

C A P. L X X .

An Act to incorporate the General Colonization and Industrial Enterprise Company.

[Assented to 30th March, 1883.]

Preamble.

WHEREAS L. A. Senecal, president of the North Shore Railway Company and president of the Richelieu and Ontario Navigation Company, John McDougall, founder and manufacturer, David Morrice, merchant, W. Wainwright, railway manager, Alexander Buntin, paper manufacturer, L. J. Forget, broker and exchange agent, J. B. Renaud, gentleman, Alphonse Desjardins, president of La Banque Jacques-Cartier, Robert Cowans, manufacturer, Alphonse Kerouack, leather merchant, J. M. Dufresne, merchant, C. R. Hosmer, gentleman, J. Stevenson, railway agent, Guillaume Boivin, boot and shoe manufacturer, E. C. Wurtele, railway manager, Wilfrid Prevost, advocate, all of the City of Montreal, Charles T. Côté, manufacturer, Guillaume Bresse, boot and shoe manufacturer, Theophile Girouard, land-owner, P. Landry, member of the Commons of Canada, Count H. de Puyjalon, director of Mines, all of the City of Quebec, Etienne Moranges, rentier, de Versailles, France, J. B. A. Mongenais, merchant, of Rigaud, Colonel Charles King, land-owner, Robert Leckie, land-owner, of Sherbrooke, T. E. Normand, contractor for Public Works, of Three Rivers, A. R. McDonald, railway superintendent, P. E. Grandbois, member of the Commons of Canada, of Rivière-du-Loup (en bas), R. J. Kimball, banker, Louis J. Belloni, coal mine owner, both of the city of New-York, in the United States of America, René Mauzaize, merchant, Emile Bonnement, Knight of the Legion of Honor, agriculturist, both residing at Paris, in France, Honorable Bradley Barlow, Senator, railway owner, of the town of St. Albans, State of Vermont, in the United States of America; have, by their petition, represented to the Legislature of the Province of Quebec, that for the purpose of furthering colonization and the forest and mineral resources of the Province of Quebec, it is desirable that a company be incorporated by an act of this Legislature with sufficient capital and the necessary powers to advance and lend moneys to any companies incorporated either by Letters Patent or by special acts, to purchase the properties and effects of such companies, to subscribe for or purchase shares thereof, to acquire all debentures or immoveables to them belonging, to lend money upon any securities which the companies may give and receive them in pay-

ment ; to enable them, in the event of such companies being unable to fulfil their obligations, to have their corporate powers transferred to them, to undertake, construct, sell, work and run their railways and steamboats, build elevators, acquire, improve, dispose of and sell wild and cultivated lands ; establish mills and factories for turning to advantage the natural products or the fruits of the cultivation of such lands ; acquire, lease and own all woodlands, lakes and fishing rights and to sell the same and acquire others in lieu thereof ; to sell, under the rules and regulations of the Crown Lands Department, the wood to be cut thereon and to work any mines which may exist in the Province of Quebec, and acquire or lease the same.

And whereas the persons above named have formed themselves into a company for the purpose of carrying out the above undertakings, under the name of : " the General Colonization and Industrial Enterprize Company," and whereas it is expedient to grant the prayer of such petition ;

Therefore Her Majesty, by and with the advice and consent of the Legislature of Quebec, enacts as follows :

TITLE FIRST.

INCORPORATION OF THE SOCIETY.

1. A corporation is hereby created and constituted under the name of " the General Colonization and Industrial Enterprize company," which shall in the following sections of this act be designated as " the company," and shall be composed of the persons above mentioned and of all who may become holders of shares issued under this act.

Corporation created.

Name.
Persons comprising company.

TITLE SECOND.

POWERS OF THE COMPANY.

2. The company shall have power to acquire, improve, dispose of, sell, change, lease or transfer wild or cultivated lands, mills and factories of all kinds in the Province of Quebec, to build such mills and factories and put them in operation ; for that purpose it shall be lawful for it to cause to be surveyed, cleared and occupied by itself or by its agents such lands, tenements and hereditaments which municipalities, corporations or persons whomsoever may transfer or assign to it in any manner whatsoever, in conformity with the rules of the department of Crown Lands of this Province, or which it may purchase or lease, to build houses and establish settlers thereon ; and it shall be

Power to acquire, &c., land.

Build, &c., mills and cause survey, to be made.

