

**"5486a.** 1. Every society formed under articles 5477 and following, has also the right to take suit in its own name, for damages suffered by it, including all damages sustained by it in its business or industry, against any person who has brought to the factory, unwholesome or sour milk, or milk that has been skimmed, or that has been in any way adulterated, whether such person is or is not a member of the society.

Societies may sue persons bringing unwholesome milk, &c.

For the purposes of the present article, all damages caused by any person to the patrons who are members of such society, from having supplied unwholesome or sour milk, or milk that has been skimmed, or that has been in any way adulterated, are deemed to have been suffered by and are payable to such society, which is authorized to sue for the recovery thereof, and shall apportion the amount recovered among its members in proportion to the quantity of milk or cream supplied by each during the time determined by the board of directors, and in the manner directed by the board.

Society may recover damages suffered by patrons and apportion same.

3. Actions taken in virtue of this article, are instituted before any civil court of competent jurisdiction."

Proper court in such case.

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

Coming into force.

## CHAP. 51

### An Act respecting Societies of Patrons of Manufactories of Dairy Products

[Assented to 14th March, 1907]

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

**1.** The following section and articles are inserted after article 5486a of the Revised Statutes, as enacted by the act 7 Edward VII, chapter 50, section 1.

Section and articles inserted after R.S. Q., 5486a,

#### "SECTION IV

#### "SOCIETIES OF PATRONS OF MANUFACTORIES OF DAIRY PRODUCTS."

**"5486b.** 1. Twenty-five persons or more may form a society of patrons of a manufactory of dairy products, for each cheese factory or butter factory, or each cheese factory and

Twenty-five or more persons may form a society

of patrons, etc. Declaration by such persons. Duplicate of declaration sent to Minister. Notice by Minister in *Quebec Official Gazette*. Notice to prothonotary etc.

butter factory existing in a locality. For this purpose they shall sign a declaration in the form set forth in Schedule A of the present section.

2. Such declaration shall be signed in duplicate by the foundation members, before a witness. One duplicate shall be sent to the Minister of Agriculture, who, if he thinks fit to authorize the foundation of such society, shall cause to be published without delay in the *Quebec Official Gazette*, a notice according to Form B of this section, and a notice prepared according to Form C of this section shall forthwith be sent by the foundation members of the society to the prothonotary of the Superior Court of the district, and to the registrar of the registration division within which the society has been constituted."

When society becomes civil person. "5486c. From the date of the publication of the above notice in the *Quebec Official Gazette*, the society becomes a civil person, under the name given it in such notice."

One society for each butter or cheese factory, &c. "5486d. There shall only be one society for each butter factory or cheese factory, or for each cheese factory and butter factory."

Decision of Minister final. In case of contestation the decision of the Minister of Agriculture shall be final and without appeal."

Members. "5486e. 1. The society shall consist of persons who have signed the declaration mentioned in article 5486b, and of all those who may subscribe for shares in such society.

Liability limited. 2. The liability of the members or shareholders is limited to the amount of their respective contributions."

Amount of share and when payable etc. "5486f. The amount of each share is ten dollars, payable by yearly instalments of one dollar; the first on the day the name of the subscriber is registered, and the others from year to year on the same date. Any subscriber may pay up the whole amount of his share in advance."

Capital stock. "5486g. The capital stock of a society is variable."

Shares how transferable "5486h. Shares are held in the name of the holders thereof, and are transferable on fulfilment of the formalities required by the by-laws of the society."

Society is a corporation. "5486i. Each society organized under this section, is a corporation under the name of "Society of Patrons of the cheese factory (or of the butter factory or of the cheese and butter factory of (name) of village, parish, city or town) of the county of ."

Change of name, etc., On petition of the board of directors, the Minister of Agriculture may change the name of the society, by a public notice published in the *Quebec Official Gazette*."

"**5486j.** The object of the society shall be the protection <sup>Object of</sup> of its members in the manufacture and sale of dairy products, <sup>society.</sup> and it shall exercise those powers only which are conferred upon it by this section. It has the power of acquiring and holding lands and may sell, lease or otherwise dispose of the same, but cannot hold more than one hundred acres at a time. It may purchase or build a cheese factory, or a butter <sup>Acquisition of lands, etc.,</sup> factory, or a butter and cheese factory, and may operate, lease <sup>Purchase of factory, etc ,</sup> or sell them.

"**5486k.** The board of directors may pass any by-laws <sup>By-laws.</sup> for the good government of the society, not contrary to the laws of the Province, and may more particularly :

1. Make arrangements in the name of the society, with the owner of a factory, for the manufacture of dairy products from milk and cream supplied by the society and its members."

2. Make by-laws with regard to the quality and the carriage of milk and cream delivered to the factory chosen by the society for the use of its members ;

3. Sell the products manufactured by such factory and belonging to its members, and distribute the proceeds among its members in proportion to the milk and cream brought by each of them.

