company, such lands, water lots, wharves, docks, dock-yards, slips, warehouses, elevators, offices and other buildings as it finds necessary and convenient for its purposes; and may construct any of such works or buildings and sell or otherwise dispose thereof for the purposes of the company; and may carry on the business of warehouseman and wharfinger, and charge wharfage and other dues for the use of any such property; and may take and hold, either in the name of the company or in the name of some other person as trustee for the company, and dispose of, shares in any incorporated company having for one of its objects the exercise of any of the powers by this section conferred upon the company, and may enter into any agreements with any such company respecting the use of any of the property of such company.

Powers of expropriation may be exercised for certain purposes.

2. If the company cannot agree with the owner for the purchase of any property in any unorganized part of the Province required for wharves, docks, dock-yards, slips or elevators to be used in connection with the railway, it may cause a map or plan and book of reference to be made of such property, and all the provisions of section twelfth of chapter third of title eleventh of the Revised Statutes of Quebec, respecting the taking of land and the determining of the compensation payable therefor, shall apply to the subject matter of this paragraph, to the obtaining of such property and determining the compensation payable therefor.

Company may:

**20.** The company may, for the purposes of its railway and steamships and in connection with its business:

Build hotels, &c.;

a. Build, purchase, lease or otherwise acquire, manage or control, at such points or places along its railway or any branch thereof, or at any ports or places of call of any of its steamships, such buildings as it deems advisable for hotels and restaurants; and purchase, lease and hold the land necessary for such purposes; and carry on business in connection therewith, and afford such facilities as may tend to the comfort and convenience of the travelling public, and let any such building for such purposes, and acquire, hold and dispose of shares in any incorporated company having for one of its objects the exercise of any of the powers by this section conferred upon the company, and enter into agreements with any such company respecting any of such buildings, lands, facilities or business;

Acquire shares in companies with that object;

Purchase, &c., parks, &c.

b. Purchase, lease and hold lands required for, and lay out, establish and manage parks and pleasure grounds, and give a lease thereof to, or contract with any person for the use thereof, upon such terms as the company deems expedient.

Issue of bonds for construction of vessels, &c.

**21.** The company, having been first authorized by a resolution passed at any annual meeting or at a special general meeting of the shareholders duly called for that purpose, may, from time to time, issue bonds or debentures for the construction or acquisition of any vessels, or other properties, or works of any kind, other than the railway, which the company is authorized to acquire or operate, but such bonds and debentures shall not exceed in amount the value of such vessels, properties and works.

Execution of mortgage deed to secure bonds.

**22.** 1. For the purpose of securing each issue of such bonds or debentures, the company may execute a mortgage or mortgages, act, in such form and containing such provisions and stipulations, as are approved of by the resolution mentioned in the next preceding section.

2. Each of such mortgages shall be made to a trustee or trustees to be appointed for that purpose at the said meeting, and may contain provisions determining the amount secured upon the vessels or class of vessels or upon any other properties, or works, other than the railway, to which it relates, the rank and priority of the bonds or debentures intended to be secured thereby, the rights and remedies to be enjoyed by the respective holders of such bonds or debentures, the mode of assuring the application of the proceeds of such bonds or debentures to the purposes for which they are to be issued, the rate of interest thereon, the place and time of payment of the principal and interest, the creation of a sinking fund for the redemption of the said bonds and debentures, and all the conditions, provisions and restrictions requisite for the effectual carrying out of the terms of the mortgage and for the protection of the holders of such bonds or debentures.

3. The company may charge and bind the tolls and revenues of the vessels or class of vessels or properties or works, other than the railway, to which any such mortgage relates, and the whole or any part of any subsidy to be earned in connection therewith, in the manner and to the extent therein specified; and each such mortgage shall create absolutely a first lien and encumbrance upon the vessels or class of vessels or properties or works, other than the railway, therein described, as well as on the tolls, revenues and subsidies therein hypothecated; the whole being for the benefit of the holders of the bonds or debentures in respect of which such mortgage is made.

4. Each issue of bonds or debentures intended to be secured by any of the mortgages referred to in this section shall entitle the holders of any of the bonds belonging to each such issue to rank *pari passu*, with all other holders of bonds of the same issue, and a duplicate of each such mortgage shall be filed in the office of the Provincial Secretary.

**23.** Any bonds, debentures or other securities authorized by this act may be issued in whole or in part in the denomination of dollars or of pounds sterling, and may be made payable, both as to principal and interest, in Canada, the United States or Europe; and the whole or any of such bonds, debentures or other securities may be pledged, negotiated or sold upon such conditions and at such price as the directors, from time to time, deem advantageous and in the interest of the company.

