



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.

...
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

INTRODUCTION

INTRODUCTION

"The Depression", to judge from most of the published works of Australian Historians, was an amalgam of Political Parties, the unemployed, Premiers' Plans, and Lang. The concentration on such circumscribed fields to the exclusion of the rural sector of the Nation's economy, reflects the pre-occupations of the urban and industrial centres of the Eastern States, and has created a distorted image of the Depression in Australia. In South Australia, where the economy was dominated by primary production, these 'Eastern' themes are of less importance, although they are all part of the State's Depression experiences.

By examining the impact of the Depression on rural South Australia, this study provides a counter-balance to the urban proclivities of Historians. It investigates in detail the wheat farmers' plight and the intertwined issues, interests, and personalities, which determined the ways in which the State Government assisted them. The investigation ends in 1939 when the artificial stimulus of war again dominated the economy and brought the rural Depression to a close.

Inevitably, many strata of rural society are neglected. Among wheat farmers alone four other groups, in addition to that assisted by the State, merit study. They are the farmers who were unaffected by the Depression, those who managed to continue but without recourse to farm relief, the unfortunate group who were refused assistance but struggled on, and those who were forced off the land. Any change in the fortunes of the farmers affected the

remainder of the rural society, and further study of the whole of country life during the Depression is essential to a full understanding of the way in which this catastrophe affected South Australia. In the following Chapter the first outlines of this background have been sketched in to acquaint the contemporary urban reader with the essential features of life in the country before and during the Depression.

CHAPTER I

COUNTRY LIFE BETWEEN THE WARS



Isolation and silence dominated the rural areas between the two World Wars. The invasion of the wireless, the motor car, and the aeroplane, which would eventually shatter both, was only just beginning in the 'twenties and 'thirties. The horse, proceeding at a steady six miles per hour,¹ dominated the landscape. The horse provided the motive power on farms and on the roads, regulating the speed of communication and consequently the frequency and geographic extent of social contacts. The rapid encroachment of cars, then cheap tractors,² and eventually trucks, which began after the First World War was stopped abruptly by the Depression and again by the advent of the Second World War.³

There was another, less obvious, factor governing rural life, the force of passing time. While in the span of seasons, as crops sprouted, grew and ripened, one day or week was as another, - there were important moments which, unless seized, nullified all the farmers' preparations. Seeding had to begin as soon as the opening rains of the season dampened the ground, and it had to be completed in time to benefit from the 'follow up' rainfall. In practical terms

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- 1 Average speeds could be as low as $3\frac{1}{2}$ m.p.h. in sandy or boggy conditions. South Australian Wheatgrower, 15 October 1937. Hereafter Wheatgrower.
 - 2 Department of Agriculture Correspondence File No.674 of 1929. (Held in Department of Agriculture Building, Gawler Place, Adelaide.) In July 1931 the most popular tractor was the Fordson 10/24 costing £225/10/-, the least expensive model on the market. Hereafter all files from this source will be identified as "D.A." followed by the file number and the last two digits of the year. Hence the above reference would read D.A. 674/29.
 - 3 Graph I.

this could mean that the farmer would be in the paddock before dawn waiting for enough pre-dawn light to drive a straight furrow.⁴ Harvesting too was compressed into a short intensive period of work some time between November and March.⁵ The farmer, having prepared his horse teams in the early dawn, would begin his productive day by impatiently waiting for the crop to dry off enough for reaping. The day of continuous work would end with the evening spent threshing and winnowing the day's harvest. Ten hours work every day in those seasons left the farmer little opportunity or inclination for the social round. During the off season too, there was always something to be done - checking fences, milking cows, feeding horses, as well as the odd jobs that materialise whenever there is a free moment.

The pressure of time - sometimes genuine, often imaginary, kept the farmers on their farms in an independent, isolated world, seldom visiting and seldom visited.⁶

It was a severe independence, dominated by the requirements of the farm which gave the family security.⁷ The Rural Reconstruction

4 Murray Pioneer (Hereafter Pioneer) 26 September 1930, gives a typical day's work. 4:40 am. Rise and feed horses. 5:30 am. Breakfast, then plough until tea at 6:30 pm. - one hour off for lunch. 9:30 pm. Feed horses again. Every day, six days per week.

