**LOANS TO PRODUCERS ACT AMEND­MENT BILL 1921**

**House of Assembly, 16 August 1921, pages 273-4**

Second reading

**The COMMISSIONER of CROWN LANDS (Hon. G. R. Laffer)—**The Bill, of which I am moving the second reading, consists of two clauses. The report of the Parliamentary Draftsman, which covers the whole ground, states:—

The Loans to Producers Act, 1917, constitutes a fund called the Loans to Producers Fund, and contains provisions which empower the Minister to make loans to co-operative societies and others for the various purposes set out in section 4. The limitation on this power with regard to societies is that a society to be eligible for a loan must be engaged or about to engage in rural production. A difficulty here arises from the fact that an incorporated society has legally an existence entirely apart from the persons constituting it, arid, for all practical purposes, must be regarded as a sort of fictitious person. It sometimes happens that an application for a loan under the Act is received from a cooperative society of which the great majority of members are engaged in some form of rural production, but as the society itself is formed for some undertaking which, strictly speaking, is not rural production, the assistance asked for cannot be granted. Thus, an application for a loan might be received from a co-operative society, the members of which were fruitgrowers, for the erection of a fruit packing shed. The society might have been formed for the purpose of marketing the fruit grown by the members on their land. It was considered that if the members of a co-operative society are engaged in rural production, then the society itself could be said to be so engaged. The Crown Solicitor, on being asked to advise whether in such a case a loan could be made to a society of this nature, expressed the opinion that the society could not be said to be engaged in rural production within the meaning of the Act, and the loan could not lawfully be granted. The question of the validity of loans already made to co-operative societies has since been raised and it is considered to be doubtful whether there are any societies in South Australia engaged in rural production in the strict sense of the term. By this Bill it is proposed to amend the Act so as to enable deserving applications from cooperative societies which are popularly regarded as being engaged in rural production to be considered.

This Bill is to validate something that, has been done

already. Take the Blackwood fruitgrowers. They approached the Government and asked for assistance in erecting a cool store in connection with their industry, but it could not be granted. This was to encourage the men engaged in rural industry, and although the Act was entirely for this purpose, the assistance was not forthcoming. The Act sets out that wherever three-fourths of those who are seeking land are engaged in rural production they will be entitled to assistance. The report goes on:—

Clause 2 inserts a new subsection in section 4, the effect of which will be to make a co-operative society eligible for assistance if at least three-fourths of its members are engaged or about to engage in rural production. Before the proper interpretation of the Act had been given by the Crown Solicitor certain loans had been made to societies comprising rural pro­ducers, under the impression that, the members being engaged in rural production, the society itself must necessarily also be engaged in that occupation. Clause 3 of the Bill provides that any such loan made before the passing of this Bill is to be valid, notwithstanding that the society to which it was made was not then en­gaged in rural production.

This Act. received the support of all sections of the House, and the present Bill is simply for the purpose of rectifying anomalies found in the administration of the measure. I move the second reading.

Mr. BUTTERFIELD secured the adjourn­ment of the debate until August 17.