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BILLE CAIRDE TALMHAIOCHTA, 1927.
AGRICULTURAL CREDIT BILL, 1927.

Mar do tugadh isteach.
As introduced.

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[No. 15 of '27.]

SAORSTÁT EIREANN.

BILLE CAIRDE TALMHAIOCHTA.

AGRICULTURAL CREDIT BILL, 1927.

BILL

entitled

AN ACT TO MAKE PROVISION FOR THE FORMATION AND REGISTRATION OF A COMPANY HAVING FOR ITS PRINCIPAL OBJECT THE GIVING OF CREDIT TO PERSONS ENGAGED IN AGRICULTURE AND BUSINESSES ANCILLARY TO AGRICULTURE, TO AUTHORISE THE GIVING OF GUARANTEES BY THE STATE IN RELATION TO THE CAPITAL OF SUCH COMPANY AND SECURITIES ISSUED BY IT, AND TO PROVIDE FOR CERTAIN OTHER MATTERS RELATING TO SUCH COMPANY, AND TO FACILITATE THE BORROWING OF MONEY BY FARMERS ON MORTGAGES OF THEIR FARMING STOCK AND TO REGULATE THE OPERATION AND EFFECT OF SUCH MORTGAGES.

BE IT ENACTED BY THE OIREACHTAS OF SAORSTAT EIREANN AS FOLLOWS:—

PART I.

PRELIMINARY.

Short title.

1.—This Act may be cited as the Agricultural Credit Act, 1927.

Definitions generally.

2.—In this Act—

the expression "the Minister" means the Minister for Finance;

the expression "the Corporation" means the Agricultural Credit Corporation to be formed and registered in pursuance of this Act;

the expression "the Directors" means the Directors of the Corporation;

the word "agriculture" includes the pasturing of animals;

the word "farmer" means a person or two or more persons jointly or in common carrying on some form of agriculture on land as a business for profit;

the word "farm" means the land on which the farmer in relation to whom the expression is used carries on his business as farmer;

the word "mortgage" means and includes any instrument by which land is charged with or made liable for or security for the payment of money;

the expression "first mortgage" means a mortgage affecting only land which is not subject to any charge or encumbrance having priority to such mortgage other than terminable land purchase annuities under the Land Purchase Acts, rent-charges in lieu of tithes, or charges created under the Landed Property Improvement (Ireland) Acts, the Drainage and Improvement of Land (Ireland) Acts, 1863 to 1892, or the Drainage Maintenance Acts, 1866 and 1924.

PART II.

The Agricultural Credit Corporation.

Formation and registration of the Corporation.

3.—Immediately upon the passing of this Act the Minister shall take all such steps as appear to him to be necessary or desirable to procure that a limited company (in this Act referred to as the Corporation) conforming to the conditions laid down in this Act shall be formed and registered under the Companies Acts, 1908 to 1924 to perform the functions specified in this Act and that such company shall be entitled to commence business not later than the 31st day of December, 1927.

Name and capital of the Corporation.

4.—(1) The name of the Corporation shall be "The Agricultural Credit Corporation" and, notwithstanding anything contained in the Companies Acts, 1908 to 1924, it shall not be necessary that the word "limited" or any other word indicating that the liability of its members is limited should be included in or added to the name of the Corporation.

(2) The capital of the Corporation shall be £500,000 (five hundred thousand pounds) divided into five hundred thousand shares of one pound each of which five shillings shall be payable on application for the share and a further five shillings shall be payable not less than twenty nor more than forty days after allotment, and the residue shall be payable as and when called by the Directors on not less than thirty days notice.

Subscription of capital of the Corporation

5.—(1) Two hundred thousand shares of the Corporation shall be offered at the one time for subscription only by banks carrying on business either wholly or partly in Saorstát Eireann and as soon as may be after the expiration of the time limited with the approval of the Minister for such subscription the remaining three hundred thousand shares of the Corporation and such if any of the said two hundred thousand shares as shall not have been subscribed for by such banks shall be offered at the one time for subscription by members of the general public.

(2) All shares of the Corporation offered for subscription by the general public and not so subscribed for shall at the expiration of the time limited with the approval of the Minister for such subscription be subscribed for by the Minister.

State liability for capital of the Corporation.