It may also sell the products of the milk and cream brought by patrons who are not members of the society, and distribute the price thereof, but such patrons must comply with the requirements of the by-laws enacted by the society with reference to the carriage and manufacture of and the care to be given to the milk or cream ;

4. Make by-laws with reference to the delivery of milk ;

5. Take suit in the name of the society, for all damages suffered by it, against any person bringing to the factory, unwholesome or sour milk, or milk that has been skimmed, or in any way adulterated, whether such person is a member of the society or not ;

6. Also to sue any person or association, for damages caused by such person or association to the society in its trade and commerce in dairy products.

The damages which the society may recover, shall be apportioned between its members, in proportion to the quantity of milk and cream supplied by each, during the period of time fixed by the board of directors, and in the manner determined by said board.

7. Supervise the manufacturing operations so that the products shall be first-class ;

8. Make by-laws requiring the manufacturer to see that his patrons who are members of the society be bound to comply with the by-laws of the society respecting manufacture,

the care to be taken of milk and cream, the sale of dairy products and the expenses of the administration of the society ; and also permit the sale of the products of such milk by the society, together with the products of the milk supplied by its members ;

9. Apportion the society's expenses of management among the patrons in proportion to the quantity of cream or milk supplied by each of them during a period of time determined by the board of directors, and in such manner as they may decide, or pay such expenses out of the proceeds of the sale of the dairy products in the manner determined by the board of directors."

10. Borrow money to the amount of the shares subscribed."

Damages  
caused by pa-  
tron payable  
to society.

"**5486k.** For the purpose of this section, all damages caused by any person to the patrons who are members of a society constituted under this act, by supplying milk that is unwholesome, or sour or skimmed, or in any way adulterated, shall be deemed to have been suffered by and shall be payable to the society, which is authorized to sue therefor, and shall distribute the amount recovered among its members in the proportion mentioned in paragraph 6 of article 5486k."

Distribution  
thereof.

Suit against  
patron who  
brings bad  
milk, etc.,

"**5486m.** When the society's butter or cheese maker, or the inspector of the society or of a syndicate whereof the society forms part, or the Government inspector, reports that a patron, on account of the quality of the milk or cream brought by him, causes damage to the society, it shall be the duty of the board of directors to sue such patron for the damages incurred, unless such patron makes a settlement with the directors."

Directors.

Quorum.

Term of office  
etc.,

"**5486n.** The affairs of the society shall be administered by a board of seven directors, four of whom shall be a quorum. The directors shall hold office during the year next following the annual meeting and until the election of their successors. They shall be eligible for re-election at the annual general meeting."

Annual gene-  
ral meeting.

"**5486o.** The annual general meeting shall be of all the members of the society.

First annual  
meeting when  
held, etc.,  
Notice  
thereof.

The first general meeting shall take place during the month following the publication in the *Quebec Official Gazette* of the notice mentioned in paragraph 2 of article 5486b, and it may be called by two members, by means of a notice mentioning the place, day and hour of the meeting, and posted in the post-office of the place where the society has its principal place of business, in a sealed and registered letter addressed to each member at least eight days before the meeting ; and the first directors and an auditor shall be chosen at said meeting."

Election of  
directors and  
auditor.

"**5486p.** The subsequent general meetings shall be called by the president, or in his default by the vice-president, in the manner fixed by the by-laws. They shall elect the directors and an auditor."

Subsequent  
general meet-  
ing, etc.

"**5486q.** The general meeting decides by a majority of the votes given. If the votes be equal, the president has a casting vote. Every shareholder shall have one vote for every share held by him."

Votes decided  
by majority.  
Casting vote,  
etc.

"**5486r.** The directors choose annually among their members a president, a vice-president and a secretary-treasurer. The latter officer as well as the auditor may be paid; all other duties are discharged gratuitously."

Election by  
directors of  
president.

"**5486s.** The directors hold their meetings at the times and places fixed by the by-laws; which also shall determine how such meetings are to be called."

Directors'  
meetings,  
etc.,

"**5486t.** Vacancies in the board shall be filled by the remaining directors for the remainder of the term."

Vacancies in  
board how  
filled.

"**5486u.** Special general meetings may also be called by the president or vice president, as the case may be, by order of the board."

Special gene-  
ral meetings.

"**5486v.** The accounts of the society shall be kept by the secretary-treasurer, under the control of the board, and shall be verified by the auditor. They shall be balanced on the 31st day of December of each year."

Keeping and  
auditing of  
accounts, etc.,

"**5486w.** After the close of the fiscal year, and during the first week of January, a statement of the affairs of the society shall be prepared and attested by the secretary-treasurer and shall be approved by the auditor."

Annual finan-  
cial statement  
etc.,

"**5486x.** All contracts, notes, cheques, orders, or documents, in order to bind the society, must be signed by the president or vice-president, and by the secretary-treasurer."

Contracts,  
etc., by whom  
signed.

"**5486y.** The books and by-laws shall be at all times open to the inspection of the members."

Books, etc.,  
open to mem-  
bers.

