

BILL

No 82 of 1931.

An Act respecting Rural Co-operative, Intermediate and Short Term Credit

(Assented to _____, 1931)

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 Rural Credit Act.*"

2. In this Act, unless the context requires a contrary meaning—

- (a) "Board" means the board of management of the corporation constituted by this Act;
- (b) "Corporation" means the Alberta Rural Credit Corporation by this Act constituted;
- (c) "Lender" means any chartered bank, financial corporation authorized to do business in the Province, or person loaning moneys to subscribers through a society,
- (d) "Minister" means the Provincial Treasurer;
- (e) "Society" means every society which is a member of the corporation;
- (f) "Supervisor" means the supervisor of co-operative credits appointed pursuant to this Act

PART I.

3. The provisions contained in this Part shall apply to all societies organized under *The Alberta Co-operative Credit Act* or this Act, except sugar-beet co-operative credit societies.

4. There is hereby constituted in the Province of Alberta a body politic and corporate with the name of "The Alberta Rural Credit Corporation," the objects of which shall be to co-ordinate and consolidate the operation of co-operative credit societies and to administer their capital and to make provision for the payment of loans incurred in the operations of such societies and to discharge such powers and duties as are by this Act conferred or imposed upon it.

5. The members of the corporation shall be, firstly, every society incorporated under *The Alberta Co-operative Credit Act* to which this Part applies, which has been approved by the Lieutenant Governor in Council as a member, except any society incorporated as aforesaid, which delivers to the Minister on or before the thirty-first day of July, 1931, a copy of a resolution passed at a duly convened meeting of the society to the effect that such society objects to becoming a member of the corporation, such copy of the resolution to be certified by the seal of the society and the signatures of the president and secretary thereof; and secondly, all societies incorporated pursuant to this Act.

6. Immediately after the thirty-first day of July, 1931, the Provincial Treasurer shall deliver to the corporation all moneys, or the investments representing the same, which he shall then hold on account of the capital of any society which is a member of the corporation, together with the money, or the investments representing the same, held by him as the reserve fund established pursuant to the provisions of *The Alberta Co-operative Credit Act*.

7. Each society which is a member of the corporation shall remit to the corporation all sums from time to time received by the society on account of the shares of such society.

8. The capital of the corporation shall consist of—

- (a) the capital of each society which is a member of the corporation;
- (b) a contribution by the Government of the Province of an amount equal to the aggregate of the capital of all included societies or the sum of two hundred thousand dollars, whichever is the least.

9. The corporation shall issue to each included society one or more share certificates for the amount of the capital for the time being to the credit of such society on account of its capital, and shall issue to the Provincial Treasurer, as representing the Province, one or more share certificates for the amount contributed by the Government, pursuant to this Act.

10.—(1) The capital of the corporation shall be invested in all or any of the forms of investment following, namely, stocks, debentures and securities of the Government of Canada, or of any Province of Canada, debentures or securities the payment of which is guaranteed by the Government of Canada or by any of the Provinces of Canada, and debentures of any city, town, village, municipal district, school district, or municipal hospital district in the Province.

(2) The corporation may from time to time and at any time realize upon any investment so made, and reinvest the proceeds so realized in the same or any other kind of investment authorized by this section without being answerable for any loss occasioned thereby.

11. The capital of the corporation shall be available to the extent that the reserve fund established pursuant to this Act is insufficient for the purpose of paying to the Provincial Treasurer any sums disbursed by him in respect of any loan made to the member of a society pursuant to this Act or *The Alberta Co-operative Credit Act* and which is by virtue of the said Acts or either of them guaranteed by the Province

12. Any sums paid out of the capital of the corporation shall be deemed to have been paid as to fifty per centum thereof out of that part of the capital contributed by the Province and as to fifty per centum out of the remainder of the capital of the corporation

13. The income to arise from the investment of the capital of the corporation shall be dealt with as follows

- (a) Firstly, in providing for the cost of conducting the affairs and business of the corporation;
- (b) Secondly, by transfer of such amounts to the reserve fund as the Lieutenant Governor in Council may from time to time direct, and
- (c) Thirdly, in payment of a dividend on the shares in the capital of the corporation.

14. The corporation shall establish a reserve fund and shall include therein—

- (a) the fund transferred by the Provincial Treasurer on account of the reserve fund established under *The Alberta Co-operative Credit Act*,
- (b) the surplus interest on the capital of the corporation;
- (c) the interest arising from the investment of the reserve fund, and
- (d) all moneys paid to the corporation by the societies on account of interest charged to members which are by this Act made payable to the corporation

15. The reserve fund shall be primarily available for the payment to the Provincial Treasurer for any moneys disbursed by him in respect of any loan made to the member of a society pursuant to this Act or *The Alberta Co-operative Credit Act* and which is by virtue of the said Acts, or either of them, guaranteed by the Province, and recourse shall not be made to the capital for this purpose unless and until the reserve fund is wholly depleted

16. The reserve fund shall be invested in the same manner as the capital of the corporation and any income arising therefrom shall be added to the reserve fund.

17. The affairs and business of the corporation shall be conducted by a board of three, appointed by the Lieutenant Governor in Council, who shall hold office during pleasure, and one of such members may be nominated by the Board of the Provincial Association of Co-operative Credit Societies.

18. The board shall have the powers and duties which are expressly conferred upon it by this Act and shall have the power to do any act or thing necessary or incidental to the exercise or performance of any such power or duty.

