

*The Committee of Council submit for the consideration of
His Honour the Lieutenant-Governor a Bill intituled*

An Act to respecting Rural Telephone
Systems.

*and advise that the same be transmitted by Message to the
Legislative Assembly.*

Victoria, Seventh day of November, A.D. 1923.

J. Du. Oliver.

Presiding Member of the Executive Council.

Approved this Seventh day of November, A.D. 1923.

W. Smith

Lieutenant-Governor.

HON. MINISTER OF PUBLIC WORKS.

BILL.

No. 9.]

[1923.

An Act respecting Rural Telephone Systems.

HIS MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of British Columbia, enacts as follows:—

Short Title.

1. This Act may be cited as the "Rural Telephone Act." Short title.

Interpretation.

2. In this Act, unless the context otherwise requires:—
- "Call" includes instalment and any other sum paid or payable or agreed to be paid in respect of any share: Expressions interpreted.
- "Company" means a company incorporated under this Act and includes a company to which section 20 applies:
- "Director" includes trustee, officer, and any person occupying such position, by whatever name called:
- "Document" includes notice, order, summons, and other legal process and registers:
- "Extraordinary resolution" means a resolution passed by a majority of not less than three-fourths of such members entitled to vote as are present in person or by proxy (where proxies are allowed) at a general meeting of which notice specifying the intention to propose the resolution as an extraordinary resolution has been duly given:
- "Member" means a member of a company:
- "Minister" means the Minister of Public Works:
- "Memorandum" means the memorandum of association of a company, with all amendments thereto:
- "Officer" includes treasurer, secretary, director, and manager:
- "Pole-mile" means a lineal mile in a telephone system necessarily occupied by telephone-poles strung with one or more wires for the use of the telephone system:

“Registrar” means the Registrar of Joint-stock Companies or other duly authorized person performing his duties:

“Rules” means the rules or regulations of a company for the time being in force, but shall not include any by-law made pursuant to section 18:

“Telephone system” means a system of telephone-lines used for the transmission of communications by telephone, and includes all stations, toll-offices, exchanges, plant, equipment, wires, cables, and works used or connected therewith.

Formation of Company.

Formation of telephone company.

3. Any five or more persons may form an incorporated company under this Act for the purpose of constructing, maintaining, and operating a telephone system in any locality not situate within a municipality.

Procedure for incorporation.

4. (1.) The persons desiring to form a company shall subscribe in duplicate a memorandum of association according to the form in Schedule A, and shall transmit the same to the Registrar, with a notice stating the address of the registered office and a list of the persons appointed to act as the first directors of the company.

(2.) The Registrar shall issue in duplicate, under his seal of office, a certificate showing that the company is incorporated under this Act and stating the place where its registered office will be situate.

(3.) The Registrar shall retain one duplicate of the memorandum, and shall register it in the register kept by him under the “Co-operative Associations Act,” and he shall return the other duplicate to the applicants certified as having been registered by him.

Effect of certificate of incorporation.

5. A certificate of incorporation given by the Registrar in respect of a company shall be conclusive evidence that the company is duly incorporated under this Act, and from the date thereof the subscribers to the memorandum of association, and such other persons as may from time to time become members of the company, shall be a body politic and corporate by the name therein described, having perpetual succession, with the powers and subject to the provisions in this Act contained.

Capital.

6. (1.) The capital of a company shall be divided into shares of five dollars each, and no subscriber of the memorandum prescribed by section 4 and no member shall take or hold less than five shares or more than one hundred shares.

(2.) Upon application of the company, the Minister may fix the initial capital of the company and may from time to time authorize an increase of its capital for the purpose of enlarging or improving the company's telephone system. The Minister shall issue a certificate under his hand and seal of office showing the amount so fixed

or authorized by him, and shall forward a copy to the Registrar for filing in his office.

7. The liability of a member shall be limited to the amount unpaid on the shares taken or held by him. Liability of members limited.

8. The provisions of the "Co-operative Associations Act" specified in Schedule B shall, so far as the same are applicable and are not inconsistent with this Act, and to the extent and subject to the modifications specified in column 3 of that Schedule, apply to every company. Application of "Co-operative Associations Act."