6.—(1) In the event of the Corporation going into liquidation (whether voluntary or compulsory) and being wound up and its assets proving on such winding-up to be insufficient to pay to the members of the Corporation the full amount of its paid-up capital, the Minister shall provide and pay to the liquidator in such winding-up such sum as will be sufficient with the assets of the Corporation available for the purpose to pay the full amount of the paid-up capital of the Corporation.

(2) All moneys paid under this section to the liquidator by the Minister shall (whether the assets of the Corporation are or are not sufficient to pay its creditors in full) be applied by such liquidator in or towards paying to the members of the Corporation the full amount of the paid-up capital of the Corporation.

State liability for dividends on the capital of the Corporation.

7.—(1) The Corporation shall not at any time pay to its members dividends at a rate exceeding five per cent. per annum on the amount of its capital for the time being paid-up.

(2) If in any half-year either the profits earned by the Corporation as ascertained in accordance with the directions of the Minister are insufficient to pay to its members a dividend for that half-year at the rate of five per cent. per annum on the amount of its capital for the time being paid-up or the Corporation fails to earn any such profits, the Minister shall so soon as such insufficiency or failure is ascertained advance to the Corporation such sum as with the profits as so ascertained (if any) will be sufficient to pay such dividend, and the moneys so advanced shall be forthwith applied by the Directors in or towards payment of such dividend.

(3) All moneys advanced to the Corporation by the Minister under this section shall be repayable by the Corporation to the Minister on demand with interest from the date of the advance at such rate as shall be fixed by the Minister.

Memorandum of Association of the Corporation.

8.—(1) The Memorandum of Association of the Corporation shall be in such form consistent with the provisions of this Act as shall be approved by the Minister and the Minister for Lands and Agriculture.

(2) Notwithstanding anything contained in the Companies Acts, 1908 to 1924 no alteration in the Memorandum of Association of the Corporation which is made without the previous approval of the Minister and the Minister for Lands and Agriculture or is inconsistent with any of the provisions of this Act shall be valid or effective.

Objects of the Corporation.

9.—The objects of the Corporation shall be so stated in its Memorandum of Association that the Corporation shall be entitled and authorised to perform and fulfil the following and no other functions, that is to say:—

(*a*) to receive without limit from individuals, co-operative societies, and other persons (including government departments and bodies exercising functions of government whether general or local) deposits of moneys to be carried on its books on deposit repayable to the depositor (either with or without interest) only on ten days or longer notice and not on less than ten days' notice nor on demand nor against cheques;

(*b*) to receive from individuals, co-operative societies, and other persons (including government departments and such bodies as aforesaid) deposits of securities for safe-keeping and management on behalf of the owners thereof and to keep safe and manage on such behalf all securities so deposited and so far as may be lawful to receive and execute trusts in relation to such securities;

(*c*) subject to the provisions of this Act, to lend to any individual, co-operative society, or other person moneys upon such security as the Directors may, subject to the provisions of this Act, think fit;

(*d*) subject to the provisions of this Act to discount for or purchase from any individual, co-operative society, bank, or other person any promissory note, bill of exchange, or other negotiable instrument;

(*e*) to do all such things as may be incidental or ancillary to the due performance of all or any of the functions hereinbefore mentioned.

Articles of Association of the Corporation.

10.—(1) The Articles of Association of the Corporation shall be in such form consistent with the provisions of this Act as shall be approved by the Minister and the Minister for Lands and Agriculture.

(2) Notwithstanding anything contained in the Companies Acts, 1908 to 1924, no alteration in or addition to the Articles of Association of the Corporation which is made without the previous approval of the Minister and the Minister for Lands and Agriculture or is inconsistent with any provision of this Act shall be valid or effective.

Directors of the Corporation.

11.—The Articles of Association of the Corporation shall provide that the number of directors (including the chairman) shall be ten, of whom four (not including the chairman) shall be nominated by the Minister from time to time as occasion requires and that if and so long as the Minister holds more than two hundred thousand shares of the Corporation the chairman of the Corporation shall be nominated (in addition to the said four directors) by the Minister from time to time as occasion offers.

Limitations on the lending of money by the Corporation.