19. The board shall meet at the office of the corporation in each of the months of January, April, July and October in each year and at such other times as may be necessary for the transaction of the business of the corporation and whenever required so to do by the chairman or by the supervisor.

20. The office of the board shall be at such place in the City of Edmonton as may from time to time be appointed by the Lieutenant Governor in Council.

21. Minutes shall be kept of all meetings of the board and all business transacted thereat and a true copy of such minutes shall be delivered to the Minister within three days after the meeting in which the same relate.

22. Two members of the board shall constitute a quorum.

23. With the consent of the Lieutenant Governor in Council, the board may appoint a secretary, fix his remuneration and prescribe his duties.

24. The remuneration of the members of the board and allowances for travelling and expenses shall be such as may from time to time be prescribed by the Lieutenant Governor in Council.

25. Every society incorporated under *The Alberta Co-operative Credit Act* which becomes a member of the corporation shall be deemed to have been incorporated under this Act and shall be subject to all the provisions of this Part, and every such society, except a sugar-beet co-operative credit society, which does not become a member of the corporation, shall on the first day of August, 1931, cease to carry on business.

26. Any fifteen or more persons who are engaged in farming and who are desirous of obtaining intermediate and short term credit, or either of them, under the provisions of this Act, may apply for incorporation by delivering to the board an application for that purpose in Form A in the schedule to this Act, duly signed by each of the applicants who shall have subscribed for shares in the capital of the proposed society to an amount of not less than two thousand two hundred and fifty dollars and shall have paid at least twenty per centum of the nominal value of such shares and shall have provided for the payment of the balance by making promissory notes payable to the society, bearing interest at six per centum per annum, by four equal consecutive annual instalments, the first of such instalments to be payable on the first day of January next after the date of incorporation.

27. Upon the application being approved by the board and upon the recommendation of the Provincial Treasurer, the Lieutenant Governor in Council may, by order, declare the society to be incorporated with such name as shall be set out therein.

28.—(1) A certified copy of any Order in Council incorporating a society shall be forthwith delivered to the Registrar of Joint Stock Companies, who shall, upon payment of the prescribed fee, file the same in his office and register the same in a register to be known as "The Alberta Co-operative Credit Societies' Register," and shall issue a certificate of registration in Form B in the schedule hereto, and publish a notice of such registration in *The Alberta Gazette*.

(2) Upon registration, the persons who sign the application as well as all persons who may thereafter become members of the society, shall become and shall be a body corporate and politic, and shall, subject to the provisions of this Act, have all the powers, rights and immunities vested by law in such bodies.

29. Upon incorporation, the provisional directors shall have all the powers and duties conferred or imposed upon directors by this Act until the holding of the first meeting of the society.

30. Within thirty days after publication in *The Alberta Gazette* of the notice of incorporation of a society, the provisional directors shall call a meeting of all the members for the purpose of electing directors and completing the organization necessary for the operation of the society.

31. No society shall commence business unless and until at least twenty-five persons engaged in farming operations have subscribed for shares in the capital of the

society amounting in the whole to not less than three thousand seven hundred and fifty dollars, and unless at least twenty per centum has been paid in cash upon the capital so subscribed.

32. Subject to any regulation approved by the Lieutenant Governor in Council in that behalf, there shall be paid to every society established under the provisions of this Act out of any moneys appropriated by the Legislature for that purpose, a grant of twenty-five dollars for the purpose of assisting the said society in organizing.

33. No society shall be registered under a name identical with that under which any other existing society has been registered or so nearly resembling such name as to be likely to deceive.

34. No person who is a member of a society shall become a member of any other society, except a sugar-beet society.

35. The affairs and business of a society shall be transacted by a board of directors consisting of seven members of the society, four of whom shall be elected by the members only, and three of whom shall be appointed by the Provincial Treasurer upon the recommendation of the supervisor, and the directors elected by the members shall be elected annually and the directors appointed by the Provincial Treasurer shall hold office during his pleasure and all such directors shall hold office until his or their successors have been elected or appointed, as the case may be.

36. Immediately after the first meeting of the society, the provisional directors shall cause a return in writing to be made to the Provincial Treasurer setting out the names and addresses of the directors elected by the members and thereupon the Provincial Treasurer shall notify the society of the names of the directors appointed by him and shall cause a notice to be published in *The Alberta Gazette* setting out the names of all the directors of the society.

37. No director or other officer of a society, except the secretary-treasurer, shall be paid any salary or fee other than the actual expenses necessarily incurred while attending meetings of the board of directors and while engaged upon the transaction of the business of the society.

38. Subject to the provisions of this Act, the directors of the society are empowered to administer the affairs of the society and to enter into any contract on behalf of the society into which the society may lawfully enter, and to do all acts and things necessary or incidental to the transaction of the affairs and business of the society.

39. Five shall be a quorum for a meeting of directors and no business shall be transacted at any such meeting unless a quorum is present.

40.—(1) Subject to the provisions of this Act, the directors may from time to time, by by-law, provide—

- (a) for the allotment of shares, the making of calls thereon, the payment thereof, the issue and registration of share certificates, the forfeiture of shares for non-payment, the disposal of forfeited shares and of the proceeds thereof, and the transfer of shares;
- (b) for the declaration and payment of dividends;
- (c) for the appointment, functions and duties of all officers and employees of the society, the security to be given by them to the society, and their remuneration;
- (d) for the terms and conditions of the engagement of any officer or employee of the society and the termination of any such engagement;
- (e) for fixing the time and place for holding any meeting of the society, the calling of regular and special meetings of the directors of the society, the quorum, the requirements as to proxies and the procedure in all things at such meetings;
- (f) for the imposition and recovery of all penalties and forfeitures admitting of regulation by by-law;
- (g) for the conduct in all matters and particulars of the affairs of the society;
- (h) for the payment by the members of an annual membership fee which shall not be more than five dollars.

