**CORNSACKS BILL 1938**

 **Legislative Assembly,17 November 1938, pages 2519-**

Second reading

**The Hon. S. W. JEFFRIES (Torrens— Attorney-General)—**The object of this Bill is to provide a simple procedure whereby a merchant who sells cornsacks to a farmer on credit may obtain security for the price. Similar legislation has been on the Statute Book of South Australia for several years. It was first introduced in 1931 when, owing to the low prices for primary produce and the depression, farmers were unable to obtain cornsacks on credit, without giving security. The Act of 1931 was renewed from year to year until 1935, in which year it lapsed. The Government has recently received a request from representatives of several important firms and companies dealing in cornsacks that the cornsacks legislation should be re-enacted for this season. They allege that owing to the low price of wheat many farmers will have difficulty in getting cornsacks unless some such legislation is enacted. The Government has agreed, therefore, to re-introduce the legislation. The provisions of the Bill are simple.

By clause 4 when cornsacks are sold to a farmer on credit, the seller may file in the General Registry Office at Adelaide a memorandum of lien in the form set out in. the Bill. Upon the filing of the memorandum the seller becomes entitled to a preferential lien, over the whole of the farmer’s crop existing at the time when the memorandum is filed. The word “crop” in the Bill includes crops “growing or harvested or in the process of being harvested, on land occupied by the farmer, or on. land worked under a share farming agreement to which he is a party". Under the memorandum the seller obtains in addition to the rights of the holder of an equitable lien, over chattels, the rights and powers of a bill of sale holder under section 11 of the Bills of Sale Act, 1886.

The most important of these powers is that of seizing and selling the crop in case of default. Clause 5 provides that a lien under the Bill is not affected by any subsequent dealing with the land on which the crop exists. Clause 6 provides that liens are not to be registered under the Bill without the consent of all persons who are entitled to an interest in the farmer’s crops under a prior bill of sale or a prior lien. Clause 7 provides that the Registrar-General of Deeds must file a memorandum of lien produced to him on payment of a fee of Is., and keep an index in his office showing the names of all farmers on whose crops liens are registered. Clause 8 provides for transferring or discharging a lien by a document filed in the office of the Registrar- General. Clause 9 limits the Bill so that it will apply only to cornsacks supplied up to March 31, 1939. Clause 10 provides that a memorandum of lien is not chargeable with stamp duty. Clause 11 protects the Farmers’ Assistance Board by providing that if a farmer’s crop has been assigned to any public authority administering1 any laws for the relief or protection of famers a lien cannot be granted over their crop. Clause 2 makes it an offence to file a memorandum of lien under (the Bill for any amount other than the price of cornsacks sold to a farmer. The Government is advised that the previous Cornsacks Acts gave satisfaction to the public and to the Registrar-General’s Department. The procedure was cheap and expeditious and no hardships arising from the system. of liens were brought to the Governor’s notice. I move the second reading.