12.—(1) The memorandum and articles of association of the Corporation shall be so framed and expressed that the Corporation shall be entitled and authorised to lend or advance money only to the persons and for the purposes hereinafter stated, that is to say:—

(*a*) to any person for the purpose of purchasing land;

(*b*) to any farmer for the purpose of constructing buildings on his farm, or making on his farm improvements of a permanent character calculated to increase or facilitate or conduce to the increase of the productivity thereof or for the purpose of purchasing live stock, agricultural machinery or implements, manures, feeding stuffs, seeds, or other requisites of agricultural production or marketing;

(*c*) to any co-operative society (subject to the limitations hereinafter contained) for the purpose of establishing, carrying on, or extending its business;

(*d*) to any person engaged in or proposing to engage in an enterprise designed for the service of farmers or of farming communities for the purpose of establishing, carrying on, or extending such enterprise;

(*e*) to any person (other than a co-operative society) for the purpose of paying off a loan which was originally made to him (whether before or after the passing of this Act) wholly or mainly for a purpose for which a loan could under this section be made to him under this section by the Corporation;

(*f*) to any co-operative society (being a co-operative society to which a loan could be made under this section by the Corporation) for the purpose of paying-off a loan made to such society (whether before or after the passing of this Act) wholly or mainly for a purpose for which a loan could under this section be made to such society by the Corporation.

(2) The memorandum and articles of association of the Corporation shall also be so framed and expressed that the persons to whom and the purposes for which the Corporation shall be entitled and authorised to lend or advance money as stated in such memorandum and articles in pursuance of this section may be varied (whether by extension, restriction, or otherwise) from time to time by the Minister and the Minister for Lands and Agriculture at their joint discretion by orders made by them jointly, but so that such persons and purposes shall not by any such order be extended so as to include—

(*a*) any person who is not engaged or about to engage in agriculture or in a business or enterprise of an agricultural character or calculated directly or indirectly to benefit primarily persons engaged in agriculture, or

(*b*) any person to whom the Corporation is expressly forbidden by this section to make a loan or advance, or

(*c*) any purpose which is not directly or indirectly related to or concerned with agriculture.

(3) The Corporation shall not make any loan or advance any money to—

(*a*) any co-operative society the objects of which do not include at least one of the following objects, that is to say, the giving of agricultural credit, or the production or the marketing of agricultural produce, or the sale of agricultural machinery or implements or manures, feeding stuffs, seeds, or other requisites of agricultural production or marketing, or the production and distribution or the distribution only of power and light mainly to farmers, or

(*b*) any co-operative society which at the time of the making of the loan or advance carries on the business of selling by retail any goods which are neither agricultural

produce nor requisites of agricultural production or marketing, or

(*c*) the chairman or any director of the Corporation.

(4) So long as any portion of a loan or advance made by the Corporation to a co-operative society remains owing to the Corporation, such society shall not give or continue financial assistance to any person engaged in or carrying on the business of selling by retail any goods which are neither agricultural produce nor requisites of agricultural production or marketing and shall not itself engage in or carry on any such business, and if any such society contravenes the provisions of this sub-section the whole of the loan or advance so made to it by the Corporation shall (notwithstanding any agreement to the contrary) forthwith become due and payable by it to the Corporation.

(5) The Corporation shall not discount or purchase any promissory note, bill of exchange, or other negotiable instrument which was made by a person to whom the Corporation is expressly forbidden by this section to lend or advance money or which was made otherwise than for the purpose of obtaining for the maker thereof or for any other person money for expenditure on a purpose for which a loan or advance could lawfully be made by the Corporation to such maker or person.

Issue of debentures by the Corporation.

13.—The Memorandum and Articles of Association of the Corporation shall be so framed as to authorise the Corporation to borrow money on the security of debentures or debenture stock issued by it in accordance with the usual practice of limited companies but subject to the limitation that the amount at any time owing by the Corporation on the security of such debentures or debenture stock shall not exceed the amount of the paid-up capital of the Corporation at that time.

Issue of Certificates of Charge by the Corporation.

14.—(1) The Memorandum and Articles of Association of the Corporation shall be so framed as to authorise the Corporation to borrow money on the security of certificates of charge issued by it and shall contain in relation to the issue of such certificates the provisions set forth in the Schedule to this Act or other provisions to the same effect and may also contain such further provisions (not inconsistent with the said provisions set forth in the said Schedule) in relation to the issue of such certificates as may be thought necessary or proper.