(2) Every such by-law and every repeal, amendment, or re-enactment of every such by-law shall be submitted at the annual meeting of the society held next after the date of every such enactment, repeal, amendment or re-enactment for confirmation, and shall have force only until such annual meeting, and in default of confirmation thereat, shall as and from that time cease to have force.

(3) At the annual meeting of the society, any such by-law may be repealed, amended, varied or otherwise dealt with as the meeting may resolve, but no act done or right acquired under any such by-law shall be prejudicially affected by any such repeal, variation or other dealing.

41. Every person appointed to an office touching the receipt, management or expenditure of money or with the receipt of goods, wares or merchandise for the purposes of a society under this Act, shall, before entering upon the duties of his office, give such security as is deemed sufficient by the board of directors, which security may be varied in amount or renewed from time to time, and may be in Form G in the schedule hereto.

42. Every society shall hold an annual meeting between the thirtieth day of November and the first day of March, and notice of such meeting shall be given by the secretary-treasurer, who shall send a notice setting forth the date, time and place of meeting to every member, by mail, addressed to the member's last known post office address, at least ten clear days before the day fixed for such meeting.

43.—(1) The revenue received by a society from interest or other sources shall be applied—

- (a) in payment of the necessary expenses of the society;
- (b) in payment of a dividend on the paid-up stock held by subscribers of not more than six per cent per annum;
- (c) in accumulating a reserve which may, in the discretion of the directors, be invested in the same manner as the paid-up capital.

(2) In the event of the dissolution of any society, any accumulated reserve shall be divided among the subscribers in proportion to the amount paid on the capital stock respectively held by them.

44. The powers and duties of every society shall be—

- (a) to procure for any member of the society, by guarantee, such intermediate and short term loans as such member may require and which may properly be procured for such member having regard to the nature of his operations and his general financial circumstances for farming operations, and more particularly for the following purposes:
 - (i) The purchase of seed, feed and other farm supplies,
 - (ii) The purchase of implements and machinery,
 - (iii) The purchase of cows, horses, sheep, hogs, poultry and other live stock,
 - (iv) The payment of the cost of carrying on any farming, ranching, stock-raising, dairying or other like operations,
 - (v) The payment of the cost of preparing land for cultivation;
 - (vi) The payment of amounts due to a member for shares in the society,
- (b) to act as agent for its members in purchasing goods, chattels, live stock, grain, coal, wood, lumber, merchandise, or any other article or commodity required by its members and in selling products produced by its members and in obtaining fire and hail insurance for its members,
- (c) to promote co-operation among its members for the improvement of conditions of farm life,
- (d) to purchase or take a transfer of any security on the land or chattels of a borrowing member.

Provided always that no guarantee by the Provincial Treasurer shall extend to any borrowings or liabilities made or contracted by a society in respect of any matters mentioned in paragraphs (b), (c) and (d) of this section

45. No society shall procure any loan for any of its members except only in the manner provided by this Act, and in accordance with the provisions thereof or of any regulations made pursuant thereto.

46. Any member desiring any loan through the society shall make an application in Form C of the schedule to this Act, in triplicate

47.—(1) Every applicant for a loan shall, with his application, furnish the society with a statement of all his assets and liabilities, and a detailed list of his live stock and chattels, with descriptions thereof, and such statement, list, and application shall be delivered to the secretary-treasurer, and shall be presented by him to the directors at the next meeting

(2) The directors may approve or disapprove the same in whole or in part, and in case of approval shall cause a certificate in Form D in the schedule to this Act to be given, which shall be signed by the president or vice-president of the society and by the secretary-treasurer, and endorsed on or attached to each of the triplicate applications which shall be transmitted with the list and the statement of assets and liabilities to the supervisor, and the remaining two shall be retained by the society to be dealt with as hereinafter provided

(3) In case the applicant for a loan offers as security the guarantee of some other person or persons, by way of endorsement of the notes to be given by the applicant for a loan, the directors shall obtain from every such person a statement in triplicate of such person's assets and liabilities, and a list of his live stock and chattels, and shall deal with the same in the same manner as if such person was an applicant for a loan

48. A record of every application and approval shall be entered in the minutes of the society.

49. The supervisor shall scrutinize every application and statement forwarded to him, and upon being satisfied that the requirements of this Act have been complied with, may in his discretion either approve the application, either wholly or in part, or subject to such conditions as to the disbursement of the money to be advanced as he deems proper, or disapprove the same, and in case he approves the application he shall endorse, date and sign upon each triplicate application a certificate of his approval, together

with any directions he may give as to the disbursement of the money to be advanced, and shall retain one of the triplicates so endorsed on file in his office, and shall return the remainder to the society.

50. Upon the receipt of the application, approved and forwarded by the supervisor, the society shall obtain from the borrower a note, or notes, to the order of the society for the full amount of the loan, payable on or before the first day of January then next, with interest at the rate set out in the application, and if it is a term of granting the loan that some other person or persons shall endorse such note by way of guarantee, the society shall obtain all such required endorsements, and shall arrange with a lender for the making of the approved loan, and upon such arrangement being made, shall, if requested so to do by the lender, endorse the note or notes in the name and on behalf of the society and deliver the same, together with one of the applications in triplicate, to the lender, who may thereupon advance to the borrower the amount of the approved loan, and in so doing shall, subject to any directions given by the Director as to the disbursement thereof, place the amount thereof to the credit of the borrower.

