
4th Session, 3d Parliament, 14 & 15 Vict., 1851.

BILL.

An Act for incorporating and granting certain powers to a Company for the encouragement of manufactures on the Welland Canal.

Received and read a first time, Thursday, 26th June, 1851.

Second Reading, Friday 27th June, 1851.

Hon. Mr. MERRITT.

B I L L .

An Act for Incorporating and granting certain powers to a Company for the encouragement of Manufactures on the Welland Canal.

WHEREAS the establishment of an Incorporated Preamble.
Company, with power to loan money to persons desirous of erecting Mills and Manufactories on the Welland Canal, would induce the investment of a large
5 amount of private capital in manufactories, and lead to the most beneficial results, both to the Government by the increase of trade and tolls on the Welland Canal, and to the inhabitants of Canada by the increase of a home market for their produce: Be it therefore enacted, &c.

10 That James Rea Benson, Nehemiah Merritt, Andrew Heron, John Ker, John Latham Ranney, William Hamilton Merritt, the younger, John Hamilton Conolly, and William Austin Chisholm Certain persons incorporated.

and their successors, and such other and so many other
15 persons or parties as may or shall become Shareholders in the Capital Stock hereinafter mentioned, shall be and they are hereby constituted a body politic and corporate, by the name of the *Welland Canal Loan Company*, and
by that name shall and may sue and be sued, implead
20 and be impleaded, answer and be answered unto, in all Courts of Law or Equity whatsoever, and shall have perpetual succession, with a Common Seal, which may be changed or varied at their pleasure. Corporate name and powers.

II. And be it enacted, That the right to all estate, proper-
25 ty, privileges or advantages sold or granted, or agreed to be sold or granted by the Crown through the Commissioners of Public Works, to James Rea Benson, Nehemiah Merritt, Andrew Heron, John Ker, John Latham Ranney, William Hamilton Merritt, the younger, John Hamilton
30 Conolly, and William Austin Chisholm, on the twenty-second day of April, 1851, at St. Catharines, in the County of Lincoln, at the Government sale of Welland Canal Lands, and purchased by the said parties on the understanding and agreement that they should
35 form themselves with others into a Company, with a Capital of *Fifty Thousand Pounds*, shall be transferred to and vested in the Corporation established hereby, in the same manner as though the said purchasers had fully assigned and set over their rights and property in the same
40 to the said Company by deed; and that the said Corpo- The right to certain estate transferred from the persons aforesaid to the corporation hereby created.

ration shall be and stand in the place and stead of the said James Rea Benson, Nehemiah Merritt, Andrew Heron, John Ker, John Latham Ranney, William Hamilton Merritt, the younger, John Hamilton Conolly, and William Austin Chisholm,

and become and be liable to Her Majesty for the purchase money due and owing on account of the same.

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Capital.

III. And be it enacted, That the Capital Stock of the Corporation hereby constituted shall be *Fifty Thousand Pounds* and be divided into *Two Thousand Shares*, which shall be numbered from one to two thousand, and be respectively distinguished by the numbers affixed to them.

Shares.

Liability of
shareholders.

IV. And be it enacted, That no shareholder in the said Corporation shall be in any manner whatsoever liable for, or charged with the payment of any debt or demand due by the said Corporation, beyond the amount of his or their shares in the stock of the said Corporation.

Shares to be
personally.

V. And be it enacted, That all shares in this Company shall be personal property, and transmissible and assignable as such.

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Company may
acquire certain
property.

VI. And be it enacted, That it shall be lawful for the said Company to acquire by purchase, mortgage or otherwise, and to hold, either absolutely or conditionally, any lands, real property, or hydraulic privileges, and to lay out and apply the Capital and other property for the time being of the Company, or any moneys raised by the Company, in acquiring by purchase, mortgage, or otherwise, such property, lands and privileges in the Counties of Lincoln and Welland.

To what pur-
poses the
capital of the
Company shall
be applied.