9. (1.) No company shall be entitled to commence business:— Requirements before commencing business and effect of default.

(a.) Unless within thirty days, or such extended time, not exceeding three months, as the Minister may allow, from the date of its incorporation it files with the Minister the duplicate certificate issued by the Registrar, and proper plans, specifications, and estimates of its proposed telephone system, with the tariff of rates, tolls, and rentals which it proposes to charge, and notifies the Registrar of such filing; and

(b.) Unless its proposed telephone system has been approved by the Minister, with due regard to existing telephone facilities in the locality in which the company proposes to operate; and

(c.) Unless the company has received in cash from its members a sum equal to at least twenty dollars for each pole-mile of its telephone system, as approved by the Minister.

(2.) Where a company fails to comply with the requirements of clause (a) of subsection (1), the Registrar shall cancel the incorporation of the company, and thereupon its certificate shall become void and of no effect, and the company shall be dissolved and its property (if any) shall be distributed among the parties entitled thereto as the Minister, upon the application of any member or creditor of the company, determines.

10. (1.) No company shall change the position of its telephone poles or lines or extend its lines without first obtaining the written consent of the Minister. Changes and extensions of poles and lines.

(2.) For the purposes of the "Highway Act," the Minister may require a company to change the position of its telephone poles or lines, and the cost of the change shall, unless the Minister otherwise orders, be borne by the company.

11. No company shall break up or open:— Consent to construction on highways, etc.

(a.) Any public highway, road, or street, not being in a municipality, or any primary highway within the meaning of the "Highway Act," without in either case first obtaining the written consent of the Minister:

(b.) Any public highway, road, or street in a municipality, other than a primary highway under clause (a), without first obtaining the approval of the municipality.

Powers of Company.

Power to expropriate land.

12. (1.) For the purpose of constructing, maintaining, and operating its telephone system, a company may enter upon, take, use, or acquire any land or property in whomsoever vested.

(2.) The company shall, whenever required so to do, make reasonable compensation to the owners of or persons interested in the land or property for all damages sustained by them by reason of the exercise by the company of its powers under this section; and in case the amount of compensation cannot be mutually agreed upon by the company and the owners or persons interested, the same shall be determined by arbitration in the manner provided by the "Arbitration Act."

Power to take Crown timber.

13. A company may, with the consent of the Minister of Lands, take free of charge from any vacant Crown lands all standing timber necessary for the construction of its telephone system.

Power to construct and operate system.

14. A company may construct, maintain, and operate its telephone system upon, along, across, above, or under any public highway, road, street, bridge, or other place, and may for that purpose break up and open any such highway, road, or street, but the company shall not interfere with the public right of travelling on or using any highway, road, street, or bridge.

Power to extend operations into municipalities.

15. Where a company passes an extraordinary resolution for the extension of its telephone system within the limits of a municipality adjacent to the locality in which the company operates, the Minister may, on application by the company and after hearing any municipality affected, and any other party interested, authorize the company to extend its telephone system accordingly, subject to such terms and conditions as he thinks advisable.

Power to connect with other telephone systems.

16. (1.) A company may, with the approval of the Minister in writing, enter into any agreement or arrangement with any person owning or operating a telephone system for the purpose of connecting the company's telephone system with that person's telephone system.

(2.) Where any person owning or operating a telephone system refuses to enter, upon request by a company, into an agreement or arrangement under subsection (1), the Minister may order such person to provide the necessary connection or facilities therefor upon such terms and conditions as he considers fair and reasonable.

(3.) Every person refusing or failing to carry out an order made by the Minister shall be liable, on summary conviction, to a penalty

not exceeding twenty dollars for each day during which the refusal or failure continues.

17. A company may supply telephone service to any person, in addition to members of the company, and, subject to section 18, may charge rates, rentals, or tolls therefor.

Power to supply service and charge tolls.

18. (1.) The directors of a company may make by-laws for the operation and management of its telephone system, but no by-law fixing any tariff, rate, rental, or toll shall have any force or effect until it has been approved by the Minister in writing.

Power to make by-laws.