**24.** The company, being first authorized as by section 21 provided, may also issue mortgage bonds, to be called "Land Grant Bonds," to the extent of two dollars per acre, upon any land owned by the company other than lands required for the

Effect of  
such issue  
upon lands.

purposes of its undertaking; and when so issued such bonds shall constitute a first mortgage upon such lands, and any such mortgage may be evidenced by a deed or deeds of mortgage made to a trustee or trustees appointed for that purpose at the meeting of shareholders authorizing it; and the said mortgage shall confer upon the trustee or trustees named therein, and upon the holders of the bonds secured thereby, such remedies, authorities, powers and privileges, and may contain such provisions and conditions as are not contrary to law or inconsistent with the provisions of this act or of any agreement entered into between the company and the grantor of such lands.

Telegraph  
and tele-  
phone lines  
along line of  
railway and  
branches.

**25.** 1. The company may construct, maintain, and operate such telegraph and telephone lines upon and along its railway and branches as may be necessary for its undertaking; and, for any of the said purposes, may enter into agreements with any other company, or may lease the company's lines or any portion thereof and may connect its lines with the lines of any companies having authority to operate telegraph or telephone lines, and may enter into arrangements with any such companies for the exchange and transmission of messages or for the working in whole or in part of the lines of the company.

Telegraph  
and tele-  
phone lines  
to connect  
with other  
lines.

2. The company may also construct, maintain and operate, in the districts when there are not at present any such telegraph or telephone line, any other lines of telegraph and telephone, from any point on the lines constructed or to be constructed along its line, to connect such lines with any other lines of telegraph or telephone in Quebec.

Rates to be  
approved by  
Lieutenant-  
Governor in  
Council &c.;

3. No rates or charges shall be demanded or taken from any person for the transmission of any message by telegraph or telephone, or for leasing or using the telegraphs or telephones of the company, until such rates or charges have been approved of by the Lieutenant-Governor in council; and such rates and charges shall be subject to revision, from time to time, by the Lieutenant-Governor in council.

Company,  
for certain  
purposes,  
may.

**26.** The company may, for the purposes of its railway or such railways as it may acquire, lease or operate, or for its stations, hotels, restaurants, parks, recreation grounds, steamboats or other steamships, bridges, subways or tunnels, wharves, docks, dock-yards, slips, landing docks, warehouses, elevators, offices, manufactories, works, mills, telegraph and telephone lines, mines, smelters, and timber limits possessed by it or under its control:

Acquire, &c.,  
lands, &c.

*a.* Acquire, utilize and develop such lands, water-powers, rights, easements and privileges in the vicinity of its railways or



branches, and construct, maintain and operate such dams, reservoirs, buildings and works as are deemed advisable for the generation, transmission and distribution of electricity for light, heat and power works and for the purpose of supplying water; and take, hold and dispose of shares in, and enter into agreements with, any company incorporated for any of the purposes aforesaid; notwithstanding any law granting such, however, the company shall not have power to sell or lease electricity to any person, company or corporation.

Not to sell, &c., electricity to any person, &c.

b. Also take, hold, and dispose of shares in any incorporated company authorized to acquire, develop, work and dispose of mines, minerals, mining rights, timber and timber lands, in the vicinity of its railway or branch lines, or crush, smelt, reduce, amalgamate or otherwise treat and dispose of the ores and products of any such mines, or engage in general mining and lumbering operations upon such lands, or in the manufacture and sale of the products thereof.

Take, &c., shares, in any incorporated company authorized to acquire mines, &c.

**27.** The company may grant or lease to any person the right to erect, on lands belonging to the company, warehouses, elevators, hotels, mills, manufacturing establishments or other buildings or works for the purpose of giving greater facilities to the public in doing business with the company; and the buildings or works so erected shall not be bound by, or be subject to any mortgage or lien on the property of the company without the written consent of the owner of such buildings or works.

Company may grant, &c., right to erect buildings on company's property, &c.

**28.** The company may, for the purpose of promoting the settlement and cultivation of any lands served by its railway or branch lines, enter into agreements with actual or intending settlers, and for this purpose may aid such settlers by making advances, which may be secured upon such lands, or otherwise, and may construct and operate, or aid in, or subscribe towards the construction, maintenance and improvement of roads, viaducts, aqueducts, ditches, flumes, saw and grist mills, and other similar works.

Company may enter into agreements with settlers, &c.

**29.** The company may enter into a lease of, or acquire running powers over or the right to work the line of, or enter into working arrangements with any other railway company which has been or is hereafter empowered to make or grant the same to or with the company, or may acquire by purchase the whole or any part of the railway and appurtenances of any other company so empowered to sell the same to the company; and any agreement, lease or conveyance made or entered into in pursuance of this enactment may be for such periods, for such price, and upon such terms and conditions, as are, from time to time, agreed upon by the boards of directors of the respective com-

Power to acquire running powers over other lines of railway, &c.