5 D.A. 630/35, D.A. 135/34. Peak activity January and February.

6 A.J. Holt, Wheat Farms of Victoria: A Sociological Survey, (Melbourne, 1947) p.10. Over half the families visited other farmers, or had neighbours drop in only 4 times a year, or less.

7 S.N. Singh, A.R. Khan, S. Mulary, M.R. Lokhande, "A Study of Social Values in Relation to Farming" Psychological Abstracts, 1966, No.1227. Hierarchy of values: Hardwork, Family, Tradition, Freedom, Science, Economic Gain, Security, Leisure.

Commission may have exaggerated the farmer's propensity

to consider the building of a new shed, or the purchase of a prize bull or ram, or the installation of a new machine of much greater importance than the comfort of his wife⁸

but the undeniable absence of luxury from the rural life showed where the farmers' interests lay. A single man could feel satisfied with a humpy made of superphosphate bags. If he were married his home might be more magnificent, a large iron shed lined with wheatbags. If he was better off, he might have put linoleum on the dirt floor.⁹ The more prosperous farmer could afford a four room prefabricated galvanised iron home, lined with asbestos, with wooden floors and, almost inevitably some 'lean to' structures tacked on to house an increasing family.¹⁰ The farmer struggled continually to strike a balance between the family's needs and the farm's resources; "making do" covered the discrepancy between the two rival claims. Petrol or kerosene tins were pressed into service in a variety of ways, with a loop of wire to make a bucket,¹¹ cut in half lengthways to make bowls and wash troughs¹² or flattened out to patch holes and cover sheds. The deal packing cases in which they were delivered converted to cupboards when curtained off at the from with some fabric.

8 Rural Reconstruction Commission, Seventh Report - Rural Amenities, (Canberra, 1944) p.5. Hereafter R.R.C. VII

9 Mrs D. Chesterfield, [Port Lincoln], written communication, 19 February 1973.

10 Mrs J. Airy [Cowell], written communication, 3 January 1973.

11 In fact, "there never was anything as useful as a petrol tin", *ibid.*

12 About 8% farms had kitchen sinks, less than one in three had laundry facilities (from R.R.C. VII, p.18).

Other compromises were forced on the farmer's family by the climate. In areas with low rainfall, washing was a restricted activity. Rain-water, even on farms with bores, was too precious to be wasted on the luxury of washing "all over" every day - perhaps once a week, in much used water. Little wonder, then, that bathrooms and 'decent' toilets were uncommon in the country.¹³ Electric power was a novelty; even in the country towns the erection of a single electric light in the main street was a significant event in the 1930's.¹⁴ Away from the towns, before the invention of bottled gas, the farm house was lit with kerosene hurricane lamps or, in the living room the more dignified Aladdin mantle kerosene lamps. The living room was the 'best' room which the farmer's wife kept aside to keep casual visitors at bay from the rest of her house, an oasis of taste and relative prosperity within a less opulent home.

"Independence" did not necessarily mean that the farmer was immersed in the business of farming to the exclusion of all else. Most read a daily paper, although it might come to them second-hand, and it was very unusual if the family did not get at least a weekly

13 About half the farms had bathing facilities, one tenth of that number had hot water services, about 5% had septic tanks - *ibid.* Also Mr. H.A. Schiller [Cowell], written communication, 14 December 1972.

14 E.g. D.M. Baker, The Story of Wolseley 1865-1963 (Bordertown, 1963) p.15.
L. Neaylon, History of Karoonda and District 1911-1961 (Renmark, 1961) p.12.

paper¹⁵ such as the Chronicle,¹⁶ the farming community's weekly magazine.¹⁷ The local libraries provided more substantial reading matter for the members of the family with the time and desire to read books. In most households the farmer's wife read more than the newspaper, generally the fiction¹⁸ available in abundance at the library.¹⁹

Radio, by the late 1930's, spreading across the State through regional sub-stations,²⁰ ensured that, for an ever increasing²¹ number of listeners, isolation or withdrawal from the world no longer meant loneliness and ignorance of passing events. Farmers had a daily lifeline to the outside world, a much wider and contemporary source of views and information than they would get from the local newspaper²² or from conversation in the local town.