(2.) Every by-law shall be in such form and be posted and published in such manner as the Minister prescribes, and a copy shall be filed with him.

Miscellaneous.

19. Where any person residing in or near the locality in which a company operates its telephone system applies to the company for telephone service, the company shall supply such service, but the company shall not be required to lay out a sum exceeding fifty dollars in establishing the service.

Company to serve residents in its locality.

20. Every subsisting company which was incorporated under the "Rural Telephone Act" repealed by this Act shall be deemed to be a company incorporated under this Act, subject to the following provisions:—

Application of Act to companies incorporated under former Act.

- (a.) Its rules shall, so far as the same are not contrary to any express provision of this Act, continue in force until altered or rescinded:
- (b.) The denomination of its shares may by extraordinary resolution be altered from twenty-five dollars each to five dollars each:
- (c.) Subsection (2) of section 6 shall not apply except where a company increases its capital:
- (d.) Section 9 shall not apply.

21. The Minister may from time to time make regulations for carrying out the purposes of this Act, including matters in respect whereof no express or only partial or imperfect provision has been made.

Regulations by Minister.

22. The "Rural Telephone Act," being chapter 44 of the Statutes of 1912, is repealed.

Repeal.

SCHEDULES.

SCHEDULE A.
(Section 4.)

"RURAL TELEPHONE ACT."

MEMORANDUM OF ASSOCIATION OF THE RURAL TELEPHONE COMPANY.

- (1.) The name of the Company is " Rural Telephone Company."
- (2.) The registered office of the Company will be situate at , in the Province of British Columbia.
- (3.) The object for which the Company is incorporated is to construct, maintain, and operate a telephone system from to [or within the locality described as follows:], in the Province of British Columbia.
- (4.) The liability of the members is limited.

We, the several persons whose names, addresses, and occupations are subscribed, desire to be formed into an incorporated Company in pursuance of this Memorandum of Association, and we respectively agree to take the number of shares in the capital of the Company set opposite our respective names.

Dated this day of , 19 .

Names, Addresses, and Occupations of Subscribers.	Number of Shares taken.

Witness to the above signatures:

Name .
 Address .
 Occupation .

SCHEDULE B.
(Section 8.)

PROVISIONS OF THE "CO-OPERATIVE ASSOCIATIONS ACT."

1. Section	2. Subject-matter.	3. Extent of Application.
8	Power to sue and contract.....	Subsection (1).
9	Power to acquire and dispose of land...	The whole section.
10	Borrowing powers	The whole section.
11	Ancillary powers	The whole section.
13	Distribution of profits	The whole section.
19	Contracts and negotiable instruments...	The whole section.
20	Membership and its obligations.....	The whole section.
21	Termination of membership.....	Clause (a) of subsection (1) as to transfer of shares.
22	Shares	Subsections (2) to (7).
23	Votes	Subsections (1) to (3), ex- cept that every member shall have one vote for each share of which he is the holder.
24	Rules	The whole section, except that of the rules in Sched- ule B, Rule 3 shall not apply; Rule 5 as to re- demption of shares shall not apply; the last three lines of Rule 42 shall not apply, and Rule 59 as to bonuses shall not apply.
25	Directors	The whole section.
26	General meetings	The whole section.
29	Registered office	The whole section.
30	Publication of name.....	The whole section.
31	Register of name	The whole section.
32	Register of directors	The whole section.
33	Annual report	The whole section.
34	Auditors and balance-sheet.....	The whole section.
35	Minutes	The whole section.
36	Accounts	The whole section.
37	Extraordinary resolutions to be filed....	The whole section.
38	Authentication of returns.....	The whole section.
39	Inspection of books	The whole section.
40	Copies of memorandum and rules to be furnished	The whole section.
42	Winding-up	The whole section.
43	Surrender of certificate	The whole section.
44	Removal of company from register.....	The whole section.
45	Amalgamation	The whole section.
46	Inspection of documents at Registrar's office and copies	The whole section.
47	Service of documents.....	The whole section.

VICTORIA, B.C.:

Printed by WILLIAM H. CULLIN, Printer to the King's Most Excellent Majesty.
1923.