CHAPTER 12.

An Act to extend the periods during which guarantees may respectively be given and remain in force under the Overseas Trade Acts, 1920 to 1926. [27th March 1929.]

BE it enacted by the King's most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same, as follows:—

Extension of periods during which guarantees may be given and remain in force.

1. The period within which new guarantees may be given under the Overseas Trade Acts, 1920 to 1926, shall be extended so as to expire on the eighth day of September, nineteen hundred and thirty-one, and the period during which guarantees given under the said Acts (including renewed guarantees) may remain in force shall be extended so as to expire on the eighth day of September, nineteen hundred and thirty-six.

Short title.

2. This Act may be cited as the Overseas Trade Act, 1929, and the Overseas Trade Acts, 1920 to 1926, and this Act may be cited together as the Overseas Trade Acts, 1920 to 1929.

CHAPTER 13.

An Act to secure in Scotland by means of the formation of a company and the assistance thereof out of public funds the making of loans for agricultural purposes on favourable terms, and to facilitate the borrowing of money in Scotland on the security of agricultural assets; and for purposes connected therewith. [27th March 1929.]

BE it enacted by the King's most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present

Parliament assembled, and by the authority of the same, as follows:—

PART I.

LONG TERM CREDITS.

Power to make advances, &c. to agricultural security company.

1.—(1) With a view to the incorporation of a company having for its principal objects—

(*a*) the making of loans on heritable securities over agricultural land;

(*b*) the making of loans under the Improvement of Lands Acts, 1864 and 1899, for agricultural purposes:

and with a view to securing that loans by such a company shall be made on terms most favourable to the borrowers, it shall be lawful for the Department of Agriculture for Scotland (hereinafter referred to as the Department) with the approval of the Treasury to undertake that, if such a company having such objects and complying with the provisions hereinafter contained is incorporated, they will—

(i) make advances to the company (for the purpose of establishing a guarantee fund) not exceeding in the aggregate one hundred and twenty-five thousand pounds, and not at any time exceeding in the aggregate the amount at that time of the paid-up share capital of the company; such advances—

(*a*) to be payable in instalments so, however, that the aggregate amount paid shall not exceed—

	£
On incorporation of the company	40,000
By 1st October 1929 - -	85,000
By 1st October 1930 - -	125,000

(*b*) to be free from interest for a period of sixty years, and thereafter to carry interest at such rate, not exceeding the average yield of such Government funded stocks, as the Treasury from time to time may determine;

(ii) make payments of one thousand seven hundred and fifty pounds per annum for ten years as contributions towards the cost of the administration of the company.

(2) The Treasury may agree to procure the underwriting of debentures to be issued by the company as hereinafter mentioned to such aggregate amount as may be necessary to raise a sum not exceeding eight hundred thousand pounds.

(3) The Treasury may subscribe to debentures to be issued by the company to an amount not exceeding one-fourth of each issue of debentures, and not exceeding in the aggregate two hundred thousand pounds, and any such subscriptions shall be deemed to be a local loan within the meaning of the National Debt and Local Loans Act, 1887, and that Act shall apply accordingly.

50 & 51 Vict. c. 16.

(4) Such sums not exceeding in the whole the sum of one hundred and thirty-five thousand pounds as may be required for the purpose of making such advances as aforesaid or for procuring the underwriting of debentures as aforesaid shall be issued out of the Consolidated Fund or the growing produce thereof at such times and to such amounts as the Treasury think fit.

(5) The sums payable towards the cost of the administration of the company shall be paid out of moneys provided by Parliament.

(6) Any sums paid by the company by way of repayment of or interest on advances made by the Department shall be paid to the Exchequer.

Provisions as to company.

2.—(1) The company to be so formed as aforesaid shall be a company limited by shares and registered under the Companies Acts, 1908 to 1917.

(2) The Memorandum and Articles of the company shall be subject to the approval of the Department and shall contain such provisions as are hereinafter mentioned, and shall not be alterable without the approval of the Department.

