

C H A P. 82

An Act respecting the Shawinigan Carbide Company

[Assented to 26th March, 1902]

WHEREAS the Shawinigan Carbide Company, Limited, Preamble.
 incorporated by letters patent under the Ontario Companies' Act, has, by its petition, prayed that it be granted certain additional powers that will facilitate the carrying on of its business in the Province of Quebec;

Whereas it is expedient to grant the prayer of the said petition;

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

1. The Shawinigan Carbide Company, Limited, may:

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| (a) Manufacture and sell calcium carbide; | Company may: |
| (b) Smelt, assay, analyse, reduce, amalgamate and otherwise treat ores, metals and materials and other metallurgical products, and the by-products received therefrom, whether belonging to the company or not, and render the same merchantable, and sell or otherwise dispose of the same; | Manufacture, &c., calcium carbide. Smelt, &c., ores, &c.; |
| (c) Enter into arrangements for sharing profits, union of interests or co-operation with any person or company, carrying on or about to carry on any business or transaction which may be of benefit to the company; | Enter into arrangements for sharing profits with others; |
| (d) Acquire, purchase, own, lease, dispose of, mortgage or hypothecate, and generally administer real estate and immoveable property situated within the limits of the province; | Acquire, &c., real estate; |
| (e) Generally carry on the business for which the company is incorporated, and exercise the rights of the company at the incorporated village of Shawinigan Falls and elsewhere in the province as the company may deem advisable. | Carry on company's business. |

2. In so far as the jurisdiction of this Legislature extends, the company is authorized to issue \$600,000.00 of its capital stock fully paid up and non-assessable, as provided in the agreement between Messrs Greenshields & Aldred and the company referred to in the next following section, and may moreover issue \$400,000 of bonds.

Company may issue paid up stock to certain amount and bonds for certain amount.

3. The agreement of the twentieth of April, 1901, between T. L. Willson and Messrs. Greenshields and Aldred, and the agreement of the first of October, 1901, between

Certain agreements ratified.

Messrs. Greenshields and Aldred and the Shawinigan Carbide Company, Limited, being schedules "A" and "B" to this act, and everything therein stated and contained, are ratified and confirmed.

Power to
hypothecate
property as
security for
issue of de-
bentures.

4. The company, in order to secure the payment of an issue of bonds or debentures to an amount not exceeding \$400,000.00, which it is authorized to make, may mortgage or hypothecate, in whole or in part, its property or undertaking, situate in the Province of Quebec, including its moveable property and franchises.

Coming into
force.

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

SCHEDULE A

LICENSE UNDER LETTERS PATENT

THIS INDENTURE entered into this twentieth day of April, nineteen hundred and one,

BETWEEN :

THOMAS LEOPOLD WILLSON, now of Ottawa, in the county of Carleton, in the Province of Ontario, hereinafter called "The Patentee,"

Party of the first part,

AND

J. N. GREENSHIELDS AND J. E. ALDRED, hereinafter called the "Syndicate,"

Of the second part ;

Whereas the patentee is sole owner of certain letters patent of Canada granted to him for inventions pertaining to electro-metallurgical processes and particularly to calcium carbide or other gas producing metallic carbides, and for the production of acetylene or other hydrocarbon gas therefrom, and to processes and apparatus for utilizing such gas, namely :

No. 40,638, dated October 12th, 1892, for "process of melting or reducing metals by electricity ;"

No. 43,692, dated August 18th, 1893, for "electrical reduction of refractory metallic compounds ;"

- No. 44,010, dated August 22nd, 1893, for "electric reduction of aluminum and other metals and the production of alloys thereof ;"
- No. 44,813, dated December 4th, 1893, for "electric smelting of refractory ores ;"
- No. 50,988, dated January 8th, 1896, for "metallic carbides and the production thereof ;"
- No. 50,989, dated January 8th, 1896, for "production and use of hydrocarbon gas ;"
- No. 50,990, dated January 8th, 1896, for "electric smelting ;"
- No. 51,037, dated January 15th, 1896, for "electric furnaces ;"
- No. 53,805, dated October 16th, 1896, for "electric furnaces."

And whereas the syndicate is desirous of acquiring a certain license right hereinafter specified under said letters patent or certain of them ;

Now therefore this indenture witnesseth that, for and in consideration of one dollar lawful money of Canada paid by the syndicate to the patentee, the receipt whereof is hereby acknowledged, and in consideration of the covenants hereinafter contained, the patentee doth hereby grant unto the syndicate full license, power and authority to manufacture calcium carbide at Shawinigan Falls, in the Province of Quebec aforesaid, under the protection of his letters patent aforesaid or such as may be applicable thereto, together with full license, power and authority to sell the calcium carbide so manufactured throughout Canada for use anywhere in Canada or for export, and with full license, power and authority to use such calcium carbide so manufactured under this license for any purpose and in particular for the production of acetylene gas and to use such gas for illuminating purposes in any manner specified in the letters patent aforesaid ; all the aforesaid license rights to be held and enjoyed by the syndicate to the full end of the term or terms of said letters patent respectively, subject to the following conditions namely :

1. The syndicate covenant that they will not export calcium carbide to the United States of America ;

2. The syndicate covenant to keep a true and correct set of books of account in which all business transactions shall be entered, and shall render to the patentee a monthly statement of all sales of calcium carbide during the preceding calendar month, which statement for such month shall be prepared and mailed to him on or before the 15th day of the succeeding month, and the patentee or his authorized

agent shall have access at any and all times to such books so far as may be necessary for the purpose of the verification of such statements ;