15 Holt, op. cit. p.104. 67% get daily newspaper, 61% get weekly newspaper - 97% get a newspaper.

16 Chronicle circulation between 16,000 and 18,000 or about one half of the country circulation of the Advertiser. Data from: P.M. Alcock, The Message is the Medium: A Study of the Social Function of the Advertiser 1929-39. B.A. Hons. Thesis, (University of Adelaide, 1971) pp.21-2; p.28.

17 *ibid.* pp. 23-4.

18 Holt, op. cit. p.105 - half the wives read books, one third of the farmers did. In both groups the majority favoured fiction and "Wildwest", or romantic fiction (according to sex).

19 Libraries in South Australia: A Report, p.24. Published as South Australian Parliamentary Paper No.39 (Adelaide, 1937).

20 Broadcasting Stations, City: 1925, 1; 1930, 4. Country Regional: 1932, 1; 1938, 6.

21 Holt, op.cit. p.101. By 1939 Radio was the most important entertainment on 87% of farms.

22 Holt, op. cit. p.105. 56% get a local weekly paper.

However, the popular weekly market²³ there was still likely to be the main source for sharing ideas and news on agricultural topics. The radio stations were not yet concerned with regionally specialised programmes providing information for special sections of the community. The Department of Agriculture abandoned its series of talks on 5CL after a clash with the management's practice of 'winding up' the Department's officers before their allotted speaking time had elapsed.²⁴ The hostility of the Manager to talks²⁵ had helped create the animosity and, because a Government Department could not be associated with any commercial broadcast, the opportunity of reaching a large audience was lost. The loss may not have been very great, because political views rather than agricultural ideas were more suited to radio²⁶ but a source of casual appeal to farmers who might be listening²⁷ was lost. The isolation of the farmer who could not get to regular agricultural meetings for informal exchanges of ideas remained unbreached until rural

23 *ibid.*, p.119, 82% visit market weekly, 98% at least once every two weeks.

24 D.A. 1011/26 - also excacerbating the issue was the reluctance of the station to pay the standard broadcasting fee to the Department's Officers.

25 Australian Broadcasting Commission, Written communication, 18 June, 1971.

26 N. Robinson, "Radio Comes to the Farmer". Psychological Abstracts, 1942, No.1612.

27 Holt, *op.cit.* p.102. 8% claimed they listened to "anything", 9% listened to talks.

programmes returned in 1935.²⁸

The Department of Agriculture attempted to foster better farming via its monthly magazine, the South Australian Journal of Agriculture, which was available free of charge to members of its Agricultural Bureau System until 1929. After that date the imposition of an annual subscription rate of two shillings and six pence²⁹ effectively halved its circulation,³⁰ coming as it did when the Depression was driving farmers to reduce all costs. Paradoxically, because of the Government subsidy, the few, better-off farmers who did still subscribe got a bigger magazine, because the same total budget was spent on less copies than before.³¹ The main contact the farmer had with the Department was through the Agricultural Instructors³² who attempted to visit as many farmers in their districts as possible to discuss problems and promote new techniques. During the course of the year they saw about one farmer in every ten,³³ much fewer than was desired³⁴ but visits were

- 28 Department of Agriculture Programmes were not heard from November, 1929 to June, 1935 (based on programme notices in South Australian Journal of Agriculture, 1925-40).
- 29 "Congress Resolutions" South Australian Journal of Agriculture, XXXII (1929) p.341. (Hereafter S.A.J.A.)
- 30 DA 121/26 - circulation 8,000 per month - D.A. 252/32 circulation 3,300 per month previously 7,000. D.A. 190/34 Jan. 35 circulation approximately 4,000 per month.
- 31 D.A. 252/32.
- 32 Later "Agricultural Advisers".
- 33 D.A. 855/36; D.A. 1059/37.
- 34 Ideally this would be three visits to every farmer each year. Rural Reconstruction Commission, Sixth Report: Farming Efficiency and Costs, (Canberra, 1944) p.59. Hereafter R.R.C. VI.

