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c 78 Agricultural Development Act

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CHAPTER 78.

The Agricultural Development Act.

1. In this Act,—

(a) "Board" shall mean Agricultural Development Board;

(b) "Minister" shall mean Minister of Agriculture.

R.S.O. 1927, c. 68, s. 1.

2.—(1) There shall be established a board to be known as the Agricultural Development Board, which shall consist of two or more persons to be appointed by the Lieutenant-Governor in Council who shall hold office during pleasure.

R.S.O. 1927, c. 68, s. 2 (1); 1935, c. 2, s. 2.

(2) The Board shall be a body corporate. R.S.O. 1927, c. 68, s. 2 (2).

3. It shall be the duty of the Board to promote agricultural development by means of loans as hereinafter provided and in such other manner as the Board may deem advisable.

R.S.O. 1927, c. 68, s. 3.

4. The Board, with the approval of the Lieutenant-Governor in Council, shall have power from time to time to issue bonds of the Board to the amount of $500,000 in such denominations and at such rates of interest as the Board may deem proper and subject to such conditions as to the sale and disposal thereof as the Board may deem advisable.

R.S.O. 1927, c. 68, s. 4.

5. The Lieutenant-Governor in Council may authorize the Treasurer of Ontario, out of the Consolidated Revenue Fund, to purchase any bonds or debentures issued by the Board under the authority of this Act. R.S.O. 1927, c. 68, s. 5; 1935, c. 2, s. 3.

6. All moneys received by the Board from the sale of the bonds issued under section 4 shall be deposited in a separate account of the Board in any chartered bank of Canada or in the office of any company or corporation authorized to
accept deposits and such moneys shall be used solely for the purposes hereinafter set forth. R.S.O. 1927, c. 68, s. 6.

7.—(1) The Board, with the approval of the Lieutenant-Governor in Council, may from time to time issue debentures in such denominations and at such rate of interest as the Board may deem advisable and as may be approved by the Lieutenant-Governor in Council, and the proceeds of any debentures so issued shall be disposed of in the manner provided by section 6 in respect to the proceeds of the sale of bonds issued by the Board. R.S.O. 1927, c. 68, s. 7 (1).

(2) The debentures so issued shall be issued upon the security of the assets of the Board and shall not exceed the amount of such assets and such debentures shall be a first charge upon all the assets and revenues of the Board. R.S.O. 1927, c. 68, s. 7 (2); 1935, c. 2, s. 4.

(3) Notwithstanding anything in any other Act contained the bonds and debentures of the Board shall be at all times lawful investment for municipal, school and trust funds. R.S.O. 1927, c. 68, s. 7 (3).

8.—(1) The Lieutenant-Governor in Council may authorize the Treasurer of Ontario to guarantee payment on behalf of the Province of Ontario of any bonds or debentures issued by the Board under the authority of this Act.

(2) The form of guaranty and the manner of its execution shall be determined by the Lieutenant-Governor in Council. R.S.O. 1927, c. 68, s. 8.

9.—(1) Out of the moneys at its disposal from time to time as the proceeds of the sale or hypothecation of any bonds or debentures issued by the Board, the Board may make loans for the following purposes and no other,—

(a) acquiring land for agricultural purposes;

(b) the erection of farm buildings essential to production;

(c) to pay off charges existing against land at the time of acquisition by the borrower under a will or by descent;

(d) to pay off encumbrances, in which cases loans shall not exceed fifty per centum of the valuation;

(e) for the purpose of providing tile drainage;
(f) to purchase breeding live stock;

(g) to consolidate outstanding liabilities incurred for productive agricultural purposes. R.S.O. 1927, c. 68, s. 9 (1).

(h) for such other purposes relating to the development and operation of the applicant's farm as the Board approves. 1935, c. 2, s. 5 (1).

(2) At the time of or subsequently to the making of the loan the Board may accept as collateral security for any loan made under the authority of this Act, a life insurance policy or an assignment thereof or any other security which the Board may deem proper. R.S.O. 1927, c. 68, s. 9 (2); 1935, c. 2, s. 5 (2).

(3) The Board may make such composition, extension of time or scheme of arrangement with any borrower on his loan as the Board deems advisable. 1935, c. 2, s. 5 (3).

10. The Board with the approval of the Lieutenant-Governor in Council, may appoint committees, each of which shall be composed of two or more competent persons, one of whom shall be or shall have been a practical farmer, to consider and report to the Board upon applications and upon problems which may arise in connection with loans already made. 1935, c. 2, s. 6.

