

Bill No. 53 of 1955

A BILL TO AMEND THE ALBERTA CO-OPERATIVE
RURAL CREDIT ACT

NOTE

This Bill amends *The Alberta Co-operative Rural Credit Act*, being chapter 248 of the Revised Statutes of Alberta, 1942.

Under this Act a Rural Credit Corporation had at one time been set up. Within this corporation were co-operative credit societies. The co-operative credit societies arranged for loans to its members from banks. These loans were guaranteed by the Province and supervised by an official of the public service, the Supervisor of co-operative credit societies. By a separate part of the Act, Part II, sugar beet credit societies were authorized and functioned under the same provincial guarantee.

For some time now, the only societies operating under this Act have been a few sugar beet societies and the position of Supervisor has been too costly to maintain. Also, the Provincial guarantee is no longer needed by the few remaining sugar beet societies still operating under this Act.

This Act is being amended to do away with the provincial guarantee and to reduce the administrative duties of the Supervisor, particularly those duties requiring his approval of individual loans, as, with the removal of the guarantee, these duties have lost their purpose.

Section 47, subsection (2); section 50, subsection (1) and sections 56, 57 and 74 are amended to reduce the administrative duties of the Supervisor to purely supervisory duties rather than duties of a loan approving office.

Sections 43, 52, 85, 86, 87, 89, 91 and 97 are amended to remove references to the provincial guarantee of loans.

The following sections have been amended to remove provisions that have become unnecessary, or to make amendments made necessary by reason of the change in the Supervisor's duties and the removal of the provincial guarantee:

- Section 6—the requirement that moneys from a society's shares be held by the Co-operative Rural Credit Corporation removed.
- Section 34—power in the Provincial Treasurer to appoint three members to board of directors of a society removed.
- Section 60—reference to loans made before July 1st, 1931 removed.

Section 80—sinking fund, which was maintained by Provincial Treasurer now to be responsibility of society.

Section 101—report of loans made is required by the latter part of this section to be reported to the Legislative Assembly; this provision is removed as loans no longer guaranteed.

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. 53 of 1955

An Act to amend The Alberta Co-operative Rural Credit Act

(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 Alberta Co-operative Rural Credit Act*, being chapter 248 of the Revised Statutes of Alberta, 1942, is hereby amended.

2. Section 6 is repealed.

Section 6
repealed

3. Section 34 is struck out and the following is substituted:

Section 34
amended

"34. (1) The affairs and business of a society shall be transacted by a board of directors, consisting of seven members of the society, who shall be elected by the members of the society.

Board of
directors

(2) The directors shall be elected annually and hold office until his or their successors have been elected."

4. Section 43 is amended by striking out the proviso following clause (d).

Section 43
amended

5. Section 47, subsection (2) is amended by striking out the words "which shall be transmitted with the list and the statement of assets and liabilities to the supervisor".

Section 47
amended

6. Section 50, subsection (1) is amended by striking out the words "application approved by the Supervisor" and by substituting the words "approved application".

Section 50
amended

7. Section 52 is repealed.

Section 52
repealed

8. Section 56 is amended by striking out the words "the Supervisor of co-operative credit societies and to".

Section 56
amended

9. Section 57 is amended

Section 57
amended

(a) by striking out the word "triplicate" and by substituting the word "duplicate",

(b) by striking out the words "one shall be delivered to the Supervisor",

(c) by striking out the word "third" and by substituting the word "second".

Sections
60 and 74
repealed

10. Sections 60 and 74 are repealed.

Section 80
amended

11. Section 80 is amended by striking out subsections (2), (3), (4) and (5) and by substituting the following:

"(2) The difference between the interest that may be retained by the lender and the interest payable by the borrower shall be paid to the society by the lender.

Sinking fund

"(3) When any sums are received under this section from a lender, the society shall hold not less than one-third or more than one-half of the amount received in a sinking fund and the balance may be used by the society for its own use and benefit.

"(4) Moneys held by a society in its sinking fund may, in accordance with any regulations relating thereto which the Minister may make, be applied in defraying any losses sustained by the society in respect of any loan made pursuant to this Part.

Investment
of sinking
fund

"(5) A sinking fund shall be invested in such securities as the Minister may prescribe.

"(6) Upon the winding up of any society formed under this Part, the sinking fund of the society may be used by the society for its own use and benefit, subject to the payment of all the obligations of the society."

Section 85
amended

12. Section 85 is amended by striking out clause (f).

Sections
86 and 87
repealed

13. Sections 86 and 87 are repealed.

Section 88
amended

14. Section 88 is amended

(a) as to subsection (1)

(i) as to clause (a) subclause (i) by striking out the words "guaranteed under this Act" and by substituting the words "made pursuant to this Act",

(ii) by striking out clause (b),

(b) as to subsection (2) by striking out the word "guaranteed".

Section 89
repealed

15. Section 89 is repealed.

Section 91
amended

16. Section 91 is amended

(a) as to subsection (6) by striking out the words ", and the Lieutenant Governor in Council may from time to time authorize the Provincial Treasurer to guarantee on behalf of the Province the due repayment to any lender of any sums advanced to a borrower in respect of any loans or any renewal thereof provided pursuant to this subsection",

(b) by striking out subsection (9).

17. Section 97 is repealed.

Section 97
repealed

18. Section 101 is amended by striking out the words
“and the report shall be submitted through the Minister to
the Legislature at the next Session thereafter and within
the first fifteen days of the Session”.

Section 101
amended

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

Coming
into force

THIRD SESSION
TWELFTH LEGISLATURE
4 ELIZABETH II
1955

BILL

An Act to amend The Alberta
Co-operative Rural Credit Act

Received and read the

First time.....

Second time.....

Third time.....

HON. MR. GERHART