(2) Whenever the Corporation proposes to issue a series of certificates of charge and the Minister is satisfied as a result of such inquiry, audit, and investigation as he may think proper to make that all conditions precedent to the issue of such series of certificates have been duly performed the Minister may, subject to the limitations hereinafter mentioned, guarantee in such form and manner as he may think proper the due payment by the Corporation in accordance with the terms of such certificates of the principal moneys and the interest thereon secured by such certificates.

(3) The total amount borrowed by the Corporation on the security of certificates of charge guaranteed by the Minister under this section in any one year shall not exceed one million pounds and the total amount owing at any one time by the Corporation on the security of certificates of charge guaranteed by the Minister under this section shall not exceed seven million five hundred thousand pounds.

(4) A trustee may, unless expressly forbidden by the instrument (if any) creating the trust, invest any trust funds in his hands, whether at the time in a state of investment or not, in any certificate of charge guaranteed by the Minister under this section.

Exemption from stamp duty.

15.—No stamp duty shall be payable on any transfer of shares of the Corporation or of debentures, debenture stock, or certificates of charge issued by the Corporation.

Powers of Minister in respect of shares held by him.

16.—(1) The Minister may hold for so long as he thinks fit the shares of the Corporation subscribed for by him under this Act and may as and when he thinks fit sell all or any of such shares, but shall not so sell any such share at a price less than the amount for the time being paid up thereon.

(2) The net proceeds of every sale by the Minister of shares of the Corporation held by him shall be paid into the Exchequer.

(3) All dividends, bonuses, and other moneys received by the Minister in respect of shares of the Corporation subscribed for and held by him shall be paid into the Exchequer.

(4) The Minister may, so long as he holds shares of the Corporation, exercise all or any of the rights and powers from time to time exercisable by the holder of such shares, and where such shares are exercisable by attorney the Minister may if he so thinks proper exercise such rights or powers by his attorney.

Charge of moneys on Central Fund.

17.—(1) All moneys required to meet—

(*a*) payments required to be made by the Minister to the Corporation in respect of shares of the Corporation subscribed for by him under this Act, or

(*b*) sums required by this Act to be provided and paid by the Minister to the liquidator in the winding-up of the Corporation, or

(*c*) sums required by this Act to be advanced by the Minister to the Corporation for or towards the payment of dividends to members of the Corporation, or

(*d*) sums which become payable under any guarantee given under this Act by the Minister in respect of the moneys secured by a series of certificates of charge issued by the Corporation,

shall be charged on and paid out of the Central Fund or the growing produce thereof.

(2) The Minister may, for the purpose of providing for the payment of sums charged on the Central Fund under this section, or for the repayment to that Fund of all or any part of the sums so advanced, or for paying off any securities issued under this section so far as such payment is not otherwise provided for, borrow money by means of the issue of such securities as he thinks proper, and all sums so borrowed shall be paid into the Exchequer.

(3) The principal of and interest on all securities issued under this section shall be charged on and payable out of the Central Fund or the growing produce thereof.

(4) All moneys recovered by the Minister from the Corporation in repayment of or as interest on moneys advanced by him to the Corporation for or towards the payment of dividends to the members of the Corporation or in repayment of or as interest on moneys paid by the Minister under any guarantee given by him under this Act in respect of the moneys secured by a series of certificates of charge issued by the Corporation shall be paid into the Exchequer.

Offences in relation to loans by the Corporation.

18.—(1) Any person who for the purpose of obtaining for himself or any other person or any body of persons corporate or un-incorporate a loan or advance of money from the Corporation wilfully makes whether verbally or in writing a statement which is to his knowledge false or misleading shall be guilty of a misdemeanour and be liable on conviction thereof to suffer penal servitude for three years or imprisonment for any term not exceeding two years.

(2) Every person who, having obtained a loan or advance of money from the Corporation on the terms that such money shall be applied by him for a specified purpose, fails to apply such money for such purpose shall be guilty of a misdemeanour and shall be liable on conviction thereof to a fine not exceeding two hundred pounds or in the case of an individual and at the discretion of the court to imprisonment for any term not exceeding twelve months.

PART III.

Chattel Mortgages.

Definitions in relation to chattel mortgages.

