

BILL

No. 88 of 1935.

An Act to promote Stability in the Agricultural Industry.

(Assented to _____, 1935.)

WHEREAS difficult conditions prevail in the agricultural industry by reason of continuance of depressed conditions; and

Whereas many persons engaged in the production of agricultural commodities are at present embarrassed by reason of their immediate inability to meet, out of the proceeds of production, liabilities incurred at a time when the prices of primary commodities were high, money was plentiful and credit readily available; and

Whereas persons so embarrassed will not be able to effect arrangements for the settlement of their liabilities unless they are for the time being enabled to continue their farming operations without interference or hindrance on account of such indebtedness; and

Whereas the re-establishment of the welfare of agriculture is essential to the general well-being of the Province; and

Whereas it is requisite, for the promotion of the well-being of the Province in general and the agricultural industry in particular, that legislation now in force for the adjustment of agricultural and other indebtedness be continued, and that such further provision be made as will afford persons so embarrassed with the opportunity to effect adjustments of their liabilities and to provide for their payment; and

Whereas it is essential that provision be made which will permit persons engaged in agriculture to retain out of their produce sufficient to make feasible the continuance of their operations;

Now, therefore, 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 Agricultural Industry Stabilization Act.*"

2. *The Debt Adjustment Act, 1933*, is hereby amended as to section 35 thereof by striking out the words and figures "the first day of May, 1935", where the same occur therein, and by substituting therefor the words and figures "the first day of May, 1937".

3.—(1) Every resident farmer shall at all times during which this Act is in force be entitled to retain against every execution creditor and every person claiming for rent payable under any lease or any other tenancy howsoever created which is made or created for the purpose of securing or enforcing the payment of any money payable under any mortgage or agreement for sale of the land in respect of which the rent is payable and whether the rent is payable in money or in kind or in any other way—

- (a) all live stock, farm stock and farm machinery and equipment which is reasonably necessary for the proper and efficient conduct of the farmer's agricultural operations for the next twelve months;
- (b) an amount, either in money or in marketable produce or in feed, sufficient for the feeding of the live stock and farm stock, or sufficient money to purchase the same;
- (c) an amount, either in money or marketable produce, sufficient to pay any current taxes and any instalment of consolidated arrears payable in respect of all the land of the resident farmer used for agricultural purposes, or in the alternative, live stock or produce marketable which will when sold produce that sum of money;
- (d) an amount, either in money or marketable produce, sufficient to provide the farmer and his family with all necessary food, clothing, medical and hospital services and other necessities of life for the next ensuing twelve months;
- (e) an amount, either in money or marketable produce, sufficient to provide for the necessary cash outlays for the ordinary farming operations of the farmer during the next ensuing twelve months, and the repair and replacement of necessary agricultural implements and machinery; and
- (f) an amount, either in money or marketable produce, or both, sufficient to provide for the payment of any sums necessarily borrowed or debts necessarily incurred by him during the preceding period of six months in growing and harvesting his crop, or any sums necessarily borrowed or debts necessarily incurred by him during the preceding period of six months for the purpose of feeding and preparing his live stock for market.

(2) In any case to which this section applies no execution shall be made of any of the goods and chattels of a resident farmer nor shall any distress for rent be levied thereon unless and until the person desirous of so doing has applied to and obtained from the Debt Adjustment Board a certificate in writing setting out that the resident farmer is possessed of the money, goods and chattels which he is entitled to retain by virtue of this section and specifically describing the

same; and all money, goods and chattels so described shall be exempt from seizure whether under execution or distress for rent.

(3) No order shall be made by the Debt Adjustment Board for the disposal of the property of any person who is a resident farmer which has the effect of depriving him of any of the property which he is entitled to retain by virtue of subsection (1) of this section.

(4) Section 14 of *The Debt Adjustment Act, 1933*, is hereby repealed.

4.—(1) Upon the Board being satisfied after due enquiry that a resident farmer who has entered into any agreement for the compromising and settlement of any of his indebtedness has made any wilful default in carrying out the same or has dealt with his property in any way calculated to defraud his creditors or any of his creditors or to frustrate the claims of any of his creditors, or has not carried on his farming operations or managed his affairs in a reasonable manner having regard to the circumstances, the Board may issue a certificate in writing to the effect that the farmer is no longer a resident farmer within the meaning of this Act or of *The Debt Adjustment Act, 1933*, or may prescribe the conditions under which the farmer shall deal with his property and conduct his operations for the purpose of carrying out the agreement according to the intent thereof and may upon the breach or non-observance of any such conditions issue a certificate to the effect aforesaid.

(2) Upon the Board issuing any certificate under this section, it shall as soon as possible send by mail a copy thereof to the sheriff of the judicial district in which the farmer resides and shall send by mail a notice of the issuance thereof to every person who is according to the records of the Board a creditor of the farmer.

