

Q. Would you not agree that under 9 (a) you will have some difficulty. Is there not need for an amendment to make that quite clear. If you agree that there is an apparent contradiction that no association has power to make—
A. But clause 9 does not apply to provincial centrals.

Q. But an association means a cooperative credit society incorporated by a special Act.—A. Clause 79, subclause 1 says That: “every organization that is carrying on the business of a cooperative credit society (b) is declared by parliament to be eligible to become a member of an association—”, and so on, “Shall, for the purposes of Parts II and III, be deemed to be a cooperative credit society incorporated by Special Act, and, except as provided in this part, every such organization is invested with all the powers, privileges and immunities conferred on associations by sections 6, 8 and 10, and is subject to the limitations, liabilities and provisions set forth in Parts II and III and in this part.”

Only clauses 6, 8 and 10 of Part I apply to these provincial centrals. In other words they are clothed or invested only with primary banking powers to accept deposits and to lend money, but clause 9 is not one of the clauses made applicable to provincial centrals.

Q. I am silenced but not convinced. Under that wording in 9 (a) and 2 (a) under the interpretation clause, there appears to be some difficulty, but if you will promise to have a look at it, I will say no more about it. I still feel there is a possible ambiguity there.

Mr. Low: I think you could avoid these difficulties if it was understood that a special Act means an Act passed by parliament, and it simply could not possibly refer to provincial associations.

The WITNESS: I think when we come to discuss Part IV, which includes provisions specifically designed to accommodate these provincial centrals, it may be a little more clear that the whole of this Part I, with the exception of clause 6, 8 and 10, do not apply.

The CHAIRMAN: Perhaps it might clarify it if you put on the record now the positive distinction between “association” as defined in 2 (a) and “co-operative credit society” as defined in 2 (b).

Mr. MACDONNELL: I still draw attention to the fact that in 2 (a) it says “association” and says it also in 9 (a).

The WITNESS: That is quite correct, but nevertheless if you look at 79 (1) these provincial centrals are deemed to be a co-operative credit society incorporated by special Act. I agree that means by definition an association, but it does not say that they are an association. However, clause 9 does not apply to any provincial central covered by Part IV.

By the Chairman:

Q. Would you care to put on the record now the distinction between “association” 2 (a) and “co-operative credit society” 2 (b)?—A. I doubt whether I can improve upon the definition in paragraph 2 (a). “Association” means a co-operative credit society incorporated by special Act of Parliament. Paragraph 2 (b) relates to a co-operative credit society really without any further limitations, being one that has the power to accept deposits and lend money.

Q. But not incorporated by special act of parliament?—A. That is right. Clause 9 carried.

Clause 10 carried.

Q. Clause 11, Directors. What are the qualifications of a director?
—A. It is left by the bill to the by-laws of the association.

Q. Must he be a shareholder?—A. Not necessarily within their set-up.