

Bill No. 38 of 1953

A BILL TO AMEND THE CO-OPERATIVE MARKETING
ASSOCIATIONS GUARANTEE ACT

NOTE

This Bill amends *The Co-operative Marketing Associations Guarantee Act*, being chapter 252 of the Revised Statutes of Alberta, 1942.

Section 2, subsection (1a) is struck out and a new subsection substituted. The effect of this amendment is

- (a) to permit the guaranteeing of borrowings of a rural natural gas association in the same manner and to the same extent as that permitted in the case of rural electrification associations; and
- (b) to increase from three million dollars to five million dollars, the amount which the Lieutenant Governor in Council may from time to time authorize the Provincial Treasurer to guarantee on behalf of the Province for the due payment of any sum borrowed by a rural electrification association for the purpose of acquiring, constructing, maintaining, operating and administering works necessary for the transmission and distribution of electrical energy; and
- (c) to empower the Lieutenant Governor in Council to prescribe terms and conditions which an association and its members must comply with in order to obtain the guarantee of a borrowing.

Two new subsections (1b) and (1c) are added. The effect of this amendment is to remove the restriction upon additional borrowing now in the Act in respect of marketing associations generally so that these restrictions will not apply to additional borrowings by rural electrification associations.

This Bill comes into force upon assent.

J. W. RYAN,
Acting Legislative Counsel.

(This note does not form any part of the Bill but is offered in explanation of its provisions.)

BILL

No. 38 of 1953

An Act to amend The Co-operative Marketing Associations
Guarantee Act

(Assented to _____, 1953)

HER MAJESTY, by and with the advice and consent of
the Legislative Assembly of the Province of Alberta,
enacts as follows:

1. *The Co-operative Marketing Associations Guarantee Act*, being chapter 252 of the Revised Statutes of Alberta, 1942, is hereby amended.

Section 2
amended

2. Section 2 is amended by striking out subsection (1a) and by substituting the following:

Guarantee of
borrowing

“(1a) If

“(a) an association incorporated under *The Co-operative Associations Act, 1946*, having as its principal object the supplying of natural gas or electrical energy or power to its members

“(i) has first paid at least fifteen per cent of the amount of any capital expenditure proposed to be made by the association in carrying out its objects, and

“(ii) has made provision satisfactory to the Provincial Treasurer for a sinking fund adequate for the purpose of paying off the loan and interest as and when it becomes due, and

“(b) such association and its members have complied with the terms and conditions which may be made from time to time by the Lieutenant Governor in Council, and

“(c) the period of repayment of a borrowing by such association does not exceed twenty years, and

“(d) the total amount of the liability of the Province as a guarantor under this subsection and subsection (1b) does not exceed five million dollars,

the Lieutenant Governor in Council may authorize the Provincial Treasurer, on behalf of the Province, to guarantee the due repayment of any sum, together with interest thereon, borrowed by the association for the purpose of acquiring, constructing, operating, maintaining and administering the pipe lines or works necessary for the carrying, transmission and distribution of natural gas or electrical energy, and the Provincial Treasurer, on behalf of the Province, may execute any instrument for the purpose of the guarantee.

“(1b) Where the borrowings of an association have been guaranteed pursuant to subsection (1a), and the association desires to extend its pipe lines or transmission and distribution system, if the requirements of subsection (1a) are complied with in respect of the additional borrowings required by the association for that purpose the Lieutenant Governor in Council may authorize the Provincial Treasurer to guarantee the additional borrowings necessitated by a proposed extension of the pipe lines or transmission and distribution system of the association.”

Guarantee of
additional
borrowing

“(1c) The provisions of subsections (2), (3) and (4) do not apply to a borrowing guaranteed pursuant to subsection (1a).”.

3. This Act comes into force on the day upon which it is assented to.

Coming
into force

No. 38

FIRST SESSION
TWELFTH LEGISLATURE
2 ELIZABETH II
1953

BILL

An Act to amend The Co-operative
Marketing Associations
Guarantee Act

Received and read the

First time

Second time.....

Third time.....

HON. DR. ROBINSON
