

1927

c 75 Co-operative Marketing Loan Act

Ontario

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CHAPTER 75.

The Co-operative Marketing Loan Act.

Interpretation.

1. In this Act,—

"Minister."

(a) "Minister" shall mean Minister of Agriculture;

"Regulations."

(b) "Regulations" shall mean regulations made under the authority of this Act;

"Co-operative Association."

(c) "Co-operative Association" shall mean any organization of producers incorporated as a co-operative corporation under *The Companies Act* for the purpose of cleaning, storing and marketing seed and potatoes;

Rev. Stat. c. 218.

"Association."

(d) "Association" shall mean co-operative association. 1920, c. 54, s. 2.

Loan of \$3,000 to one association.

2. The Lieutenant-Governor in Council upon the recommendation of the Minister may make a loan to any co-operative association as defined in clause *c* of section 1 of this Act in accordance with the provisions of this Act and the regulations made in accordance therewith for the purpose of acquiring lands, buildings, equipment and machinery necessary for the carrying out of the objects for which such association was incorporated to an amount not exceeding \$3,000. 1920, c. 54, s. 3.

Loan not to exceed fifty per cent. of appraised value.

3.—(1) Such loan shall not exceed fifty per centum of the appraised value of the property upon which the loan is to be made.

Interest.

(2) Such loan shall be free of interest for a period of two years, after which time interest shall be payable at the rate of six per centum per annum for the balance of the time for which the loan is held.

Repayment.

(3) Such loan may be repaid at any time at the option of the association but at least fifty per centum shall be repaid at the end of five years from the date of the loan, and the remaining fifty per centum at the end of a further period of five years. 1920, c. 54, s. 4.

Loan to be based on contract.

4. Each loan shall be based on a contract made by the association with the Minister, which contract shall be in accordance with this Act and the regulations thereunder. 1920, c. 54, s. 5.

5.—(1) Each loan made on a chattel or chattels shall be secured by a chattel mortgage made in accordance with *The Bills of Sale and Chattel Mortgage Act*.

Security for loan on chattels.
Rev. Stat., c. 164.

(2) Each loan made on real estate acquired by the association shall be secured by a first mortgage on the said real estate made in accordance with *The Short Forms of Mortgages Act*, 1920, c. 54, s. 6.

Security for loan on real estate.
Rev. Stat., c. 145.

6. In case the real estate mortgaged as aforesaid is sold for taxes the title of the purchaser at the sale shall be subject to such mortgage. 1920, c. 54, s. 7.

Tax sale subject to mortgage.

7. The Minister shall lay before the Assembly in each session a report of all the loans made under authority of this Act and the regulations. 1920, c. 54, s. 8.

Report to Assembly.

8. The association shall once in every year (and when called upon to do so by the Minister) transmit to the Minister a general statement of the funds and effects of the association, the number of members or shareholders therein, and such other information as may be requisite to show clearly the position of the association and the business done during the year, which return shall be verified by the affidavits of the president and secretary. 1920, c. 54, s. 9.

Statement of association.

9. The association shall by written notice advise the Minister of the time and place for each annual meeting and the Minister or his agents shall have the privilege of attending all meetings. 1920, c. 54, s. 10.

Notice of annual meeting.

10. The Lieutenant-Governor in Council, upon the recommendation of the Minister and subject to the provisions of this Act, may make regulations,—

Regulations.

- (a) prescribing the form and manner of making application for a loan and the manner in which each application shall be dealt with;
- (b) providing for inspection and valuation of the property upon which the loan is sought;
- (c) respecting the enquiries to be made and the information to be furnished with respect to the object of the loan before making the loan;
- (d) with respect to any other matter regarding which the Minister deems regulations necessary for the execution of the purposes of this Act. 1920, c. 54, s. 11.

11. The Minister may, if in his opinion it is necessary, by notice to the secretary, call a meeting of the members or shareholders of the association to enquire into its affairs at such time and place as he may specify in the notice. 1920, c. 54, s. 12.

Minister may call meeting.

Inspection.

12.—(1) The Minister may appoint a person to inspect the books, accounts and all property of any association receiving Government aid under this Act, and may empower such person to summon witnesses and enforce the production of documents before him, and to take evidence upon oath in regard to such inspection; and all officers of any such association whenever required so to do shall submit the books and accounts thereof to such inspection and shall truly to the best of their knowledge answer all questions put to them in relation thereto or to the funds and management of such association.

Alterations and repairs.

(2) The Minister may order such alterations or repairs to be made to the property of the association for the purpose of better securing the loans made under this Act. 1920, c. 54, s. 13.

Provisions of contract.

13. The contract on which each loan shall be based shall provide for,—

- (a) the specific objects for which the loan is asked;
- (b) the methods of expending the loan;
- (c) the methods and manner of redemption of the loan;
- (d) the reports and statements required by the Minister during the life of the loan;
- (e) the right of the Minister to inspect and enquire regarding the undertaking;
- (f) the requirements regarding insurance of the property and other requirements of the Minister pertinent to each individual loan. 1920, c. 54, s. 14.

Rescission on default of association.

14.—(1) If the association makes any default in the performance of the terms of the contract on which the loan is based or in the opinion of the Minister fails to perform its functions as a co-operative association, the Minister may without resort to proceedings in equity or at law rescind such contract and resell or otherwise deal with the property acquired, according to his discretion.

Effect of rescission.

(2) The effect of such rescission shall be to vest such property in the Crown absolutely free and discharged of all rights and claims of the association and of all persons claiming or entitled to claim through or under it, for any estate in, or lien, charge or encumbrance upon or against such property. 1920, c. 54, s. 15.

Powers of Minister.

15. The Minister may decide all matters of doubt or dispute as to the working or construction of this Act, and his decision shall be final, except that an appeal therefrom may be made to the Lieutenant-Governor in Council. 1920, c. 54, s. 16.