VII. And be it enacted, That the Company shall be, and they are hereby authorised and empowered to lay out and invest their capital, in the first place in paying the cost of this Act, in paying the purchase money due to Her Majesty as aforesaid, and all expenses in laying out their property to the best advantage, in streets and lots, or in the purchase of such lands within the said Counties as it may appear suitable or advantageous for the Company to buy. The remainder of their Capital, as it is called in, as well as the Capital hereinafter authorised to be raised by the Company, they may loan and advance by way of loan, on the security of real estate within either of the Counties aforesaid, at such rates of interest, not exceeding *six per centum per annum*, as to the Company shall be deemed satisfactory, for the following purposes, namely:—For the building, erecting, enlarging or improving of any Mills, Factories, or Machinery whatsoever, on the line of the Welland Canal.

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VIII. And be it enacted, That it shall be lawful for the said Company, from time to time, to deal with, and dispose of any or all lands acquired or held in trust for the said Company, or contracted for, or to which the said Company shall be entitled, or of any trust thereof, by
 5 such mortgage or lease or other disposition thereof which they may deem most conducive to promoting the objects and advantages of the said Corporation. And the said Company shall, and are hereby authorised to lay out and invest their Capital and property for the time being, or
 10 any moneys to be raised by them, in so dealing and disposing of their lands.

Company may dispose of lands, &c.

IX. Provided always, and be it enacted, That nothing in this Act shall authorize the said Company to issue bank notes, or in any way to act as branches.

Not to act as bankers.

15 X. And be it enacted, That the said Company may, and are hereby empowered to receive in advance, from any person or persons, the half yearly interest from time to time to accrue on any loans made by the Company, under and by virtue of the powers given them by
 20 this Act, any law or statute of this Province notwithstanding.

Company may receive interest half yearly in advance.

XI. And be it enacted, That the Company shall keep a book, to be called "The Register Book of Shareholders," and in such book shall be fairly and distinctly
 25 entered, from time to time, the names of the several Corporations, and the names and additions of the several persons, being shareholders of the Company, the number of shares to which such shareholders shall be respectively entitled, distinguishing each share by its number, and the
 30 amount of the subscriptions paid on such shares; and such book shall be authenticated by the Common Seal of the Company affixed thereto.

Register book of shareholders to be kept.

XII. And be it enacted, That the shares in the Stock of the said Company shall be assignable by delivery of
 35 the certificates to be issued to the holders of such shares respectively, and by assignment in the form of the Schedule () or in any other convenient form to be prescribed by any by-law of the said Company, and that by such assignment, on the same being duly entered
 40 on the Register Book of the Company, the party accepting such transfer shall thenceforth become, in all respects, a member of the said Corporation, in respect of such share or shares, in the place of the party transferring the same, but no such transfer shall be valid until all the calls
 45 or instalments due on the shares purporting to be transferred, and all debts due to the Corporation thereon, shall have been paid:—and a copy of such transfer, extracted from the Register Book of the Company, signed by the Clerk or other officer of the Company, shall be *prima*

How shares of the stock may be assigned.

Evidence of transfer.

facie evidence of such transfer in all the Courts of this Province.

As to the transfer of shares by other means than assignment.

XIII. And with respect to the registration of shares, the interest in which may become transmitted in consequence of the death, or bankruptcy, or insolvency of any shareholder, or in consequence of the marriage of a female shareholder, or by any other legal means than an assignment, according to the provisions of this Act, be it enacted, That no person claiming, by virtue of any such transmission, shall be entitled to receive any share 10 of the profits of the said undertaking, nor to vote in respect of any such share or shares as the holder thereof, until such transmission has been authenticated by a declaration, in writing, as hereinafter mentioned, or in such other manner as the Directors shall require; and 15 every such declaration shall state the manner in which, and the party to whom such share or shares shall have been so transmitted, and shall be made and signed by some credible person before a Justice of the Peace, or before a Master or Master Extraordinary in the Court of 20 Chancery, and such declaration shall be left with the Secretary, and thereupon he shall enter the name of the person entitled under such transmission in the Register Book of Shareholders of the Company, whereby such person shall be and become a shareholder in the said 25 undertaking; and for every such entry, the Secretary may demand any sum not exceeding *five shillings*.

Fee to Secretary.

As to transmission of shares by marriage, devise, &c.

XIV. And be it enacted, That if such transmission be by virtue of the marriage of a female shareholder, the said declaration shall contain a copy of the register of 30 such marriage, and shall declare the identity of the wife with the holder of such share; and if such transmission have taken place by virtue of any testamentary instrument, or by intestacy, the probate of the will, or letters of administration, act of curatorship, or other document 35 proving the right, or an official extract therefrom, shall, together with such declaration, be produced to the Secretary; and upon such production, in either of the cases aforesaid, the Secretary shall make an entry of the 40 declaration in the said Registry of Transfers.