Make roads &c. lawful for the company to cause roads, cart-roads and winter-roads, canals, slides and bridges to be constructed ; it shall have power to acquire, under any title whatsoever, to improve or build chapels, schools, stations, warehouses and elevators. It may also, within the limits of the powers which may be exercised by individuals or obtained from the competent authorities, acquire, improve and construct wharves, docks, locks, graving docks, buoys and booms ; it shall have power to connect its industrial and commercial establishments with railways, provided the branch lines do not exceed fifteen miles in length and that the power granted to build such lines shall not include the right of expropriation.

Acquire &c., chapels &c. Establish telegraph &c. lines **3.** The company shall have power to establish telegraph and telephone lines upon its lands and in its various establishments.

Acquire, &c., water powers. Further powers. **4.** The company may acquire water powers, work the same, either in its own name or for the purpose of giving or leasing the motive power to third parties by any means of transmission whatsoever.

Perform necessary lawful works. The company may, in a word, perform all lawful works necessary for its undertakings.

May advance to settlers. **5.** With the power of establishing settlers on its lands, the company shall also have that of making them advances, gratuitously or otherwise, in money or in kind, in buildings, farming implements, beasts of burden, cattle, fertilizers, seed or every thing which may contribute to the success of their undertakings, and the said settlers shall in all respects have the rights and privileges of and be subject to the same obligations as other settlers, in virtue of the laws of this Province.

May acquire &c., woodlands, &c., under license in the Province. **6.** The company shall have the power to purchase, lease, sell and exchange all wood lands and timber licenses situate in the Province of Quebec, and to work the same, to establish and direct all industries connected with the utilizing of the products of the forest, to engage in the timber trade and to transport lumber and everything in connection therewith.

May acquire, &c., mines in the Province. **7.** The company may establish, purchase, lease, change, sell and work any mines situate in the Province of Quebec ; it may reduce, enrich, melt and manufacture all ores and metals obtained from any of its mines or elsewhere. For that purpose it shall have the right to acquire, lease, exchange, sell, improve and maintain all necessary buildings,

instruments and machinery and perform all necessary works. It may acquire any mining right, either integrally or charged with a royalty in favor of the vendor; it may redeem any right of royalty established under such conditions and establish the same right itself if it sells its mines. Mining rights.

It may also acquire the right of inland fisheries and establish, purchase, lease, change, sell and work all manufacturing factories of fertilizers, sugar or any other industries. Inland fisheries.

8. The company may transport its products of whatever kind they may be; and also, as required, purchase or build cars, ships or steamers. Transport its products, &c.

9. The company shall have power to advance and lend to incorporated companies doing business in the Province of Quebec, whether they be incorporated by Letters Patent or by special act, any sums of money and to take as security for such advances or loans whatever securities such companies may give. Advance to incorporated companies.

10. It may accept, as collateral security for such loans and advances, all moveable or immovable securities, and may acquire all immoveables belonging to such companies which may have been hypothecated in its favor for the payment of its claims. Accept any property as collateral security.

11. The company is also authorized to subscribe for shares in the capital stock of any of the above mentioned incorporated companies, and it is authorized to acquire the debentures of such companies or to accept the same as collateral security for the advances and loans made by it, and also to receive the same in payment. Subscribe to capital stock of companies, &c., acquire their debentures &c.

12. The company shall have power to enter into agreements and make all covenants with the companies aforesaid for the repayment of the advances made by it to them; and if it should become impossible for such companies to continue their operations or fulfil their engagements towards the company, the latter may receive in payment a part or the whole of their capital stock, their properties or other assets, their corporate powers and franchises and everything connected with their charters as if there had been an amalgamation or union, purchase or acquisition, and in such case the company may continue to exercise all the rights privileges and franchises of such companies respectively in order, as the case may be, to purchase, lease or work such undertakings in connection with mines, agriculture, fisheries, sugar, fertilizers, railway or steam-

boat lines or other industries in the Province or to complete the construction or continue the working thereof.

TITLE THIRD.

HEAD OFFICE.

Head office of company. 13. The head office of the company shall be in the city of Quebec.

Branch offices. The company may establish branch offices wherever it may think proper according to the requirements of its business.

TITLE FOURTH.

CAPITAL STOCK.

Capital stock and shares. 14. The capital of the company shall be ten millions of dollars divided into one hundred thousand shares of one hundred dollars each.

Increase of capital. It shall be lawful for the company to increase its capital stock to the amount of twenty five million dollars, provided such increase be authorized by the majority of shareholders assembled in general special meeting, notice of which shall be given, during one month in the "Quebec Official Gazette" and a notice shall be addressed to each shareholder and deposited in the Quebec post-office, at least fifteen days before the meeting.