51. No monies advanced pursuant to this Act, whilst so standing to the credit of a borrower, shall be liable to attachment or garnishment of any kind.

52. Provided that the Provincial Treasurer shall have previously given to the lender a guarantee in respect of the society pursuant to this Act, the lender shall be entitled to the full benefit of such guarantee in respect of the loan made to the borrower to the amount named in the application and approved by the supervisor, and the application endorsed with the approval of the supervisor shall be conclusive evidence that all the provisions of this Act as to the making of the loan have been duly complied with.

53. No loan shall in the first instance be made under this Act for the purpose of paying any purchase money for any land or for the purpose of paying any principal money owing under any mortgage upon any land.

54. Where, after a loan has been made and it is necessary, for the purpose of safeguarding and preserving the security of the society in respect of such loan, that any additional loans should be made for any of the purposes last aforesaid, the society may procure additional loans for such purpose with the consent and approval of the board, but not otherwise.

55. In respect of every loan made pursuant to this Act, the rate of interest payable by a borrower on a loan guaranteed by a society shall not be more than seven and one-half per centum per annum, of which not more than six per centum shall be retained by the lender, and an amount

equal to the difference between the interest payable to the lender and interest at the rate of seven per centum shall be forwarded to the board, and the difference, if any, between the interest at the rate of seven per centum and the interest payable by the borrower shall be paid by the lender to the society.

56. Every lender making a loan to a member of any society, under this Act, shall forward to the supervisor of co-operative credit societies and to the secretary-treasurer of the society, a monthly return showing each loan made by the lender under this Act, and the amount authorized thereby, and the amount advanced at the date of such return, and also showing all loans made pursuant to this Act which are then past due.

57. Every member who is indebted to a society shall, whilst so indebted, in the month of January of each year, and at such other times as the society or the supervisor may require, deliver to the society a statement in triplicate of his assets and liabilities, with such particulars as may be from time to time required by the society, and one such statement shall be delivered to the lender, one shall be delivered to the supervisor, and the third shall be retained on file by the society, and the society shall cause to be made enquiries as to every such statement.

58. Every borrower shall, as long as any loan obtained under this Act remains outstanding in whole or in part, market all his grain and live stock in the joint names of the borrower and the secretary-treasurer of the society, and shall pay so much of the proceeds thereof as the secretary-treasurer may require to the lender for the purpose of reducing the loan.

59.—(1) In any case in which a borrower is not able to repay any loan or any renewal of the same, or any part thereof, upon the due date, the directors may in their discretion, and upon the application of the borrower and with the consent of the board, grant a renewal of the whole or any part of the past due indebtedness, to a date not later than the thirty-first day of December next, after the date upon which such indebtedness became past due.

(2) All the provisions of this Act with reference to an application for an original loan, shall apply to every application for a renewal, except that such application shall be marked with the word "renewal," and shall be kept distinct from any original application made by the same borrower.

(3) Upon the granting of an extension pursuant to this section, all liens, charges, securities or other remedies for the recovery of the loan taken upon the original application shall continue in full force and effect.

60. If default is made by the borrower in the payment of any sums owing to the lender on account of his credit, within thirty days after the date fixed for payment, unless

an extension has been arranged for, pursuant to this Act, the lender may demand payment of the sum owing, with interest thereon, to the date of payment, and the society shall within fifteen days from receipt of such demand or within such further period as may be agreed upon, pay such sum, and thereupon the society shall be entitled to recover the amount so paid from the borrower and each and every endorser of the borrower's notes, in any manner authorized by this Act, or by any other Statute or law applicable thereto, together with any costs, charges or expenses incurred by the society in any proceedings whatsoever taken by the society for the purpose of enforcing payment.

61. Every borrower shall, on demand, deliver to the supervisor, or to the secretary-treasurer, or both, a statement in writing as to all sums expended out of the proceeds of any loans obtained by him under this Act, together with the names and addresses of the persons to whom the same have been paid, and a detailed description of all animals, machinery, goods and other chattels purchased with any such money.

62.—(1) Within ten days after the making of any loan pursuant to this Act, the secretary-treasurer of the society shall cause a notice thereof, in Form E in the schedule to this Act, to be filed in the office of the registration clerk of the district in which is situated the land, or some part of the land, upon which the borrower conducts his farming operations, and in every land titles office in the Province.

(2) Every registrar of land titles, and every clerk of a registration district, shall keep in his office a special book, and shall, immediately upon the receipt by him of any notice sent pursuant to this section, make a record therein, setting out the date the same was received, and the name and address of the borrower mentioned therein, and the name of the society giving such notice, and the name and address of the secretary-treasurer of such society, and shall keep such notice on file in his office.

(3) Every registrar of land titles shall, without fee, endorse upon the title to any land situate in his land registration district, standing in the name of the borrower named in the notice, a memorandum in the following form:

The land comprised in this title is subject to a charge under *The Alberta Co-operative Rural Credit Act* in favor of (*insert name of society giving notice*), received by me on the day of 19.

Endorsed by me this day of 19

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Registrar.