19.—(1) In this Act—

the expression "chattel mortgage" means an instrument under seal made between a farmer of the one part and the Corporation or a bank of the other part whereby the farmer in consideration of moneys advanced to him by the mortgagee covenants with the mortgagee to repay such moneys with interest and charges in favour of the mortgagee either specific farming stock or (by way of floating charge) the farming stock from time to time on his farm or both specific farming stock and the farming stock from time to time on his farm with the repayment of the said moneys and interest;

the expression "specific chattel mortgage" means a chattel mortgage whereby a charge on specific farming stock is created;

the expression "floating chattel mortgage" means a chattel mortgage whereby a floating charge on the farming stock from time to time on a farm is created;

a chattel mortgage whereby both a charge on specific farming stock and a floating charge on the farming stock from time to time on a farm are created is included in the expression "specific chattel mortgage" in so far as a charge on specific farming stock is thereby created and is included in the expression "floating chattel mortgage" in so far as such floating charge is thereby created;

the expression "farming stock" means and includes animals and birds of every kind reared or kept for profit, the produce of such animals and birds, draught animals of every kind, agricultural machinery and implements, and agricultural crops whether growing in or severed from the land;

the words "mortgagor" and "mortgagee" when used in relation to a chattel mortgage mean respectively the farmer by whom and the Corporation or bank to whom such chattel mortgage is made.

(2) An instrument shall not be excluded from being a chattel mortgage by reason only of one or more persons (in addition to the mortgagor and the mortgagee) being a party or parties thereto as surety or sureties only.

(3) References in this Act to farming stock in relation to a chattel mortgage shall be construed as referring only to farming stock which is the absolute property of the farmer by whom such chattel mortgage is made.

Register of chattel mortgages.

20.—(1) As soon as conveniently may be after the formation and registration of the Corporation a register of chattel mortgages (in this section referred to as the register) shall be set up in the Central Office of the High Court and shall be thenceforward there kept and maintained in accordance with this section and the regulations made thereunder.

(2) Any person party to a chattel mortgage (whether as mortgagor, mortgagee, or surety) or the legal representative of any such person may within seven days and no longer after its date register such chattel mortgage in the register and such mortgagee or, with the consent in writing of the mortgagee, such mortgagor or surety or his legal representative may at any time remove such chattel mortgage from the register.

(3) Whenever the principal moneys and interest secured by a chattel mortgage are fully repaid the mortgagee shall forthwith remove such chattel mortgage from the register.

(4) No chattel mortgage shall be of any force or effect unless or until it is duly registered within seven days and no longer after its date in the register in accordance with this section and the regulations made thereunder, and a chattel mortgage so registered shall cease to be of any force or effect if and when it is duly removed from the register.

(5) The registration of a chattel mortgage in the register shall not be notice of such chattel mortgage to a bona fide purchaser for value in money or money's worth of farming stock comprised in or affected by such chattel mortgage.

(6) The contents of the register shall not be published or disclosed nor shall any copies thereof or of any part thereof be issued to any person save only and except that—

(*a*) any person in the employment of the Corporation and duly authorised in writing in that behalf by the Corporation may at any time inspect and take copies of the register or any part thereof; and

(*b*) any person in the employment of a recognised bank and duly authorised in writing in that behalf by such bank may at any time inspect and take copies of the register or any part thereof; and

(*c*) whenever the Supreme Court or any Judge of the High Court or the Circuit Court directs that a copy of the portion of the register relating to any particular chattel mortgage or alleged chattel mortgage be furnished to them or him, such copy shall be so furnished accordingly and such Court or Judge may disclose or publish such copy or the contents thereof to such extent and in such manner and subject to such conditions as in their or his opinion justice may require.

(7) The High Court or the Circuit Court or the Supreme Court on appeal from the High Court may at any time cause the register to be rectified (whether by variation, addition, or omission) in such manner as justice may require.

(8) The Minister for Justice may by order make regulations in relation to all or any of the following matters, that is to say:—

(*a*) the form and contents of the register;

(*b*) the keeping and maintenance generally of the register;

(*c*) the mode of registering a chattel mortgage in the register and the evidence to be produced for the purpose of such registration of the due execution of such chattel mortgage;

(*d*) with the consent of the Minister for Finance, the fees to be charged and taken in respect of the registration of chattel mortgages in the register, the removal of chattel mortgages from the register, the inspection of the register, and any other matter relating to the register;

(*e*) the general preservation of the secrecy of the register and in particular the evidence of authority to be produced by persons claiming to inspect or take copies of the register;

(*f*) after consultation with the Minister for Finance, the persons who are to be deemed to be recognised banks for the purpose of the provisions of this section relating to the inspection and taking copies of the register.