Stock may be issued by instalments. It shall be lawful for the company to issue its stock only by instalments, the amount of which it shall determine and to exact that the shares subscribed for be fully paid up before the new shares be offered for subscription.

Calls upon shares. The first call shall be ten per cent of the nominal capital on which the shareholders shall pay at least ten per cent at the date and in the manner determined by the provisional directors.

Authorization of calls upon new issue of stock. Every call on the capital stock for the issue of a new series of shares shall be authorized by a general meeting of the shareholders duly constituted. When once the call on

Notice of calls stock is decided, notice thereof shall be given at least one month beforehand in the "Quebec Official Gazette" and also by circulars addressed to the shareholders and deposited in the Quebec Post Office.

Certain property &c. may be paid by series of shares. 15. When the company shall by onerous title have acquired a right or a property the cost whereof exceeds one hundred thousand dollars, it may give in payment thereof a series of new shares.

Form of such Such shares shall be issued at par when the company is

established and during the course of its existence, at a rate fixed by the general meeting of shareholders which shall authorize such issue.

Whenever the company issues new shares, they shall share with the old ones in the distribution of dividends and be on equal footing with them in proportion to the instalments paid and the date of the payments.

Division of dividends between series of shares.

16. When a new series of shares is issued which are not intended to pay a debt of the company the holders of old shares shall have a preferential right. The new shares shall be allotted them in proportion to the number of their shares. The general meeting of the shareholders which shall authorize such issue shall regulate the exercise of such right.

Respecting certain new shares.

The company may always, after the levying of the moneys necessary to pay the dividends, and meet the interest and redemption of the debentures, devote the remainder of the yearly profits to buying up, in whole or in part, its shares which are in circulation.

Application of profits.

17. The company may reduce its capital with the approval of the general meeting of the shareholders.

Reduction of capital.

18. The amount of the shares shall be payable in all the towns in which the company shall have branch offices, either at the offices of the company or at such banking-houses as it may indicate.

Shares when payable.

19. Every sum of money, the payment of which is delayed, shall bear interest from the date at which such payment becomes due and without any action at law being necessary.

Interest upon money due to company.

If any of the instalments upon one of the calls on stock are not paid when due, the numbers of the provisional stock-certificates of those who are in arrear shall be published at Quebec in a daily newspaper published in the French language and in a daily newspaper published in the English language.

Publishing numbers of shares in arrear for calls.

One month after such publication, such shares shall be sold by a broker, notary or exchange agent on account of and at the risk and peril of the parties in arrear. The certificates of the stock so sold, shall, *de jure*, become void; and new ones shall be delivered. The proceeds of the sale of such shares, after deducting the costs, shall be imputed upon the amount due by the expropriated shareholders, who shall still be liable for the difference, if there be a deficiency, but who shall be entitled to receive the surplus, if there be any.

Sale of shares in arrear for calls.

How made. Such sale may be made in a lump or in detail, either on the same day or at successive periods, without any putting in default or any legal formalities being necessary.

Recourse at law preserved. The steps hereinabove authorized to be taken, shall not prevent the Company from having recourse, at the same time, to the ordinary proceedings at law.

Certificates for paid up shares. 20. When the shares are fully paid up the company may deliver certificates to bearer.

Exchange of certificates. 21. Any shareholder may always in exchange for certificates to bearer obtain a certificate to order and *vi-e-versa*. The board of directors shall determine the method, condition and cost of effecting such exchange.

How shares are transferred &c. 22. The interim certificates and certificates to order are negotiable by transfer granted by the assignor and accepted by the assignee.

The two parties shall sign a transfer in a register kept at the head office. When the parties act through an agent, the power of attorney must be delivered to the company.

The company may require that the signature of the parties and their capacity to act be certified to.

No share on which calls remain due, can be transferred, except in the case of shares which the company causes to be paid up under section 18.

The transfer of a share frees the assignor from all liability for future calls, provided such transfer be accepted by the board of directors.

Liability of shareholders. 23. Shareholders are liable only for the amount of each share. They cannot be sued individually by any creditor of the company until all means of recourse against the company itself are exhausted.

Responsibility of company limited. 24. The company shall in no wise be responsible for the execution of any trusts, whatever may be their nature or origin; payment of dividends or interest shall be valid if made to the holder of the certificate, and the company shall not be obliged to see to the application thereof, whether notice of the trust be given to it or not.