(3) The Memorandum or Articles of the company shall make provision—

(*a*) for securing that of the directors, one shall be a person nominated by the Treasury so long as any part of the advances made by the Department remains outstanding;

(*b*) for restricting the dividends on the share capital of the company to five per cent. per annum;

(*c*) for regulating the loans to be made by the company on heritable security, so that a loan shall in no case exceed two-thirds of the estimated value of the security subjects at the time of the loan, and that the loans shall be repayable by equal yearly or half-yearly instalments of capital and interest spread over a period not exceeding sixty years, or repayable on such other terms as may be authorised by the said Memorandum or Articles;

(*d*) for empowering the company for the purpose of making loans to raise money by means of the issue of debentures;

(*e*) for the creation of suitable reserve funds, and as to the investment and application of the sums standing to the credit of those funds;

(*f*) for regulating the use of the guarantee fund to which the advances made by the Department are to be carried;

(*g*) for requiring the company to supply to the Department copies of balance sheets and profit-and-loss accounts;

(*h*) for the repayment of the advances made by the Department; so, however, that provision shall be made—

(i) that if, at the expiration of fifteen years from the incorporation of the company, the advances made by the Department to the guarantee fund exceed seven-and-a-half per cent. of the aggregate amount of the loans made by the company on heritable securities and land charges up to that date, the excess shall, if the Department so require, be repaid;

(ii) that in any year, after thirty years, from the incorporation of the company, in which the total reserves including the guarantee fund (but excluding the share capital) exceed seven-and-a-half per cent. of the liabilities (other than share capital and guarantee fund), there shall be allocated to the repayment of the guarantee fund one-half of the profits remaining after paying the maximum dividend on the share capital;

(*i*) for providing that in the event of the company being wound up, the liability of the company to the Department for the amount of the advances outstanding shall rank after other liabilities of the company to creditors, and that if, after the discharge of such other liabilities, the sum available is insufficient to pay the sums so outstanding and the paid-up share capital in full, the sum so available shall be divided between the Department and shareholders in the proportion which the amount of the outstanding advances of the Department bears to the amount of the paid-up share capital of the company.

(4) For the purposes of this Part of this Act, references to debentures shall include references to debenture stock and references to shares and shareholders shall include references to stock and stockholders.

Debentures of the company to be authorised trust investment. 11 & 12 Geo. 5. c. 58. 15 Geo. 5. c. 19.

3. Debentures issued by the company shall be included amongst the securities in which a trustee may invest trust funds under the powers of section ten of the Trusts (Scotland) Act, 1921, or section one of the Trustee Act, 1925.

Application of excess reserves.

4. If, after the repayment of the advances made by the Department to the guarantee fund, the reserves increase more rapidly than is required for the maintenance of the reserves as provided for in the Memorandum or Articles of the company, the company shall apply such part of the excess reserves for the benefit of borrowers in accordance with a scheme or schemes to be prepared by the company to the satisfaction of the Department.

PART II.

AGRICULTURAL SHORT-TERM CREDITS.

Agricultural charges.

5.—(1) It shall be lawful for a society to which this Part of this Act applies to create by instrument in writing in favour of a bank a charge (hereinafter referred to as an agricultural charge) on all or any of the property hereinafter specified as security for sums advanced or to be advanced to it or paid or to be paid on its behalf under any guarantee by the bank and interest, commission and charges thereon.

(2) The property which may be affected by such a charge shall be the stocks of merchandise from time to time belonging to and in the possession of the society in pursuance of the objects which it has been formed to carry out.

(3) The principal sum secured by an agricultural charge may be either a specified amount, or a fluctuating amount advanced on current account not exceeding at any one time such amount (if any) as may be specified in the charge, and in the latter case the charge shall not be deemed to be redeemed by reason only of the current account having ceased to be in debit.

(4) An agricultural charge may be in such form and made upon such conditions as the parties thereto may agree, and cautioners may be made parties thereto.

Effect of agricultural charge.

6.—(1) An agricultural charge shall, so long as the charge continues in force, confer on the bank a right of security over the property affected by the charge which, subject as hereinafter provided, may, on the happening of any event specified in the instrument creating the charge as an event authorising such enforcement, be enforced by sequestration and sale of such property in like manner in all respects as in the case of the hypothec of a landlord.

(2) The right of security conferred by the foregoing subsection shall rank after any right of hypothec competent to the landlord of the society or to the superior of the lands occupied by the society, and on any sequestration and sale at the instance of the bank, the bank shall be bound to pay out of the proceeds of such sequestration and sale to such landlord or superior any sums then due in name of rent or feuduty.

(3) An agricultural charge shall be no protection in respect of the property affected by it against any process, execution, or diligences for recovery of taxes or rates.

(4) An agricultural charge shall, so long as the charge continues in force, impose on the society an obligation whenever the society sells any of the property affected by the charge forthwith to pay to the bank the amount of the proceeds of the sale, except to such extent as the charge otherwise provides or the bank otherwise allows; the sums so paid to be applied, except so far as otherwise agreed, by the bank in or towards the

discharge of moneys and liabilities secured by the charge.