(9) The expenses of carrying this section into effect shall, to such extent as shall be sanctioned by the Minister for Finance, be paid out of moneys to be provided by the Oireachtas.

Operation and effect of specific chattel mortgage.

21.—(1) A specific chattel mortgage shall so long as it is duly registered under this Act and any moneys remain owing for principal or interest on the security thereof operate and have effect—

(*a*) to confer on the mortgagee the right whenever the principal moneys secured by the chattel mortgage or any part of such moneys or any payment of interest thereon is unpaid for seven days after the day appointed by the chattel mortgage for payment thereof to seize and remove from the custody of any person (other than a bona fide purchaser for value in money or money's worth without notice of the chattel mort-

gage) and from any place (other than land or premises belonging to such purchaser) all or any of the farming stock comprised in the chattel mortgage; and

(*b*) to impose on the mortgagee the obligation to sell with all convenient speed all farming stock seized and removed by him under the chattel mortgage and to apply the proceeds of such sale in or towards the discharge of the principal moneys and interest secured by the chattel mortgage and to pay the surplus (if any) of such proceeds to the mortgagor or his legal representative or assignee; and

(*c*) to prohibit the mortgagor from selling any farming stock comprised in the chattel mortgage without giving at least three days' previous notice in writing to the mortgagee of his intention to sell the same and from selling any of such farming stock for less than a fair and reasonable price;

(*d*) to impose on the mortgagor the obligation, whenever he sells any of the farming stock comprised in the chattel mortgage, of giving forthwith to the mortgagee notice in writing of such sale with such particulars thereof as the mortgagee may require and either of paying to the mortgagee the proceeds of such sale or so much thereof as may be necessary to discharge the principal moneys and interest owing on the security of the chattel mortgage or of applying such proceeds in such other manner as may have been previously authorised by the mortgagee; and

(*e*) to imply a covenant on the part of the mortgagor his heirs executors and administrators with the mortgagee to pay to the mortgagee the principal moneys and interest secured by the chattel mortgage at the times and in the manner appointed by the chattel mortgage; and

(*f*) to impose on the mortgagor the obligation to preserve and keep safe the farming stock comprised therein and (save as may be otherwise authorised by the chattel mortgage or the mortgagee or may be necessary for any intended lawful sale) not to remove such farming stock from his farm and if so required by the chattel mortgage or the mortgagee to insure and keep insured such farming stock in accordance with such requisition.

(2) If and whenever the mortgagor commits a breach (whether of commission or of omission) of any provision implied in a specified chattel mortgage by virtue of this section (other than the covenant for payment of the principal moneys and interest secured by such chattel mortgage) the whole of the principal moneys secured by such chattel mortgage shall become and be forthwith payable notwithstanding anything to the contrary contained in such chattel mortgage.

Operation and effect of floating chattel mortgages.

22.—(1) A floating chattel mortgage shall, so long as it is duly registered under this Act and any moneys remain owing for principal or interest on the security thereof, and it has not become fixed as hereinafter provided, operate and have effect—

(*a*) to create an ambulatory and shifting charge of the principal moneys and interest secured thereby on all farming stock from time to time on the farm to which the chattel mortgage relates (hereinafter referred to as the farm); and

(*b*) To prohibit the mortgagor from selling any of the farming stock at any time on the farm otherwise than in the ordinary course of farming; and

(*c*) to impose on the mortgagor the obligation of maintaining the farming stock from time to time on the farm at a level of value equivalent (as near as may be

having regard to the ordinary course of farming) to the value of the farming stock on the farm at the date of the chattel mortgage; and

(*d*) whenever the mortgagor sells any of the farming stock for the time being on the farm to impose on him the obligation of paying such (if any) part of the proceeds of such sale as the mortgagee shall require to the mortgagee in reduction or discharge of the principal moneys secured by the chattel mortgage and any interest due thereon and to confer on the mortgagor the right to pay the whole or any part of such proceeds of sale to the mortgagee in reduction or discharge of such principal moneys and interest; and

(*e*) to impose on the mortgagor the obligation if so required by the chattel mortgage or by the mortgagee to insure and keep insured all farming stock from time to time on the farm.

