



FARMERS AND THE DEPRESSION

Government Farm Relief

in South Australia

1929 - 1939

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B.A. (Hons.), Dip. Ed.

**Submitted in fulfillment of the requirements
for the Degree of Master of Arts**

Department of History

January 1974

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SUMMARY

This study is an examination of the origins and operation of Government assistance to farmers from the onset of the Depression to the outbreak of the Second World War in 1939. The rural areas of South Australia had been suffering from widespread droughts for three seasons before the collapse of wheat prices marked the beginning of the Depression. Farmers could no longer earn a living on their farms, and they found that credit, which had sustained them in previous years, was increasingly restricted. However, the plight of the farmers was only indirectly the origin of the Relief Acts. They were conceived to protect the special interests of other groups in society.

The Government wished to preserve the State's most important individual industry, but at the least possible cost, because it was also obliged to reduce its expenditure and balance its budget. It was anxious to keep the army of unemployed as small as possible and was therefore willing to induce disheartened farmers to stay on the land. Parsimonious annual loans preserved the State's finances, and kept farms in production at the cost of the farmers' independence.

Annual loans did not solve the farmers' main problem which was, as numerous contemporary Committees found, the great burden of debt accumulated over seasons of low yields and low prices. However, these debts could not be adjusted until the secured creditors accepted the need to change their "sound" financial conventions. They were driven to discard their traditional ideas

by the results of the 1933 election, by an impatient realisation that economic conditions would not soon improve, and by an offer of Commonwealth money.

The Acts were grudgingly accepted by the farmers and creditors, both groups felt that some of their natural rights were being usurped. Neither group protested strongly about the 'socialistic' Government intervention, the farmers vented their displeasure by evading the provisions of the Act, and the business interests placed their trust in the Chairman of the Farmers Assistance Board, Judge Paine.

Relief for farmers cost the State more per head than other forms of aid to disadvantaged groups, but the additional financial cost was probably outweighed by the fact that men were able to continue to work, and to contribute to the State's economy. Despite their cost, and the rigid control the farmer had to accept, the Relief Acts were successful. Although the Debt Adjustment Act helped relatively few farmers, it was more successful than comparable interstate schemes, due largely to the esteem in which creditors held Judge Paine. However, it was the outbreak of the Second World War which saved the beleaguered farmers from financial ruin, not the desultory State Legislation.

This thesis contains no material which has been accepted for the award of any other degree or diploma in any university, and to the best of my knowledge and belief, it contains no material previously published or written by another person, except where due reference is made in the text.

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S.W. Dyer

ACKNOWLEDGEMENTS

I wish to thank the individuals and organisations who have made material available for my research. Among the most important were the farmers who wrote to me in reply to appeals through the rural Press, and in response to the radio interview kindly arranged by Mrs N. Robinson. I am also indebted to the people who gave of their time to be interviewed and to Mrs A. Marshall and the Geography Department of the University of Adelaide for their assistance with that field work. At the Australian National University, Alan Barnard, and the staff of the Business Archives were most helpful.

Within the State Government, the Deputy Director of Agriculture, Mr P. Barrow, expedited access to the previously unopened files in his Department. Mr G. Mitchell, the Clerk of the House of Assembly was indispensable to the discovery of Parliamentary records previously considered to be lost. In addition the Premier's Departments in each State suggested sources of relevant material, and in South Australia the Department of Lands, the State Electoral Office, and the Adelaide Branch of the Commonwealth Bureau of Census and Statistics, all gave access to their files. The staff of the Commonwealth and State Archives also gave valuable assistance.

In the Business world, I am indebted to the management of Dalgety Australia Limited, and Mr E. Matuschka, for access to the Company's private files, and to Elder Smith Goldsborough Mort Limited for permission to use their archives at A.N.U. Southern

Farmers Co-operative Limited, and the Retail Storekeepers Association, both gave me access to their libraries and to the files of their respective Journals.

I also wish to thank my supervisor Dr H.S.K. Kent, for his encouragement, and my colleagues, Ray Broomhill, Fred Dyer, and Susan Paech.

ABBREVIATIONS

A.N.U.	Australian National University Archives
CP 656	Commonwealth National Archives. Records of the Royal Commission on Wheat Flour and Bread Industries.
D.A.	Department of Agriculture
DAA	Debt Adjustment Act
EA	Farmers Relief Act Extension Act
FRA	Farmers Relief Act, 1931
GRG	South Australian State Archives, Government Record Group
M.A.	Minister of Agriculture
PPD	Primary Producers' Debts Act
RA	Farmers Relief Act, 1932
<u>R.C.W.I.</u>	Royal Commission on the Wheat, Flour and Bread Industries
R.R.C.	Rural Reconstruction Commission
<u>S.A.J.A.</u>	South Australian Journal of Agriculture
S.A.P.D.	South Australian Parliamentary Debates
S.A.P.P.	South Australian Parliamentary Papers