Shares of idiots and lunatics.

XV. And be it enacted, That if any money be payable to any shareholder, being a minor, idiot or lunatic, the receipt of the guardian of such minor, or the receipt of the committee of such idiot or lunatic, shall be a sufficient discharge to the Company for the same. 45

Power to call in instalments.

XVI. And be it enacted, That from time to time the Company may make such calls of money upon the respective shareholders, in respect of the amount of capital respectively subscribed or owing by them, as they shall think fit, provided that *thirty one days* notice at the least be 50

given of each call in, and that no call exceed the amount of *two pounds* per share, and that two successive calls be not made at a less interval than *three months*, and that the aggregate amount of calls made in any *one year* do not exceed the amount of *eight pounds* per share; and every shareholder shall be liable to pay the amount of the calls so made in respect of the shares held by him, to the persons, and at the times and places from time to time appointed by the Company.

Limitations.

XVII. And be it enacted, That if before or on the day appointed for payment, any shareholder do not pay the amount of any call to which he may be liable, then such shareholder shall be liable to pay interest on the same, at the rate of *six pounds* per centum per annum, from the day appointed for the payment thereof to the time of the actual payment.

Interest on instalments due and unpaid.

XVIII. And be it enacted, That the Company may, if they think fit, receive from any of the shareholders, willing to advance the same, all or any part of the money due upon their respective shares, beyond the sums actually called for; and upon the principal money so paid in advance, or so much thereof as from time to time shall exceed the amount of the calls made upon the shares in respect of which such advance shall have been made, the Company may pay interest at such rate, not exceeding *Pounds* per centum per annum, as the shareholder paying such sum in advance, and the Company shall agree upon.

Company may receive instalments in advance and allow interest.

XIX. And be it enacted, That if at the time appointed by the Company for the payment of any call, the holder of any share fail to pay the amount of such call, the Company may sue such shareholder for the amount thereof in any Court having competent jurisdiction, and may recover the same with interest, at the rate of *six pounds* per centum per annum, from the day on which such call may have been made payable.

Instalments unpaid may be recovered with interest.

XX. And be it enacted; That in any action to be brought by the Company against any shareholder, to recover any money due for any call, it shall not be necessary to set forth the special matter, but it shall be sufficient for the Company to declare that the defendant is a holder of one share or more in the Company, (stating the number of shares,) and is indebted to the Company in the sum of money to which the calls in arrear shall amount, in respect of one call or more upon one share or more (stating the number and the amount of each of such calls,) whereby an action hath accrued to the Company by virtue of this Act.

What only must be stated in the declaration.

What only
need be
proved.

XXI. And be it enacted, That on trial of such action, it shall be sufficient to prove that the defendant at the time of making such call, was a holder of one share or more in the Company, and that such call was in fact made, and such notice thereof given, as is directed by this Act; 5
and it shall not be necessary to prove the appointment of the Directors who made such call, nor any other matter whatsoever; and thereupon the Company shall be entitled to recover what shall be due upon such call, with interest thereon, unless it shall appear either that any such 10
call exceeds the amount of *two pounds* per share or that due notice of such call was not given, or that the interval of three months between two successive calls had not elapsed, or that calls amounting to more than *eight pounds* per year per share had been made. 15

Evidence.

XXII. And be it enacted, That the production of the Register Book of the shareholders of the Company, shall be *prima facie* evidence of such defendant being a shareholder, and of the number and amount of his shares, and of the sums paid in respect thereof. 20

Shares may be
forfeited for
non-payment
of instalments.

XXIII. And be it enacted, That if the holder of any share fail to pay a call payable by him in respect thereof, together with the interest, if any, that shall have accrued thereon, the Directors, at any time after the expiration of one month from the day appointed for the payment of 25
such call, may declare such share forfeited, and that whether the Company have sued for the amount of such call or not.

Proceedings
preliminary to
forfeiture.