5.—(1) Any resident farmer who is in financial difficulties may apply to the Debt Adjustment Board for assistance in effecting adjustments of his liabilities, compromises thereof and arrangements for the liquidation thereof; and it shall be the duty of the Board to make every reasonable effort by means of negotiation to effect such adjustments, compromises and arrangements; and without derogating in any way from the generality of the foregoing, it shall be the duty of the Board to assist every resident farmer who requests that assistance in making out proposals for the adjustment, compromise or arrangement of his indebtedness under *The Farmers' Creditors Arrangement Act, 1934*, of Canada, or any other Act of the Parliament of Canada relating to the adjustment, compromise or arrangement of indebtedness, and to assist him in the presentation of any such proposal before any board or other tribunal having the power to make effective any adjustment, compromise or arrangement of indebtedness, and in the discretion of the Board to provide the farmer with such legal assistance as the circumstances

of any particular case may require for the purpose of effecting any adjustment, compromise or arrangement of his indebtedness.

(2) The Lieutenant Governor in Council may appoint an official whose duty it shall be—

- (a) to confer with and advise the Debt Adjustment Board as to the adjustment of indebtedness and the solution of problems in connection therewith; and
- (b) to negotiate with creditors as a whole or any class or group of creditors with a view to effecting a general reduction and adjustment of indebtedness in the Province as a whole or any area or areas of the Province, or any class or classes of debtors;

and any appointment so made shall be at such remuneration and upon such other terms and conditions as may be prescribed by order in council.

(3) The Lieutenant Governor in Council may from time to time define any part or parts of the Province as areas for the purposes of this section and may appoint for each such area a committee to be called a local adjustment committee consisting of not more than three persons, and may prescribe regulations as to the manner of carrying out its duties and powers, and every committee so appointed shall have all the powers and duties which are by this section conferred upon the Debt Adjustment Board by subsection (1) in respect of any resident farmer within the area for which it is appointed.

(4) In case a local adjustment committee has been appointed for any area, all applications for assistance under this Act by resident farmers in the area shall be made to the local adjustment committee for that area.

6.—(1) No person shall be entitled to recover in any action or other proceeding any money on account of the principal sum secured by a mortgage upon lands held and occupied by a resident farmer subject to the mortgage or on account of the purchase money payable under any agreement for sale of lands held and occupied by a resident farmer subject to the agreement unless and until the interest of the resident farmer therein under the mortgage or agreement of sale, as the case may be, has been foreclosed.

(2) Where pursuant to any order of the Court made in any action or other proceeding whatsoever taken in respect of a mortgage or an agreement of sale, any agricultural land has been sold, or the interest of any person whether as mortgagor or purchaser, in any agricultural land has been foreclosed, no sum shall be recoverable on account of the money payable under the mortgage or agreement of sale by reason of any diminution which has occurred in the value of the land since the making of the mortgage or agreement of sale which has not been caused by waste for which the mortgagor or purchaser as the case may be is responsible.

- (3) This section shall not apply to—
- (a) Any mortgage of agricultural land made after the 1st day of July, 1932, other than a mortgage which is made in lieu of or in substitution for a mortgage made on or before that date; and
 - (b) any agreement for the sale of agricultural land made after the 1st day of July, 1932; and
 - (c) any mortgage or agreement for the sale of agricultural land made on or before the 1st day of July, 1932—
 - (i) which has been reviewed and adjusted under the provisions of *The Farmers' Creditors Arrangement Act, 1934*, provided that the interest payable in respect of the money payable thereunder does not exceed five per centum per annum;
 - (ii) in respect of which an agreement has been entered into for the adjustment of the money payable thereunder which has been approved by the Debt Adjustment Board, provided that the interest payable in respect of the money payable thereunder does not exceed five per centum per annum.

7. None of the provisions of this Act or *The Debt Adjustment Act, 1933*, shall apply to any mortgage of agricultural land as to which the Debt Adjustment Board certifies—

- (a) that the sum payable thereunder has been reduced either by means of an agreement approved by the Debt Adjustment Board or by reason of the operation of *The Farmers' Creditors Arrangement Act, 1934*, to such an amount that there exists the reasonable probability that the same can be paid out of the production of the mortgaged premises; and
- (b) that the period over which the reduced indebtedness is payable and the instalments in which the same are payable are respectively such as to make it reasonably possible that the payments can be made out of the production of the mortgaged premises; and
- (c) that the interest payable in respect of the reduced sum does not exceed the rate of five per centum per annum.

8. In case any seizure under execution is made in pursuance of any permit given under the provisions of *The Debt Adjustment Act, 1933*, the proceeds of such execution shall be distributable in such manner and to such persons and in such proportions and amounts as may be prescribed by the Debt Adjustment Board in any particular case.

9. This Act shall be read and construed with and as if the same were enacted as a part of *The Debt Adjustment Act, 1933*, provided always that if any conflict arises between any provision of that Act and any provision of this Act, the provisions of this Act shall prevail.

10. In case any conflict arises between any provision of this Act and any provision of any other Act of the Province, the provisions of this Act shall prevail.

11. This Act shall come into force on the day upon which it is assented to, and shall thereafter continue in force until the first day of May, 1937.

No. 88.

FIFTH SESSION
SEVENTH LEGISLATURE
25 GEORGE V
1935

B I L L

An Act to promote Stability in the
Agricultural Industry.

Received and read the

First time.....

Second time.....

Third time.....

HON. MR. LYMBURN

EDMONTON:
W. D. McLEAN, KING'S PRINTER
1935