3. The syndicate further covenant, as part consideration for the license hereinabove contained, to pay to the patentee a royalty on all calcium carbide manufactured under this license at the rate of \$2.50 per ton of 2000 pounds of first quality carbide so manufactured, and a royalty of \$1.25 per ton of 2000 pounds of second quality carbide, so manufactured, but it is agreed that the carbide so rated as second quality carbide shall not exceed in amount seven per cent. of the total carbide manufactured under this license ;

4. The syndicate further covenant to render to the patentee a monthly statement of the quantity of calcium carbide manufactured under this license, which statement for each calendar month shall be prepared and mailed to him on or before the 15th day of the succeeding month ; which statement shall also contain an account of the royalties due hereunder, and further covenant to remit the amount of royalties so due on or before said 15th day ;

5. The syndicate further covenant as a further consideration for the license herein contained, that they will secure the issue to the patentee of twenty-five per cent of all stock of any company to which this license shall be assigned, and which shall, from time to time and at any time, be issued, the same to be fully paid up and non-assessable ; the purpose of this provision being that the patentee shall receive twenty-five per cent of the first or original issue of stock of said company, as issued from time to time, and that in case of any future increase of said stock the same proportionate interest shall be perpetuated to him ;

6. The syndicate further covenant, as a further consideration for the aforesaid license, that the said company will undertake that the owner or owners of the twenty-five per cent. of stock agreed as aforesaid to be issued to the patentee or of a majority of said twenty-five per cent of stock may at each election of directors nominate two members of the board of directors of said company, and that the two members so nominated shall thereupon be made directors of said company ;

7. The company so to be formed shall have the right to issue \$400,000 in bonds at par for the purposes of construction and working expenses, such bonds to bear interest not exceeding seven per cent (and no more) ;

8. The syndicate further covenant that they will affix to every package of calcium carbide made under this license a

label which shall read as follows : " Made by the Shawinigan Carbide Company, Limited, under Canadian Patents of T. L. Willson, dated (*here stating the dates and numbers of the letters patent hereinbefore recited.*)" ;

9. The patentee covenants to pay all further fees, if any, requisite to keep and maintain the said several letters patent in full force for the whole term for which they are respectively granted, and also, during the continuance of this license, to communicate for use all improvements or inventions patented or unpatented which he shall invent or use and which may be applied to or be useful for the manufacture of calcium carbide and its components ;

10. Upon the failure of the syndicate to comply with any condition in this agreement as herein provided, and such failure continuing for the space of four months after the patentee has given notice to the syndicate of such default, then the patentee may terminate this license by serving a written notice upon the syndicate, but the syndicate shall not thereby be discharged from any liability to the patentee for any license fees that have accrued due at the time of the service of said notice or thereafter ;

11. The syndicate shall have the right to assign this agreement to the Shawinigan Carbide Company, and upon such company assuming all the covenants entered into herein by the syndicate, they the members of the syndicate shall be released from all the covenants and obligations herein contained and the agreement shall be construed as if originally entered into between the patentee and such company.

WITNESS, the hands and seals of the parties hereunto set at
Ottawa, the day and date first hereinbefore written.

Signed, sealed and delivered

THOMAS L. WILLSON,

J. N. GREENSHIELDS,

J. E. ALDRED.

In presence of

WALTER BARWICK.

SCHEDULE B.

MONTREAL, CANADA, October 1st, 1901.

THIS INDENTURE entered into this first day of October, nineteen hundred and one,

BETWEEN :

J. N. GREENSHIELDS and J. E. ALDRED, of Montreal, Province of Quebec,

Party of the first part ;

AND

THE SHAWINIGAN CARBIDE COMPANY, LIMITED, of Montreal, in the Province of Quebec,

Party of the second part.

WITNESSETH : That in consideration of the issue to said first party of six hundred thousand dollars (\$600,000) of the paid up common stock of the Shawinigan Carbide Company, Limited, the said first party hereby assigns to said second party a certain license under letters patent covered by an agreement of the twentieth (20th) day of April, 1901, between Thomas Leopold Willson, of the city of Ottawa, in the Province of Ontario, and J. N. Greenshields and J. E. Aldred, of the city of Montreal, Province of Quebec, whereby the said Thomas Leopold Willson, granted unto the said J. N. Greenshields and J. E. Aldred full license and authority to manufacture calcium carbide at Shawinigan Falls, in the Province of Quebec, under the protection of his letters patent, a copy of which license and agreement is appended hereto, the said first party conveying to the said second party the benefit of all the covenants therein contained.

The said second party hereby accepts said assignment of license under letters patent, agreeing to release the said first party from all the covenants and obligations contained therein, and the said second party on its part agrees to assume all such covenants and obligations.

The said first party agrees that they will, from said six hundred thousand dollars (\$600,000,) of stock to be issued to them, assign to Thomas Leopold Willson, of the city of Ottawa, in the Province of Ontario, one hundred and fifty thousand dollars (\$150,000,) of said stock.

J. N. GREENSHIELDS,

J. E. ALDRED,

Party of the first part ;

THE SHAWINIGAN CARBIDE Co.,

Per JAS. A. PYKE, President.

Party of the second part.