Approval of  
shareholders  
required.

panies, and shall be as valid and effectual as if it had been set out and specially authorized and confirmed by this act; provided, however, that every such transaction shall be subject to the approval of two-thirds of the votes of the shareholders of the company present or represented by proxy at an annual meeting or at a special general meeting duly called for that purpose, and thereafter the company may acquire and hold shares, bonds or other securities of such other companies.

Power to  
convey rail-  
way of com-  
pany and  
all rights,  
&c., by  
agreement.

Approval  
of sharehold-  
ers required.

Sanction of  
Lieutenant-  
Governor  
required.

Notice re-  
quired before  
signification  
of sanction.

Deposit of  
duplicate of  
agreement in  
office of Pro-  
vincial Sec-  
retary.

Power of  
company to  
build  
bridges, &c.,  
and take  
tolls, &c.

**30.** 1. The company may enter into an agreement with any company empowered, for conveying or leasing to such company the railway of the company, in whole or in part, or any rights or powers acquired under this act, as also the franchises, surveys, plans, works, plant, material, machinery and other property to it belonging, or for an amalgamation with such company, upon such terms and conditions and subject to such restrictions as are agreed upon between the directors of the companies parties to such agreements; provided that such agreement shall not take effect until it has first been approved of by two-thirds of the votes of the shareholders present or represented by proxy at any annual meeting or at a special general meeting of the shareholders duly called for the purpose of considering it, at which meeting shareholders representing at least two-thirds in value of the stock are present or represented by proxy, and that such agreement has also received the sanction of the Lieutenant-Governor in council.

2. Such sanction shall not be signified until after notice of the proposed application therefor has been published in the *Quebec Official Gazette* for at least two months previously to the time therein named for the making of such application, and also for a like period in one newspaper in each of the counties or electoral districts through which the railway of the company runs and in which a newspaper is published.

3. A duplicate of the agreement referred to in paragraph 1 of this section shall, within thirty days of its execution, be filed in the office of the Provincial Secretary, and notice thereof shall be given by the company in the *Quebec Official Gazette*; and the production of the *Quebec Official Gazette*, containing such notice shall be *prima facie* evidence of the requirements of this section having been complied with.

**31.** The company may build bridges, subways or tunnels, and may construct or arrange them so as to make them suitable for the passage of horses, vehicles, foot-passengers or for lines of other companies, whether operated by steam, electricity or other motive power, and for general traffic purposes, and may construct, maintain and operate all necessary connections or

approaches thereto, and works in connection therewith, and may charge such rates as may be fixed by the company, for the use of such bridges, subways or tunnels; such rates to be subject to the approval of the Lieutenant-Governor in council. The company may unite with, or enter into agreement with any other company, corporation or person for the construction, maintenance and operation of any such bridges, subways or tunnels as a joint work or for the joint working, control or management and use thereof.

Approval of tolls.

Company may unite with others in construction and maintenance, &c., of such bridges, &c.

**32.** The company may, for the benefit and on account of the company, sell and convey any lands or other property not required for the purposes of the company, and, with the consent or approval of the trustee or trustees holders of any mortgage forming a charge on the said lands or property, may apply the proceeds arising from such sale as the company deems expedient; and any lands or other property so sold shall, on payment in full to the company of the purchase money therefor, and on the delivery of a conveyance thereof duly executed by the company, be vested in the purchaser thereof freed and discharged from all mortgages and charges of any nature by this act or by the company created.

Power to sell property not required for company's use.

Application of proceeds.

Lands so sold, if paid for, vested absolutely in purchaser free of all charges, &c.

**33.** The provisions of the law now in force as regards railways in this Province and its amendments, except paragraph 16 of article 5134 of the Revised Statutes, shall apply to this company as regards its railway, except in the case of incompatibility or derogation, but shall not apply to the said company as regards the other powers which are hereby granted to it.

Certain articles of R.S., to apply to company for its railway, but not as regards other powers granted.

**34.** The limitation as to the rate of interest contained in paragraph 11 of article 5132 of the Revised Statutes shall not apply to the company.

Proviso as to interest.

**35.** The works of construction of the company shall be commenced within five years and be completed within ten years from the coming into force of this act.

Commencement and completion of works.

**36.** Nothing in this act contained shall be construed as interpreting to any municipality any powers which it has not under the laws which govern it, nor to any company any power which it has not under its charter.

Interpretation.

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

Coming into force.