63. For the purpose of securing the repayment of any money lent pursuant to this Act, the society shall have, by

way of security for any sum so lent for which the society is liable under any guarantee, and to the amount of any sum so lent, together with any expenses whatsoever incurred by the society in any proceedings for enforcing payment thereof—

- (a) a first charge upon all property purchased and paid for wholly, or in part, out of the money so lent to the borrower,
- (b) a charge upon all the other personal property of the borrower including all crops, whether growing, or at any time hereafter to be grown, on any land owned or occupied by the borrower, and all personal property exempt from seizure under execution by virtue of *The Exemptions Act*, which shall have priority over all claims, demands, charges, mortgages, hypothecations, distresses for rent, distresses for taxes, and liens, whatsoever created, arising or occurring on or after the date of the receipt of the notice provided for in the last preceding section,
- (c) a charge upon the interest of the borrower in any land, whether such interest was acquired by the borrower before the obtaining of the loan or at any time thereafter, which charge shall have the same priority as if a mortgage under *The Land Titles Act*, to secure the total amount lent to the borrower upon any such loan, addition to such loan or renewal of loan for which the society is liable as a guarantor, had been registered in the proper Land Titles Office at the time at which the aforesaid notice is received in such Land Titles Office

64. In addition to the lien declared by the preceding section, the directors may require further or other security, whether by way of mortgage or assignment of property of any sort, or otherwise howsoever, in such manner and form as may seem to them fit and proper, and may assign such securities, or any of them, to the lender, or to an endorser, or joint maker of any note given under this Act, together with all rights of the society thereunder:

Provided always, that an endorser or joint maker of any such note to whom any security upon chattels has been assigned, or to whom such chattels have been delivered, shall not proceed to sell, deal with or dispose of such chattels in any manner without the consent of the directors of the society first had and obtained.

65. No borrower who has obtained a loan under this Act shall, so long as any money payable by him in respect thereof remains outstanding and unpaid, dispose in any manner whatsoever of any of his real property or of any chattel upon which the society has a first charge, any of his live stock, other than poultry, or any of his crops, without the consent of the society first had and obtained, and every disposition made in contravention of this section shall be deemed to be subject to the charge by this Act conferred upon the society.

66. The charge conferred upon a society by this Act shall continue in full force and effect so long as any money payable by the borrower in respect of a loan obtained under this Act remains outstanding and unpaid, both before and after the time fixed for repayment, whether originally or upon the making of any extension.

67. If default is made in the due payment by a borrower of any moneys payable by him in respect of a loan obtained by virtue of this Act, or if at any time a borrower disposes or attempts to dispose of any of his property in contravention of this Act, the society may in its discretion cause the property of the borrower to be seized and sold in the manner provided in this Act.

68. If at any time whatsoever it is made to appear to the society that a borrower is about to abscond from the Province, or that the securities of the society for repayment are for any reason in jeopardy, or if the society for any reason deems it necessary to protect the interests of the society so to do, the society may, by notice in writing, sent by mail, addressed to the borrower at his last known post office address, demand of the borrower the payment of all moneys payable and outstanding by him in respect of any credit obtained under this Act, and thereupon, or, if his whereabouts are unknown, upon such notice being posted up on the land on which he carries on farming operations, the society shall be entitled to proceed forthwith to seize and sell the property of the borrower.

69. The lender or his agent, and any officer or director of a society, or the supervisor, or any person authorized by the supervisor, or any one of them, may at any reasonable time or times, whilst any money remains outstanding and payable by a borrower in respect of a credit under this Act, enter on any premises of the borrower, inquire into the manner in which he is carrying on his farming or other operations incidental thereto, and ascertain as to whether or not the borrower is complying with the terms and conditions upon which his credit was obtained.

70.—(1) Upon a society proceeding to seize and sell any personal property on which it has a charge, the directors shall by resolution appoint some suitable person, who may be the secretary-treasurer, as the bailiff of the society, and such person, notwithstanding any statutory provision to the contrary, may seize and sell any property subject to a charge under this Act, to realize the amount of the sum wherewith it is charged, and the reasonable expenses incurred in making such seizure or sale.

(2) A bailiff appointed pursuant to this section may serve upon the borrower, or send by registered mail to the borrower, addressed to his last known post office address, a notice in Form E in the schedule hereto, and from and after the date of such service, or the day upon which such registered letter should reach the borrower in the course of the

mail, as the case may be, all the property in such notice referred to shall be deemed to have been actually, lawfully and effectively seized

71.—(1) All personal property seized to realize a charge of a society, shall be offered for sale by public auction, of which at least five days' public notice has been given by posting up such notices at three conspicuous public places in the vicinity of the place of sale.

(2) If the property cannot be sold by public auction, the society may at any time thereafter proceed to sell the same upon such terms as to the price and the manner of payment as the society may deem proper

72. The charge upon lands, created by this Act, in favor of a society, shall be deemed to be an incumbrance within the meaning of *The Land Titles Act*, and all the provisions of that Act relating to foreclosure shall be applicable thereto

73. The supervisor shall submit to the board at each of its regular quarterly meetings a statement of all loans made pursuant to this Act during the period of three months ending on the last day of the month preceding such meeting, and all loans made pursuant to *The Alberta Co-operative Credit Act*, or this Act, which were outstanding as at the last mentioned day, and the board shall scrutinize such statement and shall require the supervisor to furnish any information which it deems necessary concerning the statement so submitted or any item therein, and shall make a report thereof to the Provincial Treasurer, and shall in such report set out any circumstances which the board considers should be made the subject matter of special comment

PART II.