(2) Whenever the principal moneys secured by a floating chattel mortgage or any part of such moneys remain unpaid for one month after the date appointed by the chattel mortgage for payment thereof or some interest secured by a floating chattel mortgage is in arrear and unpaid for two months after becoming due or there has been a breach (whether of commission or omission) by the mortgagor of some provision contained in a floating chattel mortgage or implied therein by virtue of this section (other than a covenant for payment of the principal moneys or interest secured thereby), the mortgagee may serve on the mortgagor a notice in writing declaring that such floating chattel mortgage has become fixed and thereupon such floating chattel mortgage shall become and be fixed within the meaning of this section.

(3) When a floating chattel mortgage has become fixed such chattel mortgage shall thenceforward operate and have effect as a specific chattel mortgage of all farming stock which is on the farm at the time of the service of the notice declaring such chattel mortgage to have become fixed and the provisions of this Act in relation to the operation and effect of a specific chattel mortgage shall apply accordingly.

(4) A floating chattel mortgage shall so long as it is duly registered under this Act operate and have effect to imply a covenant on the part of the mortgagor, his heirs, executors, and administrators with the mortgagee to pay to the mortgagee the principal moneys and interest secured by the chattel mortgage at the times and in the manner appointed by the chattel mortgage.

Priorities of chattel mortgages.

23.—(1) Chattel mortgages shall have priority in accordance with the times at which they are respectively registered in the register of chattel mortgages set up under this Act.

(2) A specific chattel mortgage of any farming stock which is at the date of such chattel mortgage on a farm to which a prior floating chattel mortgage then applies shall be void and of no effect so long but so long only as any principal moneys or interest remain owing on the security of such floating chattel mortgage.

(3) A bill of sale made before the passing of this Act shall if and so long as it continues to be valid and enforceable under the Bills of Sale Acts, 1879 and 1883 have priority over a chattel mortgage.

(4) Farming stock comprised in a specific chattel mortgage or in a floating chattel mortgage which has become fixed shall not be deemed to be in the possession, order or disposition of the mortgagor within the meaning of the Irish Bankrupt and Insolvent Act, 1857 or any Act altering or amending that Act.

Effect of chattel mortgages in relation to execution orders.

24.—(1) A chattel mortgage shall not prevent or restrict the lawful seizure of any farming stock comprised therein or affected thereby by a landlord distraining for rent or the lawful seizure and sale of any such farming stock under an execution order

issued for the enforcement of a judgment or order for the payment of moneys due or payable to or for the benefit of the Central Fund or of moneys due or payable to the Irish Land Commission in respect of a terminable land purchase annuity payable under the Land Purchase Acts or to a rate collector in respect of rates levied by the council of a county, a county or other borough, or an urban district or the commissioners of a town, or to a landlord in respect of rent.

(2) Save as is provided in the foregoing sub-section no farming stock comprised in or affected by a chattel mortgage shall be seized or sold under an execution order.

(3) In this section the expression " execution order " has the same meaning as it has in the Enforcement of Court Orders Act, 1926 (No. 18 of 1926).

Avoidance of bills of sale on farming stock.

25.—Every bill of sale of farming stock (whether including or not including any other chattels) made after the passing of this Act shall, notwithstanding anything contained in the Bills of Sale Acts 1879 and 1883, be void and of no effect and be incapable of being registered under those Acts.

SCHEDULE.

Certificates of Charge.

1. Whenever the Corporation holds, as security for money advanced by it, first mortgages on land to the nominal amount of not less than one hundred thousand pounds, the directors may issue a series of certificates of charge against some or all of such mortgages.

2. Certificates of charge may be issued under that name or under any other name which the directors think suitable and a series of certificates of charge shall consist of certificates of such total nominal amount as the directors with the approval of the Minister shall think proper divided into certificates of ten pounds each or of such other amount or different amounts as the directors with the approval of the Minister shall think proper.