XXIV. And be it enacted, That before declaring any share forfeited, the Directors shall cause notice of such 30
intention to be left at the usual or last known place of abode of the person appearing by the Register Book of Proprietors to be the proprietor of such share; and if the proprietor of any such share be abroad, or if the interest in any such share shall be known by the 35
Directors to have become transmitted otherwise than by assignment, as hereinbefore mentioned, but a declaration of such transmission shall not have been registered as aforesaid, and so the address of the parties to whom the same may have been transmitted shall not be known to the 40
Directors, the Directors shall give public notice of such intention by advertisement in a newspaper as hereinafter provided, and the several notices aforesaid shall be given twenty-one days at least before the Directors shall make such declaration of forfeiture. 45

Forfeiture
must be
sanctioned at
a general
meeting.

XXV. And be it enacted, That such declaration of forfeiture shall not take effect, so as to authorise the sale or other disposition of the share, until such declaration have been confirmed at some general meeting of the Company, to be held after the expiration of two months 50

at the least from the day on which such notice of intention to make such declaration of forfeiture shall have been given, and it shall be lawful for the Company to confirm such forfeiture at any such meeting, and by an order at
 5 such meeting, or at any subsequent general meeting, to direct the share so forfeited to be sold or otherwise disposed of; and after such confirmation the Directors may
 sell the forfeited shares, either separately or together, or in lots, as to them shall seem fit. Sale.

10 **XXVI.** And be it enacted, That a declaration, in writing, by an officer or servant of the Company, or by some credible person (not interested in the matter), made before any Justice, or before any Master or Master Extraordinary in the Court of Chancery, that the call in
 15 respect to a share was made, and notice thereof given, and that default in the payment of the call was made, and that the forfeiture of the share was declared and confirmed in manner hereinbefore required, shall be sufficient evidence of the facts therein stated; and such declaration
 20 and the receipt of the Secretary of the Company for the price of such share shall constitute a good title to such share, and thereupon the purchaser shall be deemed the proprietor of such share, discharged from all calls made
 25 prior to such purchase; and a certificate of proprietorship shall be delivered to such purchaser upon his signing the undertaking to hold the shares so purchased to him as aforesaid, subject to the provisions of this Act, and he shall not be bound to see to the application of the purchase money, nor shall his title to such share be affected
 30 by any irregularity in the proceedings in reference to any such sale. Title of the purchaser of any forfeited share, how made.

Certificate to be given to him.

XXVII. And be it enacted, That the Company shall not sell or transfer more of the shares of any such defaulter than will be sufficient, as nearly as can be
 35 ascertained at the time of such sale, to pay the arrears then due from such defaulter on account of any calls, together with interest and the expenses attending such sale and declaration of forfeiture; and if the money produced by the sale of any such forfeited share, be
 40 more than sufficient to pay all arrears of calls and interest thereon due at the time of such sale, and the expenses attending the declaration of forfeiture and sale thereof, the surplus shall, on demand, be paid to the defaulter, or in default thereof, applied in and towards satisfaction of
 45 any calls made thereafter, but prior to such demand being made as last aforesaid, in respect of the remaining unsold shares of such defaulter. No more shares to be sold than are sufficient to pay instalments due.

If there be any residue of price.

XXVIII. And be it enacted, That if payment of such arrears of call and interest, and expenses be made before
 50 any share so forfeited and vested in the Company shall have been sold, such share shall revert to the party to Share to revert if instalments be paid before sale.

whom the same belonged before such forfeiture, in such manner as if such calls had been duly paid.

Company may borrow money. **XXIX.** And be it enacted, That it shall be lawful for the Company to borrow on mortgage of any or all their real property, or bond, such sums of money not exceeding 5
 Proviso. as may appear to them necessary; Provided the sum so owing by the Company at any one time shall not exceed

Votes. **XXX.** And be it enacted, That every share shall entitle the holder thereof to one vote at the general meetings and elections of the said Company, and that the right of voting may be exercised in person or by proxy, 10
 Proxies. but that no person shall by proxy represent more than
 Limitation. ten shareholders.

Votes on shares held by more than one person. **XXXI.** And be it enacted, That if several persons be 15
 jointly entitled to a share, the person whose name stands first on the register of shareholders as one of the holders of such share, shall, for the purpose of voting at any meeting, be deemed the sole proprietor thereof, and on all occasions the vote of such first named shareholder 20
 alone, either in person or by proxy, shall be allowed as the vote in respect of such share, and proof of the concurrence of the other holders thereof shall not be requisite.