Company may appoint officer for purpose of making certain declarations. 25. It shall be lawful for the company, for the purpose of making declarations under attachment by garnishment, to appoint a person whose name shall be registered in the prothonotary's office and who shall be authorized to make the declaration required by law in such cases. Such declaration shall be made at the prothonotary's office in Que-

bec only and shall be sufficient for all parts of the Province; and whenever such declaration is made under a writ issued from another district, the prothonotary shall transmit such declaration to the clerk of the court from which the seizure was issued and the proceedings shall be considered final to all intents and purposes.

26. Certificates to bearer shall be transferable by simple delivery.

If certificates to bearer or to order be stolen, lost or destroyed the interested party shall be guided by the common law. The company shall not be bound to replace certificates which have been lost or destroyed until it has been furnished with satisfactory security.

Transfer of certificates to bearer.
Proviso as to lost certificates.

27. Every share shall be indivisible in the books of the company.

Co-proprietors of a share in order to exercise their rights shall be required to be represented by one and the same person.

Shares indivisible.

Co-proprietors rights how exercised.

28. Every share shall give its holder a right in the ownership of the assets of the corporation and to a share in the profits, in proportion to the number of shares issued.

Rights of shareholders in company's property.

29. The rights and obligations appertaining to shares shall follow the certificate into whatsoever hands it may pass.

The possession of a share shall of right entail compliance with the by-laws or regulations of the corporation and the decisions of general meetings.

Rights follow certificate.

Possession of a share entails certain obligations.

30. In seeing to the employment made of their money the shareholders shall not have the right to inspect the books of the company themselves or in any way to interfere in the management. Such duty shall be delegated to the censors appointed at the annual meetings.

Books of company cannot be inspected by shareholders. Censors alone have such right.

31. The heirs or creditors of a shareholder cannot, under any pretext whatsoever, require the affixing of seals upon the property and securities of the corporation, nor interfere in any way with the management thereof. They shall, for the exercise of their rights, abide by the financial statements of the corporation and the proceedings of general meetings.

Rights of heirs &c. of shareholders.

32. The Company may issue bonds or debentures bearing a fixed yearly rate of interest redeemable within a specified time with or without prizes or premiums.

Company may issue bonds.

Amount of debentures limited.

32. The amount to which debentures may be issued shall never exceed the amount of the capital stock already subscribed.

Shareholders' right to subscribe for debentures.

34. The shareholders shall have a preferential right to subscribe for debentures in proportion to the number of their shares.

Conditions of such subscriptions.

The general meeting of shareholders which shall authorize the loan shall determine the condition on which such right shall be exercised and the shares not taken by the shareholders shall be allotted.

Certain payments may be made by debentures.

35. It may also decide that such debentures shall be given in payment of an important acquisition of rights or properties by the company, at such rate as it shall determine. Such debentures may be secured upon real estate specially designated upon the debentures.

When debentures may be issued.

36. Such debentures may be issued in view of any operation or undertaking whatsoever.

How bonds may be paid for.

37. The bond holders may pay the amount of the bonds in advance.

Debentures how payable

38. Debentures shall be payable to bearer but they may be registered and made payable to order.

Transfer &c. of debentures, effected as transfer, &c. of shares.

39. The rules relating to their negotiation or transfer, to the payment of interest thereon, to the proof in connection with and replacing of debentures lost, stolen or destroyed shall be the same as for shares.

Company may acquire its own obligations.

40. The company may acquire its own obligations, either by gratuitous or onerous title.

Company may devote part of proceeds to redemption.

41. It may also, on a resolution of the general meeting of the shareholders devote a portion of its net proceeds to the redemption of its debentures.

Cancelling of debentures.

Whatever may be the manner in which such debentures have become part of its assets, the company shall cancel them at once so as to reduce its liabilities by so much.

TITLE FIFTH.

MANAGEMENT OF THE COMPANY.

Board of directors how appointed.

42. The company shall be managed by a board of directors composed of nine members appointed by the general meeting of shareholders.