SUGAR-BEET CO-OPERATIVE CREDIT SOCIETIES.

74. A co-operative credit society for the special purpose of assisting in the production of sugar beets may be formed in the same manner and subject to the same provisions in every respect as is provided by Part I of this Act.

75.—(1) The capital of any such society shall consist of two classes of shares known as Class A shares and Class B shares

(2) Class A shares shall be issued to ordinary paying subscribers, whether original or additional, and shall be of the face value of fifty dollars, and upon subscription therefor twenty-five dollars shall be paid in cash at the date of allotment, and the balance shall be payable on the first

day of September, in the year following the date of the first advance of money by the society to the persons subscribing for such shares.

(3) Class B shares shall be of the face value of twenty-five dollars, and shall be paid for in full at the time of issue.

76. No such society shall commence business unless and until Class B shares of the society have been subscribed and paid for to an amount equal to the face value of the Class A shares subscribed for by and issued to the members of the society, and if at any time, for any reason whatsoever, the amount of the face value of the Class B shares issued and paid for is less than the amount of the face value of the Class A shares issued to members, the powers of the society to provide loans or credits shall be suspended, and shall not be revived unless and until Class B shares have been issued and paid for to an amount in face value equal to the amount in face value of all the Class A shares issued.

77. The directors of a society, to which this Part applies, shall meet as often as may be necessary, in the months of March and April, in each year, to deal with applications for loans, and for that purpose shall meet at any other time at the call of the president, or upon the written request of any three shareholders addressed and delivered to the secretary-treasurer and the directors shall meet as often as may be necessary in the month of February in each year to deal with all loans made in any year previous to that year in respect of which payment in full has not been made prior to the thirty-first day of the next preceding January, and to grant renewals or extensions, or to cause the taking of measures to enforce payment as may in the circumstances appear proper.

78. Except as is hereinafter provided to the contrary, all the provisions of Part I of this Act, other than those relating to the membership of a society, included in the corporation shall apply *mutatis mutandis* to a society formed under this Part.

79. Upon any loan being made to a member of a signified co-operative credit society, the secretary-treasurer shall, within ten days after the making of such loan, cause a notice thereof in Form C of the schedule to this Act to be filed in the office of the registration clerk of the district in which the land or some part of the land is situated on which the borrower conducts his farming operations, and thereupon, for the purpose of securing the repayment of any such loan, the society shall have the security mentioned in paragraphs (a) and (b) of section 63 of this Act.

PART III.

80. The provisions of this Part shall apply to all societies to which this Act applies.

81. The Lieutenant Governor in Council may appoint a supervisor of co-operative credit societies and such other officials as may from time to time be deemed necessary, and may define their duties and fix their remuneration.

82. The Lieutenant Governor in Council may make regulations not inconsistent with this Act—

- (a) prescribing the manner in which the affairs and business of societies shall be conducted,
- (b) prescribing the duties of the officers of societies;
- (c) prescribing the nature of the particulars and information to be furnished upon any application for incorporation of any society,
- (d) prescribing a schedule of fees for the incorporation of any society,
- (e) prescribing the forms to be used in relation to any proceeding under this Act;
- (f) prescribing the form and manner of any guarantee given pursuant to this Act by the Provincial Treasurer or by a society,
- (g) prescribing the collection by the society of any sums payable in respect of the subscribed shares of the society.

83. 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 credit provided pursuant to this Act guaranteed by a society.

84.—(1) A society under this Act may be dissolved by consent of three-fourths of the members, testified by their signatures to an instrument of dissolution.

(2) The instrument of dissolution shall set forth the liabilities and assets of the society in detail, the number of members and the nature of their respective interests in the society, the claims of creditors (if any), the provisions to be made for their payment, and the intended appropriation or division of the funds or property of the society.

(3) A statutory declaration shall be made by the president and the secretary-treasurer of the society that the provisions of this Act have been complied with, and shall be sent to the Registrar of Joint Stock Companies with the instrument of dissolution.

(4) The Registrar shall cause a notice of the dissolution to be advertised at the expense of the society in *The Alberta Gazette*, and in some newspaper circulating in the district in which the head office of the society is situated.

85.—(1) The Lieutenant Governor in Council, upon being satisfied that any society incorporated under the provisions of *The Alberta Co-operative Credit Act*, or of this Act, has incurred losses to an amount in excess of the total

amount of the subscribed capital of the society, may order that such society be dissolved, and further may order that any society incorporated under the provisions of *The Alberta Co-operative Credit Act*, which does not become a member of the corporation, be dissolved.

(2) A copy of every such order shall be filed with the Registrar, who shall cause notice thereof to be published in *The Alberta Gazette*.

(3) Upon the publication in *The Alberta Gazette* of any such notice as aforesaid, the society affected thereby shall cease to exercise or have any of the powers conferred upon it by its incorporation, save and except only for the purpose of doing all acts and things necessary for the purpose of winding up its concerns and of suing and being sued in respect of all the claims and liabilities at the date of dissolution or coming into existence in the course of winding up.

(4) The Lieutenant Governor in Council may appoint a liquidator or liquidators to wind up the affairs of any society which is dissolved by an instrument of dissolution or by an order of the Lieutenant Governor in Council in any case in which it is deemed advisable so to do.

(5) Notice of every such order shall be published in *The Alberta Gazette*, and upon such publication, the liquidator or liquidators so appointed shall have and exercise all the powers conferred by incorporation upon the society or upon the directors or any other officials of the society for the purpose of selling or otherwise disposing of the assets of the society, and distributing the proceeds amongst the persons by law entitled to the same.