Directors to be elected. **XXXII.** And be it enacted, That for managing the 25
 Their powers. affairs of the said Corporation there shall be elected out of the members of the Company persons, being each a proprietor of not less than
 Managing property. shares of the capital stock, to be Directors of the Company, for ordering, managing and directing the affairs of 30
 the Company; any of the Directors shall form a *quorum* of the Board, and any majority of such *quorum* may exercise the powers of Directors; they shall exercise all the powers of the Company, and, amongst other things, they may use and affix, or cause to be used 35
 and affixed, the seal of the Company to any document or paper requiring the same; may make and enforce calls, declare forfeitures of shares not duly paid; they may make any payments, loans and advances for the building, erecting and enlarging any mills, factories or machinery 40
 whatsoever on the line of the Welland Canal, on such landed security as they may deem expedient; they may effect loans or borrow money on the bonds, or secured on the real property of the Company, to the extent allowed by this Act; they may generally deal with, treat, 45
 sell and dispose of and exercise all other acts of ownership over the lands, property and effects of the Company for the time being, in such manner as they shall deem expedient and conducive to the benefit of the Com-

pany, in such and the same manner as if the same lands, property and effects were held, not by a *body corporate*, but by any of Her Majesty's subjects being *sui juris* or of full age, and for whom they were fully empowered to
 5 act; they may make by-laws regulating the affairs of the Company, providing for the retirement of Directors, the filling of vacancies in the Board, regulating the ap-
 10 pointment, control and power of the officers and servants of the Company, the mode of calling general meetings of the Company, and for the general management of the
 15 business of the Company, whether herein enumerated or not, which said by-laws and regulations shall be submitted for approval, rejection or alteration by the shareholders at the next general meeting, or at one called for that pur-
 20 pose; and when ratified and confirmed, shall be entered of record in the books of the Company, and be binding upon, observed and taken notice of by all the members of the Corporation; and any copy of the said by-laws, purporting to be under the hand of the Clerk, Secretary
 25 or other officer of the Company, and bearing the seal of the Corporation affixed thereto, shall be received as *prima facie* evidence of such by-laws in all Courts of this Province; Provided always, that shareholders may, at any general or special meeting, appoint such salary or
 30 compensation to the President and Directors respectively as to them shall seem reasonable and proper; the election of Directors, except the first one hereinafter provided for, shall take place yearly on the first Monday in
 and at their first meeting after their election the Directors
 35 shall elect one of their number to be President, who shall, in all cases of equal division, have a second or casting vote.

Making By-laws.

Approval by stockholders.

By-laws, how proved.

Proviso. Remuneration of Directors, &c.

Yearly elections.

President.

XXXIII. And be it enacted, That any person holding the requisite amount of stock in the Company, may be
 35 elected a Director, although such person be not a subject of Her Majesty, and do not reside within this Province.

Aliens may be Directors.

XXXIV. And be it enacted, That James Rea Benson, John Kerr, and William Hamilton Merritt, the younger, Esquires, shall be Commissioners who shall, on the first
 40 in next, at

Opening books of subscription.

open books to receive subscriptions to the Capital Stock of the Corporation; and that thirty days' notice shall be given of the same in one or more of the Newspapers published in, and that the said books shall remain
 45 day at the said place, under the direction of one or more of the said Commissioners, and such sum as they may think expedient, not exceeding *five* per cent., shall be paid on each share subscribed, at the time of subscribing.

Distribution of stock when £25,000 subscribed for.

XXXV. And be it enacted, That the said Commissioners shall assemble at Saint Catharines on the first Monday in next, or as soon thereafter as *twenty-five thousand pounds* of the Capital Stock of the Company, shall be subscribed for, and shall proceed to deliver certificates for the said Stock to the subscribers thereto; and as soon as the same shall be distributed, the Commissioners shall give public notice in one or more Newspapers published in of a meeting of the shareholders at Saint Catharines, to choose Directors; and such election shall be made at the said time and place by such of the shareholders as shall attend for that purpose; and the Commissioners shall deliver the subscription money and books to the Directors, and the said Directors shall immediately proceed to the election of a President from out of their own number, and the said President and Directors shall serve and hold their respective offices, until their successors are appointed at the next annual election.