11. Every applicant for a loan under this Act may be required to appear in person before the board or a qualification committee and shall submit evidence to the satisfaction of the board or committee,—

(a) that he is a British subject of at least twenty-one years of age and has been resident in Canada for at least three years;

(b) that he has had at least three years experience in farming and has displayed average ability and capacity;

(c) that he is of good character;

(d) that he is actually engaged or intends to engage upon the land upon the security of which the loan is to be made. R.S.O. 1927, c. 68, s. 11.

12.—(1) No loan shall exceed $7,500, and every loan shall be secured by a first mortgage upon lands suitable for agricultural purposes. R.S.O. 1927, c. 68, s. 12 (1); 1935, c. 2, s. 7.
(2) On a property of less than fifty acres the maximum valuation to be recognized by the Board, shall be $300 per acre. R.S.O. 1927, c. 68, s. 12 (2).

13.—(1) Before making a loan under this Act, the Board shall secure from a competent valuator a report as to the value of the security offered by the applicant.

(2) The land and buildings shall be valued on the basis of their value for agricultural purposes.

(3) The buildings upon the land shall be insured to their full insurable value. R.S.O. 1927, c. 68, s. 13.

14. Where the Board is satisfied that the conditions of this Act have been complied with and that agricultural development will be promoted by the loan, the board may make a loan to the applicant to the extent of fifty per centum of the value of the security as shown by the valuator’s report. R.S.O. 1927, c. 68, s. 14; 1935, c. 2, s. 8.

15.—(1) Except as hereinafter provided, every loan made under this Act shall be repayable in equal annual instalments of principal and interest sufficient to discharge the debt at the end of such period as may be agreed upon, but no loan shall be made for more than thirty years.

(2) Payments on account of the said loan, in addition to those provided for in the mortgage or agreement, may be made at any time.

(3) Notwithstanding anything contained in this Act, the Board may accept payment of interest without principal for any period not exceeding three years and may, at any time at its discretion, alter the provisions for payment of any mortgage and may consolidate the total indebtedness owing by any mortgagor to the Board, inclusive of accrued interest and moneys paid for taxes and insurance to the date of consolidation and alter the provisions of the mortgage so that the consolidated indebtedness with interest may be repayable in annual instalments within a period not exceeding thirty years from the date of consolidation.

(4) The Board may, with the approval of the Lieutenant-Governor in Council, make regulations relating to sales made by the Board under the power of sale contained in any mortgage where the purchase money or part thereof is secured by an agreement for sale and such regulations may be to the same effect as those provided for in subsection 3 and in subsection 3 of section 9.
(5) The Board may accept a release of the equity of redemption existing by virtue of a mortgage to it and may sell any mortgaged property which it has thus acquired or which it is empowered to sell by virtue of the power of sale contained in a mortgage, at such price and upon such terms as in its discretion is deemed advisable.

(6) When a sale has been made by the Board under the powers of sale contained in any mortgage and the purchase money or part thereof is secured by an agreement for sale and any instalment, whether for principal or interest payable under the said agreement for sale, is not punctually paid, or if the purchaser makes default in the performance of any of the terms of such agreement, the Board, without any formal re-entry or taking of possession and without resorting to proceedings in equity or at law, may, upon ten days' notice in writing to the purchaser directed by mail to him at his address last known to the Board, rescind such agreement and resell or otherwise deal with the property as provided for in the said mortgage, to the same extent as if the said agreement for sale had not been entered into. 1935, c. 2, s. 9.

16. Every mortgage made under this Act shall be made in accordance with The Short Forms of Mortgages Act, and may contain such further covenants, provisoes and conditions as the Board may deem proper, and the Board shall have and may exercise all the rights, powers and remedies with respect to any mortgage made under this Act as a mortgagee has under the laws of the Province of Ontario. R.S.O. 1927, c. 68, s. 16.

17. All notices, mortgages, discharges or other documents of every kind and description made or used under this Act shall be prepared by the Board or by some person to be designated by the Board. R.S.O. 1927, c. 68, s. 17.

18.—(1) If at any time in the opinion of the Board any money advanced under this Act has not been or is not being applied for the purpose for which it was advanced, or is not being carefully and economically expended, or if the security depreciates in value the Board may refuse to make any further advance and call in the whole amount already advanced and all interest thereon and declare the same to be immediately due and payable, whereupon the borrower shall at once repay the same, with interest at the rate set forth in the mortgage, and in default of payment the Board shall have the like remedies for recovery of the same as if the time for repayment thereof had fully arrived. R.S.O. 1927, c. 68, s. 18.
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(2) It shall be a term of every mortgage taken as security for a loan that upon the sale of the farm land mortgaged, the loan shall, at the option of the Board, immediately become due and payable. 1935, c. 2, s. 10.

