

Bill No. 29 of 1932.

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

NOTE.

The effect of section 2 of the Bill is to declare every society which became a member of the corporation established by the Act and in pursuance thereof to have been a member of the corporation as and from the first day of July, 1931.

Section 3 of the Bill limits the power of the supervisor to control the application of a loan made to a member of the society and relieves the lending bank from responsibility for seeing that the advance is used for the purposes for which it was made.

By section 59a, express provision is made as to loans outstanding as at the first day of July, 1931, for the purpose of continuing all rights, liabilities and securities in respect thereof, and for their renewal.

Section 7 of the Bill makes express provision as to the status of sugar-beet societies.

Section 8 of the Bill states more clearly the powers of the Government to guarantee the financial operations of societies.

Section 9 of the Bill gives express power to the Provincial Treasurer to implement a guarantee.

Section 10 of the Bill gives to a liquidator of a society limited powers of borrowing for the purpose of making advances to members indebted to a society in liquidation, in case further assistance to the debtor is necessary to enable him to liquidate his debt, and further, in the case of societies other than sugar-beet societies which did not become members of the corporation, expressly continues all the provisions of *The Alberta Co-operative Credit Act* in respect of all rights and liabilities in connection with or incidental to the operations of such a society and the remedies for enforcing the payment of loans.

Where new loans are made by a liquidator, the same are expressed to be subject to the provisions of sections 46 to 75 of the Act.

Sections 4, 5 and 11 of the Bill contain amendments as to administrative detail.

R. ANDREW SMITH,
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. 29 of 1932.

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

(Assented to , 1932.)

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 Amendment Act, 1932.*"

2. *The Alberta Co-operative Rural Credit Act*, being chapter 66 of the Statutes of Alberta, 1931, is hereby amended as to section 5 thereof by striking out the words "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" where the same occur therein, and by substituting therefor the words "and every such society approved as aforesaid shall be deemed to be a member of the corporation as and from the first day of July, 1931."

3. The said Act is further amended as to section 50 thereof—

- (a) by striking out the words "subject to any directions given by the supervisor as to the disbursement thereof" where the same occur therein; and
- (b) by adding at the end of the said section the following words: "or if so directed in writing by the supervisor, to the credit of the society and borrower, and the lender shall have no responsibility to see that the said monies are used by the borrower or by the society and borrower, for the purpose or purposes for which they were advanced."

4. The said Act is further amended as to section 52 thereof by striking out the word "previously" where the same occurs therein.

5. The said Act is further amended as to section 59 thereof by striking out the words "thirty-first day of December next" where the same occur in subsection (1) thereof, and by substituting therefor the words "thirty-first day of January next."

6. The said Act is further amended by inserting therein, immediately after section 59 thereof, the following new section:

"59a. Every loan made on or before the first day of July, 1931, to a member of any society pursuant to the provisions of *The Alberta Co-operative Credit Act* which, on the first day of July, 1931, remains unpaid, may be renewed at any time thereafter as if the same had been a loan made pursuant to the provisions of this Act, and such renewal shall continue to the society and lender respectively all the guarantees, securities, powers and remedies for enforcing the payment thereof which they respectively received at the time of such renewal or had before the coming into force of this Act, and upon any subsequent renewal or renewals thereof pursuant to this Act, the society and lender shall respectively continue to have all such guarantees, securities, powers and remedies as last aforesaid, as well as all the guarantees, securities, powers and remedies which are respectively obtained by the society and lender pursuant to this Act."

7. The said Act is further amended by inserting therein, immediately after section 79 thereof, the following new section:

"79a. A co-operative credit society for the special purpose of assisting in the production of sugar beets incorporated under the provisions of *The Alberta Co-operative Credit Act* shall be deemed to have been incorporated under the provisions of this Part of this Act."

8. The said Act is further amended as to section 83 thereof by striking out the same and by substituting therefor the following:

"83.—(1) 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 any member of any co-operative credit society or of any sugar-beet co-operative credit society pursuant to any of the provisions of this Act.

"(2) Every guarantee given by the Provincial Treasurer in respect of any co-operative credit society or any sugar-beet co-operative credit society during the months of July and August, 1931, shall be deemed to be good, valid and effectual for all purposes."

9. The said Act is further amended by inserting therein, immediately after section 83 thereof, the following new section:

"83a. The Provincial Treasurer is hereby authorized to pay to any lender out of the General Revenue Fund of the Province such sums as may be found due and payable under any guarantee given by the Provincial Treasurer pursuant to this Act."

10. The said Act is further amended as to section 85 thereof by adding at the end thereof the following new subsection:

"(6) The liquidator or liquidators so appointed shall have the power in the name and on behalf of the society in respect of which he or they shall have been appointed to procure loans for any member of such society in case such member is indebted to the society and his circumstances are such that in the opinion of the liquidator or liquidators the making of additional loans appears to be necessary for the purpose of enabling the member to pay such indebtedness or for the purpose of minimizing the loss to the society arising therefrom, and to grant a renewal of the whole or any part of any such loans so procured, 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.

"(7) In the case of a society incorporated under *The Alberta Co-operative Credit Act* other than a sugar-beet co-operative credit society which does not become a member of the corporation, all the provisions of *The Alberta Co-operative Credit Act* shall, notwithstanding the repeal thereof, remain and continue in full force and effect as to all rights and liabilities of any kind of any person whomsoever in connection with or incidental to the operations of such society, and as to all securities, powers and remedies for enforcing the payment of any loan made to any member of such society pursuant to the said Act.

"(8) In the case of any loans made by a liquidator of such society to a member thereof pursuant to the provisions of this section, the provisions of sections 46 to 73, both inclusive, shall *mutatis mutandis* apply thereto."

11. The said Act is further amended as to form D in the schedule thereto by striking out the words "section 26" where the same occur therein and by inserting therein, immediately above the line provided for the signature of the supervisor, the words: "Dated this.....day of, A.D. 19...."

12. This Act shall come into force on the day upon which it is assented to, and upon so coming into force shall be deemed to have been in force at all times from and after the first day of July, 1931.

SECOND SESSION
SEVENTH LEGISLATURE
22 GEORGE V
1932

B I L L

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

Received and read the

First time.....

Second time.....

Third time.....

HON. MR. REID

EDMONTON:
W. D. MCLEAN, KING'S PRINTER
1932