3. Before issuing a series of certificates of charge the directors shall place under the control of trustees, in such manner by transfer, sub-mortgage, deposit, or otherwise as shall be approved by the Minister, good and sound first mortgages on land held by the Corporation as security for advances made by it to a nominal amount not less than the nominal amount of such series of certificates.

4. The number of the trustees shall be such even number as the directors think fit and one-half of the trustees shall always be nominated by the Minister and the other half of the trustees shall in the first instance be nominated by the directors and after the issue of the series of certificates shall be nominated as vacancies occur by the holders of such certificates.

5. The said first mortgages shall be so placed under the control of the trustees that the trustees shall hold the same upon trust for the Minister and the holders of the certificates issued against such mortgages and that the trustees shall have all necessary and proper powers for raising for the Minister and such holders by means of such mortgages the amount of the principal and interest of such certificates and also power when any such certificates are paid off in full by the Corporation to release to the Corporation so much of such mortgages as shall be equal in nominal amount to the amount of the certificates so paid off and also power at any time at the request of the directors to release to the Corpora-

tion any of such mortgages in exchange for an equal amount of similar mortgages.

6. Every certificate of charge shall be expressed and shall operate—

(*a*) to bind the Corporation to pay to the holder of the certificate the principal amount thereof within a period of years (not exceeding forty) named therein and to pay interest on such principal amount at the rate named therein with the consent of the Minister but not exceeding by more than three per cent. per annum the average (ascertained in accordance with regulations made in that behalf by the Minister) rate of interest paid by the leading banks in Saorstát Eireann on moneys held by them on deposit account during the twelve months preceding the issue of the certificates;

(*b*) to bind the Corporation in every year of the period within which the principal of the certificates is payable to draw and pay off such fixed number of the certificates that the whole of such certificates are thereby drawn and paid off by the end of the said period;

(*c*) to confer on the holder of the certificate the full benefit of the trusts on which the said mortgages are placed under the control of the trustees;

(*d*) to confer on the holder of the certificate the benefit of the guarantee given by the Minister in respect thereof under this Act.

7. Before issuing a series of certificates of charge the directors shall submit the same to the Minister for the purpose of receiving from him such guarantee as he is authorised by this Act to give.

8. If and when such guarantee is given by the Minister the directors may issue such certificates of charge to the public in such manner and on such terms as they think fit subject to the restriction that no such certificate shall be issued at a less price than the amount of the principal sum secured thereby.

9. A series of certificates of charge shall as against the mortgages held by the trustees as security therefor rank in priority to any debentures or debenture stock issued by the Corporation and to all other debts and liabilities of the Corporation but as against any other assets of the Corporation shall rank as simple contract debts.

Saorstát Eireann.

BILLE CAIRDE TALMHAIOCHTA, 1927.

BILLE

(mar do tugadh isteach)

dá ngairmtear

Acht chun socrú do dhéanamh chun cuideachta do bhunú agus do chlárú ag a mbeidh sé mar phríomh-chuspóir cáirde do thabhairt do dhaoine ata ag gabháil do thalmhaíocht agus do ghnóthaí bhaineas le talmhaiocht, chun a údarú go dtabharfidh an Stát urraíochtaí maidir le caipital na cuideachtan san agus le hurrúis a thabharfa sí amach, agus chun socrú do dhéanamh i dtaobh nithe áirithe eile bhaineas leis an gcuideachtain sin, agus chun a chur in usacht d'fheirmeoirí airgead d'fháil ar iasacht ar mhorgáistí ar a stoc feirmeoireachta agus chun oibriú agus éifeacht na morgáistí sin do rialáil.

An tAire Airgid do thug isteach.

Do horduiodh, ag Dáil Eireann, *do chló-bhuala, 7adh Abrán,* 1927.

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Saorstát Eireann.

AGRICULTURAL CREDIT BILL, 1927.

BILL

(as introduced)

entitled

An Act to make provision for the formation and registration of a company having for its principal object the giving of credit to persons engaged in agriculture and businesses ancillary to agriculture, to authorise the giving of guarantees by the State in relation to the capital of such company and securities issued by it, and to provide for certain other matters relating to such company, and to facilitate the borrowing of money by farmers on mortgages of their farming stock and to regulate the operation and effect of such mortgages.

Introduced by the Minister for Finance.

Ordered, by Dáil Eireann, *to be printed, 7th April,* 1927.

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