19.—(1) Every payment made on a mortgage given under this Act shall be disposed of as follows:

(a) That portion of such payment which consists of principal shall, at the option of the Board, be paid to the Treasurer of Ontario from time to time as received, to provide for the payment of the principal, payable upon the debentures issued by the Board and held by the Treasurer of Ontario; or the Board may, if it so desires, retain the principal portion of such payment and reinvest same in first mortgages according to the provisions of this Act, and such moneys, shall, while in the hands of the Board be placed in a special account, and shall be kept entirely separate and distinct from the other accounts and funds of the Board, and in the event of the Board retaining and reinvesting such principal, the Treasurer of Ontario shall, at the end of each fiscal year and upon the certificate of the Provincial Auditor, cancel the Board’s debentures up to the amount reinvested by the Board during such year and accept from the Board, new debentures for such amount.

(b) That portion of such payment which consists of interest and all other revenue of the Board on account of loans shall be applied, in the first instance, in payment of salaries and other operating expenses of the Board and then to payment of losses written off or sustained on the sale of mortgaged properties and the balance then remaining shall be paid to the Treasurer of Ontario in payment of interest on debentures issued by the Board. 1935, c. 2, s. 11.

(2) Any other revenue of the Board on account of loans shall be credited to a reserve fund account and shall at the end of each calendar month be transferred to the Consolidated Revenue Fund. R.S.O. 1927, c. 68, s. 19 (2).

20. It shall be the duty of the Board from time to time to secure reports as to the condition of any securities taken by it for loans under this Act, and as to the progress and prospects of the borrowers, and for this purpose the Department of Agriculture may co-operate with the Board by render-
Salaries and travelling expenses of Board.

21. The Lieutenant-Governor in Council may fix the salaries or other remuneration and an allowance for travelling or other expenses of the Board and its employees. R.S.O. 1927, c. 68, s. 21.

Salaries and remuneration.—how payable.

22. The salaries or other remuneration of the Board and its officers and employees and all expenses of the Board or connected with the administration of the Act, shall be a first charge upon the interest payments received by the Board and shall be payable out of same as approved by the Board, and any additional moneys required for these purposes shall be paid out of the Consolidated Revenue Fund upon the certificate of the Minister or of an officer designated by him for that purpose. 1935, c. 2, s. 14.

Appointment of valuers.

23. The Board with the approval of the Lieutenant-Governor in Council may appoint such valuers and other officers, and may engage such clerical and other assistance as may be deemed necessary in carrying out the work of the Board. R.S.O. 1927, c. 68, s. 24.

Board to make annual report.

24.—(1) The Board shall make an annual report in writing to the Minister on the 31st day of January, showing in detail the number and amount of loans made by the Board during the last preceding fiscal year, and the amount of every issue of bonds or debentures made by the Board and outstanding, with the date and terms of every such issue, and the expenses of administration, and with such other particulars as the Minister may require. R.S.O. 1927, c. 68, s. 25 (1); 1935, c. 2, s. 15.

(2) Every such report shall be laid before the Assembly at the next ensuing session of the Legislature. R.S.O. 1927, c. 68, s. 25 (2).

Regulations.

25. The Board with the approval of the Lieutenant-Governor in Council may from time to time make regulations respecting,—

(a) the meetings and proceedings of the Board;

(b) the respective duties of the staff and of the other persons employed by the Board;

(c) the mode in which applications for loans are to be made and the forms thereof;
(d) the forms of mortgages to be taken by the Board, including all provisions to be inserted therein;

(e) the fees and expenses payable by borrowers under the provisions of this Act;

(f) the conditions that may be imposed in regard to loans;

(g) the consideration and granting of applications for loans;

(h) the valuations to be made in relation to applications for loans;

(i) the records, books and accounts to be kept by the Board and the auditing of its accounts;

(j) any other matter necessary for the better carrying out of the purposes and objects of this Act. R.S.O. 1927, c. 68, s. 26.

26.—(1) The Lieutenant-Governor in Council may establish the office of Commissioner of Agricultural Loans and may from time to time appoint a person to hold the said office.

(2) The Commissioner of Agricultural Loans shall be a corporation sole under that name with perpetual succession and an official seal and may sue and be sued under the above name in the same manner as any other corporation sole.

(3) Upon the appointment of any person to the office of Commissioner of Agricultural Loans, all the powers, rights, duties and obligations of the Board shall be transferred to and be vested in and thereafter be performed by and be binding upon the Commissioner of Agricultural Loans and wherever in this Act or the amendments thereto the Board is referred to, such reference, after the establishment of the office of Commissioner of Agricultural Loans, shall be read and taken as referring to said office.

(4) Upon the establishment of the office of Commissioner of Agricultural Loans, all legal and other proceedings theretofore commenced and then pending in any court or otherwise may be carried on by the Commissioner of Agricultural Loans by his name of office. R.S.O. 1927, c. 68, s. 27.