c 69 Co-operative Marketing Loans Act

Ontario
CHAPTER 69

The Co-operative Marketing Loans Act

1. In this Act,

(a) "co-operative association" means any co-operative corporation of producers incorporated under Part XII of The Companies Act for the purpose of grading, cleaning, packing, storing, drying, processing or marketing farm products;

(b) "Minister" means Minister of Agriculture;

(c) "regulations" means regulations made under this Act;

(d) "Treasurer" means Treasurer of Ontario. R.S.O. 1937, c. 85, s. 1; 1946, c. 13, s. 1.

2.—(1) This Act may be extended by the Lieutenant-Governor in Council to associations other than co-operative associations incorporated under The Companies Act if the majority of the shares of capital stock thereof are owned by producers of agricultural products.

(2) No loan shall be made to any association mentioned in subsection 1 unless a contract is entered into by the association with the Minister according to the form prescribed by the regulations and providing for such limitations and conditions as will ensure control of the management and operation of the association remaining vested in producers until the loan is fully repaid.

(3) When a loan is made to an association mentioned in subsection 1 the provisions of this Act relating to co-operative associations shall apply mutatis mutandis. R.S.O. 1937, c. 85, s. 2.

3. The Lieutenant-Governor in Council, upon the recommendation of the Minister, may make loans to co-operative associations to assist in carrying out their objects to the following extent, namely:
(a) in the case of a co-operative association, other than a cold storage association, to an amount not exceeding $15,000;

(b) in the case of a co-operative cold storage association to an amount not exceeding 50 per cent of the approved value of the property on which the loan is to be made, but in no case to exceed the sum of $65,000. R.S.O. 1937, c. 85, s. 3; 1946, c. 13, s. 2.

4.—(1) Subject to the regulations, the rate of interest payable upon any loan made under this Act shall be as provided for in the contract relating thereto.

(2) A loan may be repaid at any time at the option of the co-operative association, but repayment of principal shall be commenced not more than three years from the date of the loan and so that at least 50 per cent shall be repaid at the end of 10 years from such date and so that the whole of the loan shall be repaid at the end of 20 years from such date, and every contract shall make the necessary provisions to ensure such repayment. R.S.O. 1937, c. 85, s. 4.

5.—(1) Every loan made on a chattel shall be secured by a chattel mortgage made in favour of the Treasurer and made in accordance with The Bills of Sale and Chattel Mortgages Act.

(2) Every loan made on real estate shall be secured by a first mortgage on such real estate made in favour of the Treasurer in accordance with The Short Forms of Mortgages Act.

(3) Every mortgage, whether on real estate or a chattel, may contain such further covenants, provisos and conditions as the Treasurer may deem proper, and the Treasurer shall have and may exercise all the rights, powers and remedies with respect to any mortgage made under this Act that a mortgagee has and may exercise under the laws of Ontario.

(4) All notices, mortgages, discharges and other documents of every kind and description which may be made under this Act, except a contract made with the Minister, shall be prepared by a person designated by the Treasurer.

(5) Every mortgage, whether on real estate or a chattel, heretofore given as security for a loan made under this Act may be assigned by the Minister, the Agricultural Development Board or the Commissioner of Agricultural Loans to the Treasurer. R.S.O. 1937, c. 85, s. 5.
6. The Minister shall lay before the Assembly at each session a report of all loans made under this Act and the regulations. R.S.O. 1937, c. 85, s. 6.

7. Every co-operative association to which an undischarged loan has been made shall make such annual or other reports, returns and statements to the Treasurer as the regulations may prescribe. R.S.O. 1937, c. 85, s. 7.

8. Every co-operative association to which an undischarged loan has been made shall by written notice advise the Treasurer of the time and place of each annual meeting and the Treasurer or his representative shall have the privilege of attending all meetings. R.S.O. 1937, c. 85, s. 8.

9. The Treasurer may, if in his opinion it is necessary, by notice to the secretary, call a meeting of the members or shareholders of any co-operative association to which an undischarged loan has been made to inquire into its affairs at such time and place as he may specify in the notice. R.S.O. 1937, c. 85, s. 9.

10.—(1) The Treasurer may appoint some person to inspect the books, accounts and property of any co-operative association to which an undischarged loan has been made and may empower such person to summon witnesses and enforce the production of documents before him, and take evidence upon oath with 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 and to the best of their knowledge answer all questions put to them in relation thereto or to the funds and management of such association.

(2) The Treasurer may order such alterations or repairs to be made to the property of any co-operative association for the purpose of better securing a loan made under this Act. R.S.O. 1937, c. 85, s. 10.

11. If a co-operative association to which a loan has been made makes any default in the performance of the terms of the contract entered into with the Minister or otherwise commits a breach of any of the provisions of this Act, or in the opinion of the Treasurer, fails or ceases to carry out its objects, the Treasurer may without resort to proceedings in equity or law rescind the contract and without notice, exercise any and all of his powers of sale as mortgagee as in the case of default on the part of a mortgagor notwithstanding that no actual default in payment of principal or interest under the mortgage may have occurred. R.S.O. 1937, c. 85, s. 11.
12. The Lieutenant-Governor in Council may make regulations,

(a) prescribing the form and manner of making application and a contract for a loan and the manner in which each application shall be dealt with;

(b) prescribing the rates of interest to be payable upon loans made under this Act;

(c) providing for inspection and valuation of the property upon which the loan is to be secured;

(d) respecting inquiries to be made and information to be furnished with respect to the object of the loan before making the loan;

(e) respecting any other matter regarding which the Minister or Treasurer deems regulations necessary for the execution of the purposes of this Act. R.S.O. 1937, c. 85, s. 12.

13. The Minister may decide all matters of doubt or dispute arising under this Act and his decision shall be final except that an appeal therefrom may be made to the Lieutenant-Governor in Council. R.S.O. 1937, c. 85, s. 13.

14. This Act shall apply to loans made to co-operative associations during the year 1931 as if such loans had been made immediately after this Act came into force. R.S.O. 1937, c. 85, s. 14.

15.—(1) The Lieutenant-Governor in Council is authorized on such terms as may be approved by Order in Council to agree to guarantee and to guarantee the payments of any loans, and interest thereon, made to a co-operative association, or an association to which the provisions of this Act are extended under the authority of section 2, and the form and manner of any such guarantee shall be such as the Lieutenant-Governor in Council may approve, and the guarantee shall be signed by the Treasurer or such other officer or officers as may be designated by the Lieutenant-Governor in Council, and upon being so signed the Province of Ontario shall become liable for the payment of the loan and interest thereon guaranteed according to the terms of the guarantee, and the Lieutenant-Governor in Council is hereby authorized to make arrangements for supplying the money necessary to fulfil the requirements of any guarantee and to advance the amount necessary for that purpose out of the public funds of the
Province, and any guarantee so signed shall be conclusive evidence that the terms of this section have been complied with. R.S.O. 1937, c. 85, s. 15.

(2) The provisions of sections 7, 8, 9, 10, 12 and 13 relating to loans shall apply mutatis mutandis to every guarantee made under this section. 1940, c. 28, s. 9.