56. In the event of it being made to appear to the board that the board of directors of any society is not diligent in discharging its powers and duties pursuant to this Act or that the secretary-treasurer is remiss in the discharge of his duties, the board may, by resolution, authorize the supervisor to dismiss the directors and the secretary-treasurer or any of them, and in the event of the dismissal of all the directors, to appoint some person as the administrator of the affairs of the society, and thereupon the supervisor shall cause notice of any such dismissals to be sent by registered mail to the president and vice-president of the society and to the secretary-treasurer at their respective last known post office addresses, and from and after the day following the day upon which such notice would in the ordinary course of mail reach its destination, the persons named in the notice shall stand dismissed from their offices, and in case all the directors are so dismissed, they shall deliver up to the person named as administrator all the books, records and property of the society.

87. In the case of the dismissal of some only of the directors, the remaining directors shall cause a meeting to be called of the members of the society for the purpose of electing directors in the place and stead of the dismissed directors.

88. In the case of the dismissal of the secretary-treasurer, the directors shall proceed to appoint in his place some other person satisfactory to the supervisor.

89. A person appointed by the supervisor to administer the affairs of a society shall have all the powers conferred by this Act upon the directors and the secretary-treasurer but he shall exercise the same in such manner and to such extent only as the supervisor may direct.

90. Upon the appointment of an administrator of a society, no meetings of the members thereof shall be held except only such as are called by the administrator and no directors shall be elected until such time as the supervisor directs an election of directors to be held.

91. In any case in which the Provincial Treasurer is called upon to pay any money on account of any loan guaranteed by him pursuant to this Act or to *The Alberta Co-operative Credit Act*, he shall be entitled to exercise in his own name all the powers and rights of the society in relation to any securities of the society for the repayment of such loan, and he shall be deemed to have been always so entitled.

92. In the case of any society whose securities, obligations and financial undertakings were at the time of the coming into force of this Act guaranteed by the council of a municipality pursuant to *The Alberta Co-operative Credit Act*, whether or not such society becomes a member of the corporation, the rights and liabilities of such municipality by virtue of the said Act shall continue as if the same had not been repealed and the society shall in all other respects be a society to which Part I of this Act applies.

Provided always that if such a society becomes a member of the corporation and the society incurs losses, the board shall pay out of its capital on account of such losses an amount equal to the capital of such society transferred to the corporation.

93. The accounts of the board shall be made up to the thirty-first day of March in each year, and at such other times as may be determined by the Lieutenant Governor in Council, and in such case the board shall prepare a financial statement and submit the same to the Provincial Auditor for his certification.

94. All books and records pertaining to the work carried on by the board or any society under this Act shall be at

all times subject to examination and audit by the Provincial Auditor or by such other person as the Lieutenant Governor in Council may authorize in that behalf.

95. The board shall annually make a report to the Provincial Treasurer for the twelve months ending at the thirty-first day of March in the year in respect of which the report is made, which shall contain—

- (a) a statement of the condition of the loans in each society;
- (b) a statement of all capital and reserve funds administered by the board;
- (c) such general information as may be necessary to give complete presentation of all important operations of the board.

96. All moneys received by the board shall be deposited in a chartered bank. Vouchers for disbursements shall be audited by the Provincial Auditor and properly certified by him before being paid. Cheques issued in payment of accounts shall be signed by one of the members of the board and shall be countersigned by the Provincial Auditor.

97. Each society shall at its first meeting in each year or within two months thereafter appoint an auditor whose appointment shall be approved by the board.

98. On or before the twentieth day of January in each year each society shall forward to the board, in duplicate, in such form as the board may direct, a statement certified by the auditor of the receipts and payments of the society during the next preceding financial year, and of the assets and liabilities of the society upon the last day of the said financial year.

99. Any person who—

- (a) makes any false statement in any application or statement made for the purpose of getting a lease or any extension pursuant to this Act;
- (b) being a borrower expends any money borrowed by him pursuant to this Act for any purpose whatsoever other than for the purpose set out in the application as the purpose for which such money was borrowed;
- (c) being a borrower makes any disposition of his real or personal property in contravention of any of the provisions of this Act;
- (d) being a borrower makes default in furnishing any statement which he is required by this Act to furnish—

shall, in each and every such case, be guilty of an offence, and shall be liable on summary conviction thereof to a penalty of not more than two hundred dollars and costs, and in default of payment, to imprisonment for a term of not more than three months.

100. *The Alberta Co-operative Credit Act*, being chapter 161 of the Revised Statutes of Alberta, is hereby repealed.

SCHEDULE

FORM A.

To the Honourable the Provincial Treasurer

The undersigned persons engaged in or about to engage in farming operations upon the lands described and set opposite each name herein, hereby apply to be organized as a co-operative credit society within the Province for the purposes and with the powers conferred by *The Alberta Co-operative Rural Credit Act*.

1 The names of the applicants, their respective addresses and occupations and the description of the lands owned or occupied by each or intended to be used for the purposes of the said Act, the amount agreed to be subscribed by each and the amount paid in cash on account of each subscription are as herein below set forth

2 The location of the chief place of business of the proposed society is..

3 The name of the proposed society is The
Co-operative Credit Society

4 The amount of the capital stock of the proposed society is dollars,
divided into shares of one hundred dollars each.

5 The names of four of the subscribers who are hereby nominated as provisional directors are
.

6 The name of the person who is hereby nominated as acting secretary-treasurer of the proposed society until the organization has been completed is.
.

