

No. Pr. 3

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3rd Session, 15th Legislature, Alberta  
14 Elizabeth II

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## **BILL Pr. 3**

A Bill to consolidate and revise certain Acts respecting The  
United Farmers of Alberta Co-Operative Limited

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MR. FIMRITE

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# BILL

No. Pr. 3 of 1966

An Act to consolidate and revise certain Acts respecting The  
United Farmers of Alberta Co-Operative Limited

(Assented to \_\_\_\_\_, 1966)

- Preamble**      **W**HEREAS United Farmers of Alberta Co-Operative Limited was originally incorporated by chapter 56 of the Statutes of Alberta, 1918; and
- WHEREAS enactments passed in 1944, 1946, 1948 and 1949 have amended the original Act and enacted additional provisions respecting the said corporation; and
- WHEREAS it is deemed expedient to revise and consolidate the said Acts; and
- WHEREAS a Petition has been presented praying that it be enacted as herein set forth and it is expedient to grant the prayer of the Petitioner:
- THEREFORE, Her Majesty, by and with the advice and consent of the Legislative Assembly of the Province of Alberta enacts as follows:
- Short title**      **1.** This Act may be cited as "*The United Farmers of Alberta Co-Operative Limited Act, 1966*".
- Continuation**      **2. (1)** The United Farmers of Alberta Co-Operative Limited (hereinafter referred to as the "Association") as heretofore constituted is continued as a corporation with the same name.
- Head office**      **(2)** The head office of the Association shall be located in the city of Calgary, or such other place in Alberta as the Association may decide.
- Objects**      **3.** The objects of the Association are to co-operate and assist in promoting the economic and cultural welfare of farmers and ranchers in Alberta and to assist and co-operate with other farm organizations, institutions and groups in programs designed to improve the position of farmers and ranchers in Alberta.
- Powers**      **4. (1)** The Association is empowered
- (a)** to act as agent for all classes of insurance and to appoint agents for any insurance company,

- (b) to buy, sell, manufacture and deal in, on a co-operative basis, by wholesale or retail and as principal or agent, all manner of goods, wares, and merchandise, including without restricting the generality of the foregoing, gasoline, petroleum products, farm products, machinery, equipment and farm and ranch supplies,
  - (c) to carry on any other business which seems to the Association capable of being conveniently carried on in connection with its business or calculated directly or indirectly to enhance the value of or render profitable any of the Association's property or rights,
  - (d) to take, or otherwise acquire and hold shares or memberships in any other company, association or society having objects altogether or in part similar to those of the Association, or carrying on business capable of being conducted so as directly or indirectly to benefit the Association, and to sell or otherwise deal therewith,
  - (e) to purchase, lease or otherwise acquire and hold real and personal property within Alberta necessary for the purposes of the Association and to sell, mortgage, lease, exchange or otherwise deal with it or any part thereof as the Association considers proper or advisable,
  - (f) to invest all moneys of or in the possession of the Association arising from or connected with its business or objects or any of them, in such securities, real or personal that, by law, trustees may invest in,
  - (g) to draw, make, accept and endorse, all bills of exchange, cheques and promissory notes considered necessary by the Association for the purposes of the Association under the hands of such officers as may be designated by the by-laws of the Association,
  - (h) to lend money to any person having dealings with it or with whom it proposes to have dealings, and to guarantee the contracts, obligations or securities of any such person,
  - (i) to do all other things that are incidental to or may be deemed by the Association conducive to the attainment of the objects of the Association or any of them, and
  - (j) to exercise such other powers of a co-operative association as are enumerated in *The Co-operative Associations Act*, excepting only such of those powers that are contrary to or inconsistent with any of the provisions of this Act.
- (2) It is not necessary to affix the Association's seal to any bill of exchange, cheque or promissory note.

(3) Nothing in this Act authorizes or empowers the Association to issue bills or notes that are payable to bearer or are intended to be circulated as money or as bills or notes of a bank.

Management

**5. (1)** The affairs of the Association shall be managed by a board of directors consisting of not less than seven members or such greater number as may be determined by by-law and such directors shall be elected and hold office in the manner and for the terms prescribed in the by-laws.

(2) The directors shall appoint from among the members thereof one or more executive committees and may delegate to such committee or committees such powers and authority as the board considers expedient.