- 43.** Until such directors are appointed the board shall be composed of the following persons : Messrs L. A. Senécal, John McDougall, Guillaume Bresse, David Morrice, J. B. A. Mongenais, C. R. Hosmer, René Mauzaize, T. Girouard, Alexander Buntin, L. J. Forget, T. E. Normand, J. B. Renaud, Honorable Bradley Barlow, P. E. Grandbois and W. Wainwright. Provisional board.
- 44.** The directors shall have the right to fill any vacancies which may occur on the board. Vacancies on board how filled.
- 45.** The directors shall annually elect from amongst their number a president and vice-president who shall always be re-eligible. President and Vice-president
- 46.** Such election as well as that of the directors appointed to fill vacancies shall be by ballot. Election of president &c., to be by ballot.
- 47.** Before entering into office every director shall establish that he is possessed of one hundred shares ; such shares shall remain affected by privilege, as security for his good management and shall not be transferable while he remains in office. Qualification of directors.
- 48.** The directors shall be elected for one year, they shall always be re-eligible. Directors re-eligible.
Every director appointed in the place of another shall remain in office only during the remainder of his predecessor's term of office. Term of office of replacing director.
- 49.** The board shall meet at one of the company's offices, at its option, at the call of its president or of two directors. Meetings shall be held at least once a month and oftener if business requires. Meetings of board.
- 50.** The quorum necessary to render the proceedings valid shall be one more than half the number of directors ; resolutions shall be adopted by the absolute majority of the votes, the president voting as a director ; absent directors may be represented by means of a general or special power of attorney given to one of their colleagues ; no director shall have thus more than three votes and when the votes are equally divided, the president shall have a casting vote. Quorum of board. Proceedings of board.
- Every director who dissents from the majority shall be entitled to have his vote entered in the minutes with his reasons therefor. Entry of dissent.
- 51.** When a director has filled any office or mission whatsoever, and any matter in connection with such office Director whose doings, mis-

sion, &c. is being discussed considered to be absent and cannot vote.

or mission is discussed, such director shall be considered as absent from the board; he shall consequently not be counted in the quorum, and shall not vote either in his own name or as proxy for any of his colleagues.

Minutes of proceedings of board.

52. The proceedings shall be recorded by minutes entered in a book signed by the president or the director who replaces him in the chair and by the secretary.

Extracts be authentic.

All copies or extracts from such minutes certified by the secretary shall be considered authentic.

Payment of directors.

53. The directors may receive a fixed annual allowance which shall be paid them every three months.

Directors may be appointed to office and paid

The board of management may appoint one or more directors to fill an office and grant them a remuneration over and above their annual allowance.

Power of board to make by-laws.

54. The board of management shall have the right to make all by-laws necessary for the administration of the company's business.

Capital &c., of company to be managed by board.

55. The capital, property and operations of the company shall be managed by the directors.

Appointment of censors.

56. The annual general meeting shall appoint one or more censors who shall watch over the interests of the shareholders. The first shall be appointed by the first general meeting.

Their remuneration, &c.

The censors may be allowed a remuneration and shall always be re-eligible.

Power of censors to examine books, &c.

The censors shall, at all times, except on Sundays and holidays, be entitled to demand communication of the books and accounts of the company.

Yearly report by censors.

The censors shall make a yearly report on the financial position of the company and submit the same to the shareholders at the annual general meeting.

TITLE SIXTH.

GENERAL MEETING.

Right of shareholders to attend shall be represented at meeting.

57. Every shareholder may attend the general meetings or be represented by proxy who must also be a shareholder, on condition that he has been in possession of his shares for at least one month before the meeting. If the shares are made out to bearer, the directors shall take the necessary steps to ascertain the genuineness of the certificates;

The general meeting shall be held at Quebec at least once a year, before the first of March and special meetings may be held in the cases provided for by this act, upon the order of the president, or whenever a number of shareholders representing one fourth in value of the capital-stock, shall demand the same in writing, of the board of management.

58. The meeting shall be called one month before it is holden by a notice in the *Quebec Official Gazette* and in such other newspapers as the company may designate in the towns where its branch offices are established.

The notice shall specify the object of the meeting but such notice shall in nowise be restrictive.

59. The proceedings shall be valid if one fourth of the capital stock be represented at the meeting. In the contrary case, a second meeting shall be called for another day at least a fortnight later and the proceedings of the second meeting shall be valid whatever may be the amount of capital represented.

60. The meeting shall be presided over by the president of the board or in his absence by a director.

61. At the annual meeting, the shareholders shall examine the accounts made up to the thirty first of December previous a statement whereof shall be submitted to them by the directors and the censors. They shall deliberate upon all questions of interest to the company. At special meetings they shall deliberate only upon the subjects for the consideration of which the meeting has been called.

62. Every shareholder shall have as many votes as he holds shares; the voting shall be by ballot and by the absolute majority of the votes.

TITLE SEVENTH.

GENERAL PROVISIONS.

63. The company may apply to any competent authority for the purpose of obtaining the necessary authorization to enable it to exercise the rights conferred by this act, whenever the same may be necessary.

64. The joint-stock companies general clauses act and its amendments shall not apply to this company.

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