(5) Subject to compliance with the obligation so imposed, an agricultural charge shall not prevent the society from selling any of the property subject to the charge, and the purchaser shall not be concerned to see that such obligation is complied with notwithstanding that he may be aware of the existence of the charge.

(6) Where any proceeds of sale which in pursuance of such obligation as aforesaid ought to be paid to the bank are paid to some other person, nothing in this Act shall confer on the bank a right to recover such proceeds from that other person, unless the bank proves that such other person knew that the proceeds were paid to him in breach of such obligation as aforesaid.

Supplemental provisions.

7.—(1) Agricultural charges shall, in relation to one another, have priority in accordance with the times at which they are respectively registered under this Part of this Act.

(2) An instrument creating an agricultural charge shall be exempt from stamp duty.

(3) The Court of Session may make rules prescribing the nature of the documents with which the bank may require to be furnished for identifying the property of the society, on which the agricultural charge rests, and establishing the title of the society thereto.

Registration of agricultural charges.

8.—(1) Every agricultural charge shall be registered under this Act within seven clear days after the execution thereof, and, if not so registered, shall be void as against any person other than the society:

Provided that the Court of Session on proof that omission to register within such time as aforesaid was accidental or due to inadvertence may extend the time for registration on such terms as the Court thinks fit.

(2) The Assistant Registrar of Friendly Societies for Scotland (hereinafter called the Registrar) shall keep a register of agricultural charges in such form and containing such particulars as may be prescribed.

(3) Where it is desired to register an agricultural charge, a memorandum of the instrument creating the

charge, and such particulars of the charge as may be prescribed shall, together with the prescribed fee, be sent by post or delivered to the Registrar at his office, and the Registrar shall forthwith enter the particulars in the register and shall file the memorandum.

(4) The register kept and the memoranda filed under this section shall at all reasonable times be open to inspection by any person on payment (except where the inspection is made by or on behalf of a bank) of the prescribed fee, and any person inspecting the register or any such filed memorandum on payment (except as aforesaid) of the prescribed fee may make copies or extracts therefrom.

(5) Any person may on payment of the prescribed fee require to be furnished with a copy of any entry in the register or of a filed memorandum or any part thereof certified to be a true copy by the Registrar.

(6) Registration of an agricultural charge may be proved by the production of a certified copy of the entry in the register relating to the charge, and a copy of any entry purporting to be certified as a true copy by the Registrar shall in all legal proceedings be evidence of the matters stated therein without proof of the signature or authority of the person signing it.

(7) The Chief Registrar of Friendly Societies may, subject to the approval of the Treasury, make regulations prescribing anything which under this section is to be prescribed, and generally as to the keeping of the register and the filing of memoranda, the removal of entries from the register on proof of discharge, and the rectification of the register.

Interpretation.

9.—(1) This Part of this Act shall apply to a society registered in Scotland under the Industrial and Provident Societies Acts, 1893 to 1928, and having for its principal object the provision and sale of agricultural requisites to its members or the sale, either after a process of manufacture or otherwise, of agricultural produce purchased from its members.

(2) In this Part of this Act—

"Bank" means any bank having power for the time being to issue bank notes;

"Agricultural requisites" means seeds, manures and feeding stuffs, agricultural vehicles, machinery and other plant;

"Agricultural produce" means crops or horticultural produce, live stock and the produce of any kind of animal husbandry, including the carcases, hides, wool and fur of animals, eggs, bacon, cheese, butter and other dairy produce.

Short title, commencement and extent.

10.—(1) This Act may be cited as the Agricultural Credits (Scotland) Act, 1929.

(2) This Act shall come into operation on the first day of April, nineteen hundred and twenty-nine.

(3) This Act, save as otherwise expressly provided, shall apply to Scotland only.

CHAPTER 14.

An Act to amend the Northern Ireland Land Act, 1925. [27th March 1929.]

BE it enacted by the King's most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same, as follows:—

Postponement of appointed day and provisions consequential thereon.

1.—(1) The appointed day under the Northern Ireland Land Act, 1925 (hereinafter referred to as the Act of 1925), may, notwithstanding anything in that Act, be a date later than the twenty-seventh day of May, nineteen hundred and twenty-nine.

15 & 16 Geo. 5. c. 34.

(2) Where the appointed day fixed as respects any holding for the vesting of the holding in the Land Purchase Commission, Northern Ireland (hereinafter referred to as the Commission) under section eight of the Act of 1925, is a date subsequent to the said twenty-seventh day of May, then, notwithstanding anything in