

58. Every person appointed to an office which involves the receipt, management, or expenditure of money, or the receipt of goods, wares, or merchandise for the purposes of an association under this Act, shall, before entering upon the duties of his office, give such security as is deemed sufficient by the board of directors, which security may be varied in amount or renewed from time to time, and may be in Form G in the Schedule hereto.

59. Any person dealing with a borrower, or a person believed to be a borrower, from any association, and proposing to sell goods on credit or to lend money or to make advances to such person, may apply to a secretary-treasurer of an association for information as to the advances which have been made or authorized to such person, and the purposes thereof; and the secretary-treasurer, on being satisfied of the *bona fide* nature of such request, shall furnish such information as the records of the association show at the time of such request.

60. (1.) The board of directors shall hold a meeting or meetings in every year for the consideration of applications for loans, and for the same purpose shall hold such further meetings as may be required from time to time on the call of the president, or on the written request of any three members of the board, or any three shareholders, delivered to the secretary-treasurer.

(2.) The board shall also hold a meeting or meetings for the consideration and extension or renewal of loans, if any, on which the full amount has not been paid prior to the thirty-first day of March preceding.

Supervision.

61. (1.) The Farm Loan Board may appoint a Supervisor of Co-operative Rural Intermediate-credit Associations, and such Inspectors, assistants, and clerical assistance as may be deemed necessary, and may define the duties and provide for the payment of the same.

(2.) Every association and every officer thereof shall furnish all the information required by such Supervisor or any of his assistants on request therefor, and the books and records of any association shall be open at all times to the inspection of the Supervisor, Inspectors, or assistants.

62. Any Inspector appointed under this Act may search the books or records of any office in which registration is required or permitted under the provisions of this Act, and no charge shall be made in respect of any such search.

63. (1.) The Supervisor shall make an annual report to the Farm Loan Board of the work of each association.

(2.) There shall be, once in every year, and oftener if requested by the Supervisor, at the expense of the association, an audit of all the financial transactions of each association by or by the direction of the Audit Office, which shall transmit to the Farm Loan Board a report of the result of each audit, together with such statements as will fully show the then precise financial condition of the association.

(3.) A summary of such statements and of the annual reports of each association shall be presented to Parliament within fifteen days after their receipt by the Farm Loan Board, or, if Parliament is not then in session, within fifteen days from the commencement of the next ensuing session thereof.

64. The Farm Loan Board shall have power to direct the removal and replacement of any paid officer of any such co-operative credit association at any time.

Miscellaneous.

65. There shall be paid to every association established under the provisions of this Act, out of any moneys appropriated for that purpose, a grant of ten pounds for the purpose of assisting the said association in organizing.

66. The board of directors may borrow temporarily in the name of an association such sum or sums of money, not exceeding twenty-five pounds, as may be required to cover urgent and immediate necessities for which no funds are otherwise available.

67. Any association, when and if requiring the endorsement of a note of a borrower, may require the intending endorser to sign a document in form M, and from and after such signature the endorsement of the note of the borrower shall constitute an authorization to the secretary-treasurer of the society to sign and register charges in forms H and J of the Schedule to this Act with respect to the property of the endorser; and such forms when so signed and registered shall, with regard to the property of the endorser, have the effect and priority accorded by the terms of this Act to similar forms relating to the property of the borrower.

68. An association shall be exempt from payment of annual license fees required for companies.

69. The limit of advance granted and the margin of security required shall be decided by the Farm Loan Board in each individual case.

70. If in the opinion of the said Board the applicant is not marketing with sufficient rapidity the produce or stock owned or controlled by the applicant, the said Board may call upon the applicant to accelerate his sales: Provided that the applicant shall not be required to sell in an amount which will exceed an average of one-eighth of his aggregate season's deliveries (as estimated by the said Board per month from the date of the initial advance hereunder). If the said Board's request is not complied with, the said Board shall itself have the right to sell, out of the produce or stock pledged as collateral, a sufficient amount to equal one-eighth of the aggregate season's deliveries of the applicant for each month from the date of the initial advance hereunder. In the event of any such sales, the said Board may, in its uncontrolled discretion, apply the entire net proceeds to the liquidation of its advances.