

BILL NO. 67 OF 1925.

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

NOTE

The Act as it now stands provides that an endorser of any note shall be subject to all the conditions and penalties imposed by the Act upon the borrower. The Bill provides that the endorsement shall only so operate after the endorser has signed a memorandum calling his attention to the terms of section 74.

The Bill further provides for the formation of co-operative credit societies whose operations are limited to the production of sugar beets. In the case of such a society the Provincial guarantee is only to operate when a sugar beet company holds shares to half the value of the shares held by the ordinary shareholders.

The Bill further provides for the summary taking possession of crops covered by the security given to the secretary-treasurer in the event of the borrower deserting his land, etc.

WALTER S. SCOTT,
Legislative Counsel.

(This note does not form any part of the Bill and is offered merely as a partial explanation of some of its provisions.)

BILL

No. 67 of 1925.

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

(Assented to _____, 1925.)

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

1. This Act may be cited as "*The Alberta Co-operative Credit Act Amendment Act, 1925.*"

2. *The Alberta Co-operative Credit Act*, being chapter 161 of the Revised Statutes of Alberta, 1922, is amended by striking out section 58 and substituting therefor the following:

"**58.** No person who has obtained a loan under this Act any part of which remains unpaid, shall dispose or attempt to dispose of, or charge or attempt to charge any of the stock, crops or other chattels subject to the lien of a co-operative society without the consent of the directors of the society, and no person shall acquire any title whatsoever to the said property under any such disposition or charge or attempted disposition or charge."

3. Section 74 of the said Act is hereby struck out and the following sections substituted as sections 74, 75 and 76:

"**74.** Any society, when and if requiring the endorsement of a note of a borrower, may require the intending endorser to sign a document in form M, and from and after such signature the endorsement of the note of the borrower shall constitute an authorization to the secretary-treasurer of the society to sign and register charges in forms H and J of the schedule to this Act with respect to the property of the endorser, and such forms when so signed and registered shall, with regard to the property of the endorser, have the effect and priority accorded by the terms of this Act to similar forms relating to the property of the borrower.

"**BEEET SUGAR CO-OPERATIVE CREDIT SOCIETIES.**

"**75.—(1)** A co-operative credit society may be formed under the provisions of this Act for the special purpose and the purpose only of assisting in the production of sugar beets.

"(2) When any such society is formed, the Provincial guarantee hereinbefore provided for shall not operate during any period during which a company or person engaged in the sugar beet industry does not hold fully paid up class B shares equal to the number of class A shares for the time being held by the ordinary shareholders of the said society:

“Provided that in the event of the company or person not holding class B shares to the aforesaid number, the shareholders may subscribe for the said fully paid up shares, and thereupon the said Provincial guarantee shall be operative.

“(3) In any such society the shares shall be divided into class A shares and class B shares, class A shares being of the face value of fifty dollars and class B shares being of the face value of twenty-five dollars.

“(4) Class A shares shall be issued to ordinary subscribers whether original or additional, and shall be payable twenty-five dollars cash at the date of the allotment of the share and the balance shall be secured by promissory note due upon the first day of September following the date of the first advance of money by the society to the person subscribing for each share.

“(5) Class B shares shall, subject to the proviso to subsection (2), be issued to persons or companies operating sugar beet industries, and shall be paid for in full at the time of issue.

“(6) In the event of the death, insolvency, or insanity of the borrower or of his deserting the land which he has been cultivating, or neglecting his crop, or of his failure to carry out the purpose for which the loan was obtained from the beet sugar co-operative credit society, the secretary-treasurer may apply by himself or his bailiff to any justice of the peace or police magistrate for an order placing the society or any person named by it in possession of all crops covered by any security given to the society, and of any or all other property, real or personal, of the borrower which may be required for the proper care, use or preservation of the security without any further or other order or permission than is afforded by this section.

“76. All the provisions of this Act shall apply in every way to beet sugar co-operative credit societies save in so far as the same are expressly altered by this section.”

4. The schedule to the said Act is amended by adding as form M the following:

“FORM M.

“I,, of, agree that the endorsement of the note of..... by me shall constitute an authorization to the secretary-treasurer in the terms set out in section 74 of The Alberta Co-operative Credit Act.

“(Signed)

“Dated.....

“To the Secretary-Treasurer of..... Co-operative Credit Society.”

5. This Act shall come into force on the..... day of.....19...

No. 67.

FIFTH SESSION
FIFTH LEGISLATURE
15 GEORGE V
1925

BILL

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

Received and read the

First time.....

Second time.....

Third time.....

EDMONTON:
J. W. JEFFERY, KING'S PRINTER
A.D. 1925