"**5486z.** The property of the society is exempt from all Government taxes."

Property  
exempt from  
Government  
taxes.

"**5486aa.** The society may cause its dairy products to be sold by auction by any person licensed or not, and without payment of the duties required by the law in such case; the whole on the conditions fixed by the board."

Auction sale  
of dairy pro-  
ducts, etc.,

"**5486bb.** The society shall be dissolved by the unanimous consent of the members, or if, from resignation or otherwise, less than ten members remain, or if the society allow two years to elapse without carrying out the objects for which it was formed."

Society how  
dissolved.

Division of  
assets.

In case of dissolution, the remaining net assets shall be divided among the members in proportion to the number of shares subscribed and paid."

Secretary-  
treasurer  
his responsi-  
bility, etc.,  
His security.

" **5486cc.** The secretary-treasurer of each society is responsible to the society, for all moneys which he has received in that capacity, and is bound to give security therefor to the amount fixed by the board, to the satisfaction of the president and vice-president.

Renewal of  
such security.  
Form of  
security.

The security shall be renewed, whenever required by the society, and may be executed in the form D appended to this section."

Actions in  
what court  
taken.

" **5486dd.** Actions taken under this section, are instituted before any court of competent jurisdiction."

Coming into  
force.

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

---

## FORMS

A.—(*Article 5486b*)

## Act respecting Societies of Patrons of Manufactories of Dairy Products

The undersigned declare that they hereby become members of a society of patrons of a manufactory of dairy products, with limited liability, under the name of "Society of Patrons of the Cheese Factory, (or of the butter factory, or of the cheese factory and butter factory) (*name*), of (*village, parish, town or city*) of \_\_\_\_\_", with its principal place of business at \_\_\_\_\_, in the county of \_\_\_\_\_, and they hereby respectively subscribe the amount of capital entered opposite their respective names.

Signed in duplicate at \_\_\_\_\_, this \_\_\_\_\_ day of \_\_\_\_\_, one thousand nine hundred and \_\_\_\_\_.

*Witness : Names, surnames, residence, occupations, subscription.*

B.—(*Article 5486b*)

## Act respecting Societies of Patrons of Manufactories of Dairy Products

Notice of formation of a society of patrons published in the *Quebec Official Gazette* :

Notice is hereby given that a society of patrons has been constituted in the county of \_\_\_\_\_, (or, as the case may be), under the name of "Society of Patrons of the

Cheese Factory (or butter factory *as the case may be*) of the village of \_\_\_\_\_, with its principal place of business at the village of \_\_\_\_\_.

Quebec,

19 . . . . .

(*Signature*)

*Minister of Agriculture.*

C.—(*Article 5486b*)

## Act respecting Societies of Patrons of Manufactories of Dairy Products

*Notice to the prothonotary and to the registrar*

Notice is hereby given that a society of patrons has been constituted in the county of \_\_\_\_\_, (or, as the case may be), under the name of (Society of the Patrons of the Cheese Factory (or butter factory *as the case may be*) of (*name*) of the parish of \_\_\_\_\_, the principal place of business of which is situated in the parish of \_\_\_\_\_.

(Date)

(Signature)

Secretary

D.—(*Article 5486cc*)*Security Bond of Secretary-Treasurer*

Province of Quebec, }  
County of \_\_\_\_\_ }

We, \_\_\_\_\_ residing in the parish of \_\_\_\_\_ and \_\_\_\_\_ sureties of the \_\_\_\_\_ secretary-treasurer of the Society of Patrons of the \_\_\_\_\_ (butter factory or cheese factory *as the case may be*), of (*name*) in the parish of \_\_\_\_\_, hereby acknowledge that we are respectively indebted to the said society, hereof accepting by its president and vice-president, in the sum of \_\_\_\_\_ dollars for the use and benefit of said society.

And we hereby bind ourselves and our heirs and representatives jointly and severally, and each for the whole, and without division or benefit of discussion, for the due and entire payment of the sum hereinabove mentioned, in conformity with article 5486cc of the Revised Statutes.

The condition of this bond is that if the said \_\_\_\_\_ well and duly performs and executes all the duties and obligations incumbent upon him in his capacity of secretary-treasurer of the Society of Patrons of the \_\_\_\_\_ Butter Factory,



(or cheese factory, *as the case may be*) of the parish of  
in the county of  
, and applies the moneys in his possession for the purposes and in the manner prescribed by the board of directors of the society, and according to law, and renders a true and faithful account of the said moneys, and of his acts as such secretary-treasurer, the present bond shall be void and of no effect; but otherwise it shall remain in full force and effect, for the purposes of article 5486cc of the Revised Statutes.

(*Surety*)

(*Surety*)

Made and attested at }  
this }  
day of 19 . }

Accepted by

*President of the Society of Patrons*  
*of the Butter Factory* (or cheese  
factory *as the case may be*) of

*Vice-president of the Society of Patrons*  
*of the Butter Factory* (or cheese  
factory *as the case may be*) of

---