

CHAPTER 252.

RICE-GROWERS LOANS.

ARRANGEMENT OF SECTIONS.

SECTION.

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CHAPTER 252.

RICE-GROWERS LOANS.

1929 Ed.
c. 155.

[25TH MARCH, 1922.]

1. This Ordinance may be cited as the Rice-Growers Loans Ordinance. Short title.

2. (1) The Financial Secretary may advance out of public funds to duly registered co-operative credit banks any sums he thinks fit, not exceeding one hundred and fifty thousand dollars in the aggregate. Advances out of public funds to registered co-operative credit banks.

(2) The amount advanced to a bank under this Ordinance shall be repaid to the Financial Secretary at any time within one year of the date of the advance, together with interest thereon at the rate prescribed by the Governor.

(3) Each bank shall employ the amounts advanced by the Financial Secretary for the special purpose of making loans to those rice-growers (whether or not members of the bank) within its district whom the bank thinks fit.

(4) All loans to rice-growers shall be subject to the provisions of this Ordinance.

3. (1) Every loan to a rice-grower shall be used by the borrower for the purpose of reaping and bagging the padi Use of loans to rice-growers.

grown on the land in respect of which the loan is granted and for transporting the padi to the place of storage appointed by the bank.

(2) Every loan to a rice-grower shall bear interest at a rate prescribed by the Governor.

Security to
be given by
rice-grower.

4. Where a loan is made to a rice-grower under this Ordinance he shall give the following security in respect thereof—

(a) a promissory note to the bank to pay on demand the amount of the loan with interest thereon at the rate prescribed;

(b) a pledge of so much of his livestock and movable property as the bank making the loan considers necessary;

(c) any other security the bank requires.

Form of
pledge to
be given.
Cap. 334.

5. Every pledge given in pursuance of subsection (2) of the last preceding section may be in the form in the schedule to the Pledge of Goods Ordinance, or to the like effect.

Conditions
under which
loans
granted.

6. Where a loan has been made in pursuance of this Ordinance the following provisions shall apply—

(a) all padi in respect of which a loan is granted shall be conveyed by the borrower and delivered to the bank at the place the bank appoints for the storage thereof;

(b) every bank shall for the amount of every loan have a preferent charge on all padi in respect of which the loan is granted over and above all claims of whatever nature, not being claims due and owing to the Crown or the Government of the Colony;

(c) a bank may if it thinks fit cause any padi in its possession to be milled into rice;

(d) a bank may, if it thinks fit, at any time sell any padi or rice in its possession and out of the proceeds defray the expenses of sale, storage, and milling, and deduct the amount due for principal and interest in respect of the loan, and shall pay any balance to the borrower; and where any sale is made, if there is any deficiency in the amount realised to cover the expenses of the sale, storage, and milling, and the amount due for principal and interest, the borrower shall be liable to make good the difference to the bank, and payment thereof may be enforced against any security given by him under this Ordinance.

7. Where any amount is payable to a bank under this Ordinance, whether in respect of principal, interest, or expenses of sale, storage and milling, that amount is hereby declared to be a debt payable to the Colony, and shall be recoverable byparate execution, and the signature of the secretary of the banks committee to any document containing a statement of the amount due shall, without proof of his signature, or of any other matter or thing, be deemed in all courts to be *prima facie* evidence of the amount claimed being correct in every particular.

Debts due to banks recoverable by parate execution.

8. Anyone to whom a loan is made under this Ordinance who applies the loan or any part thereof to any use or purpose other than that for which it was granted shall be guilty of an offence and on summary conviction thereof shall be liable to a penalty not exceeding fifty dollars.

Misapplication of loans.

9. Where, prior to the commencement of this Ordinance, the Financial Secretary has advanced any sum to a co-operative credit bank, and that bank has made any loan thereout to any rice-grower for the purpose of reaping his rice-crop or any portion thereof and for bagging the padi and transporting it to the place of storage appointed by the bank, every sum so advanced and every loan so made shall be deemed to have been advanced and made in pursuance of this Ordinance, and all the provisions of this Ordinance shall apply thereto and to every security given in respect of any loan, whether the security is expressed to be made under any other Ordinance or not.

Previous advances and loans to be deemed to have been made under Ordinance.

10. The Governor in Council may make regulations and prescribe forms for carrying into effect the objects and purposes of this Ordinance.

Regulations and forms.