Meeting for election of Directors.

President.
Term of office.

Apportionment of stock in case more than enough be subscribed for.

XXXVI. Provided always, and be it enacted, That if on the said first Monday in next, there shall be subscriptions to more than the amount of such stock within the time specified for keeping open the said books, it shall then be the duty of the said Commissioners to apportion the same amongst the subscribers in such manner as a majority of them shall deem most advisable; and if the whole amount of the Capital shall not be subscribed before the said first Monday in next, the books of subscription shall be kept open by the Directors until the whole capital shall have been subscribed.

Provision if the whole be not subscribed for.

Failure of election not to dissolve the Company.

XXXVII. And be it enacted, That the failure to hold any such election of Directors or President at the time appointed, shall not dissolve the Company, but such omission may be supplied by a special meeting of the shareholders called by the Directors, for the purpose of electing Directors, and that until such election the said President and Directors shall continue in office.

Directors to cause minutes of proceedings to be made and signed.

XXXVIII. And be it enacted, That the Directors shall cause notices, minutes, or copies, as the case may require, of all appointments made, or contracts entered into by the Directors, to be duly entered in books, to be from time to time provided for the purpose, which shall be under the superintendence of the Directors, and every such entry shall be signed by the Chairman of the meeting at which the matter in respect of which such entry was made, was moved, or dismissed, at or previously to the next meeting of the said Company or Directors as the case may be: and such entry so signed, shall be received as evidence in all Courts, and before all Judges, Justices and others, without proof of such respective meeting having been convened, or of the per-

Entries to be evidence.

sons making or entering such orders or proceedings being shareholders or directors, or members of the Committee respectively, or by the signature of the Chairman, all of which last mentioned matters shall be presumed; and all such books shall, at any reasonable times, be open to the inspection of any of the shareholders.

XXXIX. And be it enacted, That all acts done by any meeting of the Directors, or of a Committee of Directors, or by any person acting as a Director, shall, notwithstanding it may be afterwards discovered that there was some defect or error in the appointment of any person attending such meeting as a Director, or acting as aforesaid, or that such person was disqualified, be as valid as if such person had been duly appointed and was qualified to be a Director.

Acts not avoided by error as to right of any person to act as Director.

XL. And be it enacted, That no Director, by being a party to, or making, signing or executing, in his capacity of Director, any contract or other instrument on behalf of the Company, or otherwise lawfully executing any powers given to the Directors, shall be subject to be sued or prosecuted, either collectively or individually, by any person whomsoever; and the bodies or goods, or lands of the Director, or any of them, shall not be liable to execution of any legal process by reason of any contract or other instrument so entered into, signed or executed by them, or any of them, or by reason of any other lawful act done by them, or any of them in the execution of any of their powers as Directors, and the Directors, their heirs, executors and administrators shall be indemnified out of the capital of the Company for all payment made, or liabilities incurred in respect of any acts done by them, and for all losses, costs and damages, which they may incur in the execution of the powers granted to them; and the Directors for the time being of the Company shall apply the existing funds and capital of the Company for the purposes of such indemnity, and shall, if necessary for that purpose, make calls of the capital remaining unpaid.

Non-liability and indemnification of Directors for acts done by them as such.

XLI. And be it enacted, That the Directors shall have power to make dividends on the paid up Capital each half year, when in their opinion it shall be advisable; provided always, that no such dividend shall be declared or made, whereby the Capital Stock will be in any degree reduced.

Dividends.

Not to impair capital.

XLII. And be it enacted, That the word "land" in this Act shall include all lands, tenements and hereditaments, and real and immovable property whatsoever; and the word "Shareholders" shall include the heirs, executors, and administrators, curators, legatees, or assigns, of such shareholders or any other party having the legal posses-

Interpretation clause.

sion of any share, whether in his own name or that of any other, unless the context shall be inconsistent with such construction.

Public Act. **XLIII.** And be it enacted That this Act shall be deemed a public Act.

SCHEDULE.

Know all men by these presents, that I A. B. of
 have assigned and do assign to C. D. of for value
 received of him, shares in the Stock of *The Welland*
Canal Loan Company : witness my hand, this day
 of 185

And I the said C. D. hereby accept the said share and all
 liabilities and obligations thereunto attached.

Witness my hand, this day of 185

C. D.