By-laws

**6. (1)** For the purpose of managing the affairs of the Association the board of directors has the following powers, namely:

(a) to pass by-laws governing and regulating the affairs of the Association and in particular but not so as to restrict the generality of the foregoing by-laws governing and regulating

(i) the qualifications for and terms of membership,

(ii) the qualifications of and election of directors,

(iii) the time, place and manner of holding meetings of members and of the board of directors, including the quorum and procedure thereat,

(iv) the duties of directors and delegates,

(v) the local societies of members, and

(vi) the application of patronage dividends and distribution of surplus,

and

(b) to pass by-laws

(i) to borrow money upon the credit of the Association,

(ii) to limit or increase the amount to be borrowed,

(iii) to issue debentures or other securities of the Association,

(iv) to pledge or sell such debentures or other securities for such sums and at such prices as the board considers expedient, and

(v) to mortgage, hypothecate, charge or pledge all or any of the real and personal property, undertakings or rights of the Association to secure any debentures or other securities or any money borrowed or other liability of the Association.

(2) A by-law passed under clause (a) of subsection (1) has effect until the conclusion of the next annual meeting of the Association and in default of confirmation thereat ceases to have effect.

(3) The by-laws of the Association and any amendments thereto, whether made before or after the commencement or this Act bind the Association and the members thereof to the same extent as if each by-law had been signed and sealed by each member and contained covenants on the part of each member, his heirs, executors and administrators, to observe all the provisions of the said by-laws, subject to the provisions of this Act.

Capital

**7.** (1) The capital of the Association shall consist of

(a) an unlimited number of ordinary shares of the par value of five dollars each or such other amount as may from time to time be fixed by the by-laws of the Association, and

(b) shares of such par value and with such preferred or deferred or other special rights as the Association may by extraordinary resolution determine.

(2) Subsections (2) to (8) of section 17 of *The Co-operative Associations Act* apply to shares issued under clause (b) of subsection (1).

(3) In this section "extraordinary resolution" means a resolution which has been passed by a majority of not less than three-fourths of such delegates entitled to vote as are present in person at a general meeting of which not less than ten days' notice specifying the intention to propose the resolution has been duly given.

Surplus  
earnings

**8.** (1) Surplus earnings arising from the business of the Association and remaining in its hands at the end of each fiscal year shall be dealt with as follows:

firstly: by paying dividends on preferred shares in accordance with the obligations undertaken on the issue of such shares,

secondly: by setting aside such reserves as the board of directors may deem necessary or expedient,

thirdly: by paying interest, if any is payable, at a rate not in excess of such rate as may be set by the board, on ordinary shares of the Association,

fourthly: by allocating, crediting or paying to members, or members and patrons, as the by-laws may provide, the balance, or such part thereof as may be determined by the board, as patronage dividends in proportion to the volume of business done by each with the Association during the year with appropriate differences in the rate for different classes of goods and services, but patronage dividends due any patron who is not a member may be retained by the Association and credited to the patron on account of a share capital sub-

scription until an amount has been accumulated equal to the par value of such number of shares as may be required by the by-laws of the Association.

(2) In lieu of payment of patronage dividends in cash, the Association may require its members to undertake to make such loans or incur such other obligations to the Association to the extent of such patronage dividends as the by-laws of the Association may require, and such by-law shall have the same effect as if each member had entered into a separate contract with the Association for good consideration and shall create a legal obligation on the part of each member or shareholder to make such loan or incur such obligations but only to the extent of such patronage dividends.

Withdrawal  
from mem-  
bership

**9.** Members of the Association may withdraw from membership in the manner prescribed by by-law and upon the terms prescribed for withdrawal of members by section 35 of *The Co-operative Associations Act*.

*The Co-  
operative  
Associations  
Act*

**10.** To the extent that they are not inconsistent with this Act or the by-laws of the Association, subsection (1) of section 20 and section 25 of *The Co-operative Associations Act* apply to the Association.

Exemptions

**11.** *The Companies Act* and *The Securities Act, 1955*, do not apply to the Association or to the securities of the Association.

Repeal

**12.** The following Acts are repealed :

Chapter 56 of the Statutes of Alberta, 1918;

Chapter 78 of the Statutes of Alberta, 1944;

Chapter 76 of the Statutes of Alberta, 1946.

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THIRD SESSION  
FIFTEENTH LEGISLATURE  
14 ELIZABETH II  
1966

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**BILL**

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Received and read the

First time .....

Second time .....

Third time .....

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MR. FIMRITE

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