Dated at in the Province of
Alberta, this . . . day of, A D 19..

Signature of Applicant	Address	Occupation	Description of Land	Amount of stock subscribed	Amount paid on stock in cash and remitted herewith

STATUTORY DECLARATION.

CANADA
 PROVINCE OF ALBERTA } In the matter of The
 To Wit } Co-operative Credit Society and
 } The Alberta Co-operative Rural
 } Credit Act

I, of
 in the Province of Alberta, farmer, do solemnly declare
 as follows

1. That I am one of the applicants named in the application attached hereto.

2. That the signatures of the said applicants are genuine, and that the matters, facts and statements set out in said application are correct and true

And I make this solemn declaration conscientiously believing it to be true, and knowing that it is of the same force and effect as if made under oath and by virtue of *The Canada Evidence Act*

Declared before me at
 in the Province of Alberta, }
 this ... day of }
 A.D. 19...

A Commissioner for Oaths.

FORM B.

CERTIFICATE OF REGISTRATION.

The Co-operative Credit Society,
 having filed a duly signed application, is registered under
The Alberta Co-operative Rural Credit Act this
 day of A.D. 19

[SEAL OF REGISTRAR]

... ..
Registrar.

THE ALBERTA CO-OPERATIVE RURAL CREDIT ACT

FORM C.

The Co-operative Credit
 Society.

APPLICATION FOR LOAN.

I, of Sec
 Tp. ... Rgs. ... W. Mer, hereby apply
 to The Co-operative Credit

Society for a loan of dollars
 under the terms of *The Alberta Co-operative Rural Credit
 Act*, to be used for the following purposes

	Amount Applied for	Approved by the Directors	Approved by Supervisor
For	\$....	\$.....	\$.....
For	\$..	\$..	\$..
For	\$..	\$..	\$..
For	\$.....	\$.....	\$.....
For	\$.....	\$.....	\$.....
For	\$..	\$..	\$..
For	\$..	\$..	\$..
For	\$..	\$..	\$..
For	\$..	\$..	\$..
For	\$..	\$..	\$..
Total..	\$.....	\$.....	\$.....

Amount Renewal. Percent Liability

Remarks

And I hereby agree to repay the said loan on or before
 the 13th day of January next, with interest at the rate of
 of per cent per annum from the date the
 same or parts thereof are received to date of payment

Dated at in the Province
 of Alberta, this day of
 A D 19..

(Signature)

FORM D (Section 26.)

APPROVAL

The Co-operative Credit
 Society hereby approves the foregoing application as
 granted and guarantees payment of same. Notes given
 thereto to mature 19..

Passed by the directors this day of
, A D 19..

President.

Secretary.

Confirmed as granted by board or as otherwise noted

Certified

Supervisor.

Secretary-Treasurer

THE ALBERTA CO-OPERATIVE RURAL CREDIT ACT

FORM E.

NOTICE OF LIEN

Take notice that of
 who is presently carrying on or about to carry on farming
 operations upon the quarter of section
 of township in range west of the
 principal meridian, has obtained a credit under this Act
 through the undersigned society, and that pursuant to the
 provisions of this Act, the said society has—

(1) a first charge on all property acquired by the said
 and paid for in whole or in part
 out of moneys advanced upon such credit,

(2) a charge having priority as at the date of the filing
 of this notice in the office of the clerk of the Regis-
 tration District in which the land on which the said
 carries on business is situate, upon all
 the personal property of the said

and that every such charge is to secure the payment of
 all sums advanced or to be advanced to the said

. by reason of such credit or any increase of such
 credit granted to the said by the said society

Dated at this
 day of 19

.....
Name of Society.

.....
Name of the Secretary-Treasurer

FORM G

FORM OF BOND

Know all men by these presents, that we, *A B*, of
 one of the officers of The
 Co-operative Credit Society,
 with head office at in the
 Province of Alberta, and *C D*, of
 (as surety on behalf of the said *A B*) are jointly and
 severally held and firmly bound to the said society in the
 sum of dollars, to be paid to the
 said society, or its attorney, for which payment well and
 truly made, we jointly and severally bind ourselves, and
 each of us, and each of our heirs, executors and adminis-
 trators firmly by these presents

Sealed with our seals

Dated the day of
 19

Whereas the above bounden *A B* has been duly appointed to the office of of The Co-operative Credit Society, with head office as aforesaid, and he together with the above bounden *C D*, as his surety, have entered into the above written bond, subject to the conditions hereinafter contained. Now, therefore, the condition of the above written bond is such that if the said *A B* do render a just and true account of all moneys received and paid by him on account of the said society, at such times as the rules or by-laws thereof appoint, and do pay over all the moneys remaining in his hands, and assign or transfer or deliver all property (including books and papers) belonging to the said society in his hands or custody to such person or persons as the said society or the trustees thereof appoint, according to the rules or by-laws of the said society, then the above written bond shall be void, otherwise it shall remain in full force.

In witness whereof we have hereunto set our hands and seals this day of , 19 ..

Signed, sealed and delivered,	}	L.S.
by the above named.			
.. . . . and			
.. . . .	}	L.S.
in the presence of			
..L.S.

FIRST SESSION
SEVENTH LEGISLATURE
21 GEORGE V
1931

B I L L

An Act respecting Rural Co-operative,
Intermediate and Short
Term Credit

Received and read the

First time,

Second time.

Third time.

HON. MR. REID
