

Bill No. 77 of 1934.

A BILL TO AMEND THE DEBT ADJUSTMENT ACT,
1933.

NOTE.

The amendment made by section 2 of this Bill gives the Board express power to cancel any permit previously issued in case of a change in the circumstances.

By section 3 the issuance of a permit for proceedings leading to the foreclosure of a mortgage of farm lands or farm stock is prohibited unless the person entitled to redeem has since the first of January, 1930, been guilty of dishonesty towards his creditors or has been improvident or has disobeyed orders of the Board as to the conduct of his affairs or has not farmed his land properly; and it is further provided that no such permit shall be granted in respect of farm lands where the inability to meet any mortgage obligation is due to depreciation in value of the security ascribable to abnormally low prices for products.

By section 4 the time during which a creditor is debarred by the Act from taking proceedings is excluded from the computation of time for the purpose of any statute of limitation.

Section 5 makes provision for the suspension of any provisions of the Act which conflict with any legislation of Canada relating to debt adjustment.

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. 77 of 1934.

An Act to amend The Debt Adjustment Act, 1933.

(Assented to _____, 1934.)

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 Debt Adjustment Act, 1933, Amendment Act, 1934.*"

2. *The Debt Adjustment Act*, being chapter 13 of the Statutes of Alberta, 1933, is hereby amended as to section 6 thereof by adding at the end thereof the following new subsection:

"(5) The Board may at any time cancel or suspend any permit which has been previously issued under this section or pursuant to an order of a Judge upon it being made to appear to the Board that there has been any substantial change in the circumstances under which the permit was originally issued."

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

"**6a.**—(1) No permit shall be granted in respect of any proceedings founded on any mortgage of lands which are being farmed, or of any chattels or live stock which are owned by a person engaged in farming operations and are used by him in respect of those operations if those proceedings lead to foreclosure unless the Board or the Judge, as the case may be, is satisfied—

"(a) that since the first day of January, 1930, the person entitled to redeem the mortgage has been guilty of dishonesty towards his creditors in the management of his affairs or has been grossly improvident or incapable in the conduct of his farming operations, or has disobeyed the reasonable orders or directions of the Board as to dealing with his property or the disposition of the proceeds of his operations, or the management of his affairs; or

"(b) in the case of a mortgage on farm land, that—

"(i) since the first day of January, 1930, he has not used ordinary and reasonable methods of husbandry in farming the same; or

“(ii) by reason of the non-payment of taxes the security is liable to sale under *The Tax Recovery Act, 1929*, and the mortgagee has not the means to pay the same.

“(2) No such permit shall be granted merely by reason of the fact that because of the depreciation in values caused by abnormal economic conditions the security cannot for the time being be sold to realize a price which is commensurate with its fair ordinary value under normal conditions, or its fair ordinary value as at the time that the mortgage was created.”

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

“9a.—(1) The period during which proceedings by a creditor are prohibited under this Act shall not be included in the time within which an action or other proceeding is to be commenced under *The Limitation of Action Act*, being chapter 90 of the Revised Statutes of Alberta, 1922, or under any other statute or law for the time being in force in the Province limiting or prescribing the time within which actions or proceedings are to be commenced; and any party to an action or other proceeding which has been prohibited by this Act shall have the same time for continuing such action or proceeding after the expiry of the said period as he would have had if the action or proceeding had not been prohibited, and shall not be prejudiced by reason of the delay.

“(2) For the purpose of this section the proceedings mentioned and described in subsection (1) of section 6 of this Act shall, in so far as a resident and a creditor of a resident are concerned, and whether or not such creditor has applied or hereafter applies to the Board for the issue of a permit pursuant to the said subsection (1) or for the written authority of the Board pursuant to subsection (3) of section 8, be deemed to have been prohibited so long as this Act remains in force, subject to the provision contained in subsection (3).

“(3) Upon the issue of the permit or written authority of the Board, the period subsequent to the issue thereof shall be included in the time within which the action or other proceeding affected thereby is to be commenced under *The Limitation of Action Act* or under any other statute or law for the time being in force in the Province limiting or prescribing the time within which actions or proceedings are to be commenced.”

5. The said Act is further amended by inserting therein, immediately after section 34 thereof, the following new section:

“34a.—(1) In case the Parliament of Canada enacts legislation as to the adjustment of debts, the Lieutenant Governor in Council may for the purpose of preventing

conflict between that legislation and this Act, from time to time by Proclamation published in *The Alberta Gazette*—

- “(a) suspend the operation of this Act or any specified provision or provisions thereof for a specified period or until further Proclamation; and
 - “(b) declare that this Act or any specified provision or provisions thereof shall be no longer applicable to any specified class or classes of persons for a specified period or until further Proclamation; and
 - “(c) cancel or vary any previous suspension or declaration.
- “(2) Every Proclamation shall take effect upon the publication thereof in *The Alberta Gazette* or upon such later date as may be named in the Proclamation for that purpose.”

6. This Act shall come into force on the day upon which it is assented to.

No. 77.

FOURTH SESSION
SEVENTH LEGISLATURE
24 GEORGE V
1934

BILL

An Act to amend The Debt Adjust-
ment Act, 1933.

Received and read the

First time

Second time

Third time

HON. MR. LYMBURN

EDMONTON:
W. D. McLEAN, KING'S PRINTER
1934