



## CHAPTER 38

### An Act to amend the Coöperative Agricultural Association Act

*[Assented to, the 4th of April, 1930]*

**HIS MAJESTY**, with the advice and consent of the Legislative Council and of the Legislative Assembly of Quebec, enacts as follows:

**1.** Section 2 of the Coöperative Agricultural Association Act (Revised Statutes, 1925, chapter 57) is amended R. S., c. 57, s. 2, am. by striking out the words: "any municipality or parish of", in the second line thereof.

**2.** Section 3 of the said act is replaced by the following: Id., s. 3, replaced.

**"3.** The association shall consist of at least twenty-five persons who sign a declaration in conformity with form No. 1. Such persons shall be designated by the name of "shareholder-producers". "Shareholder-producers".

The association may allow any persons to join it who, designated by the name of "affiliated producers", shall have become members upon the payment of an annual contribution of two dollars. The affiliated producers shall be subject to the obligations and may benefit from the advantages which, in both cases, shall be determined by the board of directors. They shall neither attend nor vote at general meetings. "Affiliated producers".

The association shall also include the subscribers to preferred shares, who shall be subject to the provisions of the second paragraph of subsection 1 of section 5." Subscribers to preferred shares.

**3.** Section 5 of the said act is amended:

*a.* By adding to subsection 1 thereof the following paragraph: R. S., c. 57, s. 5, am.

Right to  
issue pre-  
ferred  
shares.

"The association shall have the right to issue preferred shares. The board of directors may fix the denomination thereof and determine the rate of interest thereon, which shall not exceed seven per cent. Such preferred shares shall be repayable by the association on the conditions determined by the board of directors and stated in the certificate of issue. The holders of preferred shares shall not be entitled to be present nor to vote at the meetings of the association.";

b. By replacing the words: "one hundred", in the second line of subsection 6 thereof, by the word: "ten";

c. By replacing subsection 7 thereof, by the following:

Minimum  
number of  
shares.

"7. After the 4th of April, 1930, the minimum number of ordinary shares which each shareholder-producer must subscribe shall be five or ten. But an association which has chosen the one or the other number of such ordinary shares cannot afterwards increase or reduce same. However, coöperative agricultural associations formed previous to the 4th of April, 1930, may continue to exist and to be subject to the provisions of the law in force prior to such date.";

d. By repealing subsection 8 thereof;

e. By adding after the word: "acquire", in the second line of subsection 9 thereof, the words: "ordinary or preferred";

f. By replacing subsection 10 thereof by the following:

Obligations  
of associa-  
tion.

"10. The board of directors of a coöperative agricultural association may, by agreement, bind itself, towards the *Société Coopérative Fédérée des Agriculteurs de la Province de Québec*, to subscribe to and pay on the capital stock of the said *Société Coopérative Fédérée* a proportion of the amount of its own ordinary shares paid-up at the date of the agreement, as well as of its ordinary shares which will thereafter be paid-up; the board of directors of the coöperative agricultural association shall bind itself, under the same agreement, to make its purchases and its sales through the intermediary of the *Société Coopérative Fédérée des Agriculteurs de la Province de Québec*."

R. S., c. 57,  
s. 8, am.

4. Section 8 of the said act is amended by replacing the words: "without delay", in the fifth line thereof, by the word: "once".

Id., s. 9,  
am.

5. Section 9 of the said act is amended by adding after the word: "for", in the third line thereof, the word: "ordinary".

**6.** Section 10 of the said act is amended:

R. S., c. 75,  
s. 10, am.

a. By adding after the word: "published", in the third line of the second paragraph thereof, the word: "once";

b. By replacing the word: "lands", in the first line of the third paragraph thereof, by the word: "immoveables";

c. By striking out the words: "but may not hold more than five hundred acres at any one time", in the second and third lines of the said third paragraph thereof.

**7.** Section 11 of the said act is amended by striking out the words: "of the shareholders", in the fourth line of the last paragraph thereof. <sup>Id., s. 11, am.</sup>

**8.** Section 13 of the said act is amended by adding after the word: "protected", in the third line of paragraph *a* of subsection 1 thereof, the words: "It shall require that the shareholder-producers bind themselves by contract, in favour of their coöperative agricultural association for a period of at least three years, to deliver, sell or purchase, through the latter, certain determined products. It must also exact the same undertaking from the affiliated producers." <sup>Id., s. 13, am.</sup>

**9.** Section 17 of the said act is amended by adding thereto the following paragraph: <sup>Id., s. 17, am.</sup>

"The manager and the secretary-treasurer may be chosen outside of the members of the association. In such case they shall not be entitled to vote at meetings of the board of directors." <sup>Manager and secretary.</sup>

**10.** Section 19 of the said act is amended:

R. S., c. 57,  
s. 19, am.

a. By replacing the first two paragraphs of subsection 1 thereof by the following:

**"19. 1.** The general meeting shall consist of all shareholder-producers. When, however, the members of a coöperative association exceed one hundred shareholder-producers, the board of directors may, for the purpose of reducing the number of members of a general meeting, pass a by-law by which the territory of the association shall be so divided that each such division shall elect one or more delegates. Such delegates shall represent their division at the general meeting and shall be entitled to as many votes as there are shareholder-producers in the said division. <sup>Composition of general meeting.</sup>

A general meeting shall be held every year in the month of January, at the place determined by the directors. It shall elect the members of the board of directors and an auditor." <sup>When to be held.</sup>

b. By replacing the word: "member", in the fifth line of the third paragraph of subsection 1 thereof, by the word: "shareholder-producer";

c. By adding after the word: "auditor", in the third line of the fourth paragraph of subsection 1 thereof, the words: "It shall appoint at the same time, if necessary, a delegate and a substitute to the general meeting of the *Société Coopérative Fédérée des Agriculteurs de la Province de Québec*";

d. By replacing the words: "each member", in the third line of subsection 2 thereof, by the words: "those who should form part thereof".

R. S., c. 57,  
s. 20, re-  
placed.

**11.** Section 20 of the said act is replaced by the following:

Rights and  
privileges of  
shareholder-  
producer.

**"20.** A shareholder-producer shall have only one vote, whatever may be the number of his shares. To be entitled to vote, he must have subscribed for one or more shares at least three months before the meeting, and have paid, at least three days before the meeting at which he intends to vote, all yearly instalments due on his share or shares; but, in the case of the first general meeting after the formation of the association, a shareholder-producer may vote no matter at what date previous to such meeting he may have subscribed for his share or shares.

No repre-  
sentation by  
proxy.

No one may be represented by proxy at any general or special meeting of the association."

R. S., c. 57,  
s. 25, am.

**12.** Section 25 of the said act is amended by replacing the second, third and fourth paragraphs thereof by the following paragraph:

Distribu-  
tion of sur-  
plus.

"After paying the dividend on the preferred shares and the amount to be paid into the reserve fund, the association may distribute the surplus to shareholder-producers, crediting it to them in the proportion of the volume of purchases and of sales by each of them, in the books of the association, on account on a preferred share to be delivered to them when fully paid-up."

R. S., c. 57,  
s. 26, am.

**13.** Section 26 of the said act is amended by adding after the word: "society", in the third line of the first paragraph thereof, the words: "which receives a subsidy or aid from the Government,".

Id., s. 28,  
repealed.

**14.** Section 28 of the said act is repealed.

Coming into  
force.

**15.** This act shall come into force on the day of its sanction.