

Bill No. 46 of 1955

A BILL TO AMEND THE DAIRYMEN'S ACT, 1950

NOTE

This Bill amends *The Dairymen's Act, 1950*, being chapter 18 of the Statutes of Alberta, 1950.

Two new sections are being added to the Act which provide that operators of dairy manufacturing plants shall furnish security of an amount to be fixed by the Minister of Agriculture, as a prerequisite to the issue of a licence to operate the plant. The security is to ensure payment by the licensee to his patrons who supply him with milk or cream, and it may take the form of a bond in favour of the Crown, or a trust deed whereby a bank or Treasury Branch is constituted trustee of cash or of trustee securities. Provision is made to ensure that information supplied to the Minister to enable him to fix the amount of the security is kept secret.

The Minister is given power to advertise for claims by the licensee's patrons if the licensee defaults in making payment, and to enforce the security for the benefit of those patrons who make valid claims. In the event of the bankruptcy of the licensee the Minister may assign the security to the trustee in bankruptcy for the benefit of the patrons.

Section 28, subsection (4) is being amended to enable the Lieutenant Governor in Council to prescribe the form of a bond for the purpose of the new provisions.

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. 46 of 1955

An Act to amend The Dairymen's Act, 1950

(Assented to _____, 1955)

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

1. *The Dairymen's Act, 1950*, being chapter 18 of the Statutes of Alberta, 1950, is hereby amended.

2. Section 28 is amended by striking out subsection (4) and by substituting the following: Section 28 amended

"(4) The Lieutenant Governor in Council may from time to time prescribe

"(a) the conditions subject to which a license is issued,

"(b) the fees payable for a license,

"(c) the form of the bond that may be required to be furnished under section 28a."

3. The following new sections are added immediately after section 28: New sections 28a and 28b

"28a. (1) Where the issue of a license to operate a dairy manufacturing plant or the renewal of such a license is approved by the Minister after this section has come into force, the Minister shall, unless in the case of a renewal security has previously been furnished under this section and is still good, fix the amount of the security to be provided by the applicant for the license. Bonding

"(2) The Minister shall not issue or renew the license until the security has been provided.

"(3) The security may, in the discretion of the Minister, take the form of

"(a) a bond in favour of the Crown with one or more sureties of which it is a condition that the licensee shall faithfully account to and make settlement with patrons according to the true value of milk and cream supplied, or

"(b) a trust deed whereby the licensee directs a bank to hold cash or to hold securities of a kind in which a trustee may invest by virtue of subsection (1) or subsection (3) of section 3 of *The Trustee Act*, but not the interest thereon, upon trust to pay the cash, or to realize the securities, and pay the sum realized, as the case may be, to or to the order of the Minister

if the Minister informs the bank in writing that the licensee has failed faithfully to account to or make settlement with patrons according to the true value of milk and cream supplied.

Additional
bond

“(4) The Minister may at any time require such additional security as he deems necessary.

Revocation
of license

“(5) If the security is cancelled and new security is not furnished on or before the date upon which the cancellation takes effect, or if the Minister requires additional security, and it is not furnished within such time as he may prescribe, the license held by the person in default is automatically revoked.

Financial
statement

“(6) In order to fix the amount of the security, the Minister may require the applicant for the license to submit to him a financial statement showing the extent of the dairy manufacturing business carried on or intended to be carried on.

“(7) Statements furnished under subsection (6) are for the exclusive use of the Department, and, except insofar as it may be necessary for the purpose of legal proceedings, no person other than a departmental officer shall be permitted to see them.

Claims for
breach of
bond

“28b. (1) If the Minister finds that a person to whom a license to operate a dairy manufacturing plant has been issued has failed faithfully to account to or make settlement with patrons according to the true value of the milk and cream supplied, the Minister may publish a notice in *The Alberta Gazette* and in a newspaper circulating in the district in which the dairy manufacturing plant is situated, requiring patrons who by reason of such failure have claims against the licensee, to furnish the Minister, by a date to be specified, with particulars of their claims verified by statutory declaration or in such other manner as the Minister may require.

“(2) A statutory declaration furnished to the Minister pursuant to subsection (1) shall

“(a) contain or refer to a statement of account showing particulars of the indebtedness, and

“(b) specify the vouchers, if any, by which the statement of account can be substantiated.

“(3) The Minister may at any time call for the vouchers specified in the statutory declaration.

“(4) After the date specified in the notice referred to in subsection (1), the Minister may require the sureties or the bank, as the case may be, to pay such of the claims against the licensee as the Minister finds to be proved, and in default of payment, may take proceedings to enforce the bond or the trust deed for the benefit of patrons.

“(5) If the amount of the bond or the amount of the cash or the sum realized on the sale of the securities, as the case may be, is insufficient to pay in full all the claims that the Minister finds to be proved, such claims shall be paid *pro rata*.

"(6) If the licensee becomes a bankrupt the Minister may assign the bond, or where the security is in the form of a trust deed and the trust deed is not void as against the trustee in bankruptcy, may assign the cash or the sum realized on the sale of the securities to the trustee in bankruptcy for the benefit of patrons. ^{Assignment of bond}

"(7) In this section and section 28a the expression 'bank' includes a treasury branch established under *The Treasury Branches Act*."

4. This Act comes into force on the day upon which it is assented to. ^{Coming into force}

No. 46

THIRD SESSION
TWELFTH LEGISLATURE
4 ELIZABETH II
1955

BILL

An Act to amend
The Dairymen's Act, 1950

Received and read the

First time.....

Second time.....

Third time.....

HON. MR. HALMRAST