probably more effective than relying completely on speeches at Agricultural Bureau meetings for the promotion of ideas. Lecturing to the Bureau members was preaching to the converted. Generally the most progressive men of the district made up the membership,³⁵ those with sufficient verve to get out once a month to talk about farming. Visits to farmers brought advice to the apathetic, and to those who thought that the meetings were generally 'very dull shows'.³⁶ During the Depression, visits became more important, because farmers deprived of easy automobile transport, or demoralised by poor seasons and prices, stayed away from formal public meetings.³⁷ The farmers did not see any need for the elaborate social convention of meetings, papers, and chairmen, to exchange ideas on farming when it could be done informally, cheerfully, and naturally, at the local pub or market.

Because there was no refrigeration on the farm to preserve food for long periods, perishable foods had to be bought in small lots, and therefore purchased frequently. For the women the weekly market was an essential part of their housekeeping, for the men it was an informal forum for debating, gossiping and yarning. Markets were

35 D.A. 410/25.

36 Mr L. Russell. Interview, September 1972.

37 Report of District Agricultural Instructor for the Murray Mallee, in Director of Agriculture: Report, Published as South Australian Parliamentary Paper No. 43, (Adelaide, 1932) p.17. Hereafter, Parliamentary Papers will be cited as S.A.P.P., followed by the number of the paper and the year of publication. Hence the above reference would read, S.A.P.P. 43, 1932, p.17.

thus an essential part of the regular social life of the country, but not the only one. The 'boring' Agricultural Bureau meeting might be easily the precursor, or even the excuse for an evening of singing and dancing at a private house, with an inevitable "dainty supper"³⁸ supplied by the farmers' wives. Entertainment generally was local and self-propelled, regularly³⁹ bringing together otherwise isolated people. Hardy youths might walk six miles for the entertainment.⁴⁰ The family would harness up and drive by moonlight and lamplight for hours⁴¹ in the winter evening⁴² to the local centre of community activity.

The church hall, the local institute, or a soldiers memorial hall, were all used as social centres for Sunday school, dances, birthday parties, pre-election speeches, polling booths, and concerts.⁴³ The proud commemorative names served to identify any building with four walls and a roof, whether it was a solid limestone

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- 38 Report of a meeting of the Pinkawillinie Agricultural Bureau in Kimba Dispatch. 27 June 1930. (Hereafter Dispatch).
- 39 Russell, interview: Dances occurred once a week or fortnight. Holt, op. cit. p.106, 46% households went regularly about once each month.
- 40 Mr E.G. Sawyers, written communication, 3 July 1972.
- 41 Even averaging 6 m.p.h. the family faced a long drive - they would travel 15-20 miles to a function. (Analysis of attendance at meetings reported in newspapers.) Holt, op. cit. p.119, gives 13 miles as the median distance travelled to market and (p.125) 10 miles for films.
- 42 Most events were in winter because there were few farming commitments during that season. Holt, op. cit. p.106.
- 43 J. Airy, loc. cit.

edifica in the main street or a corrugated iron shed on the roadside that marked the only sign of settlement where maps might show a town.

The setting did not matter, neither really did the reason, the football club, or the Country Womens' Association, The Strawberry Fete, the ubiquitous "Christmas Tree" came and went in their season, identified superficially by changes in the decor and the supper but really the same event repeated - an affirmation of companionship in isolation. For the trifling cost of a basket supper and a silver coin at the door, the "social", the local "do", was an event for all the family. Once inside the Hall

"there was a piano and organ and stools lined up around the sides of it. It was unlined ... and photos of soldiers from the 1914-1918 war graced the walls ... Mrs V- .. sat playing hour after hour such tunes as My Bonny Lies over the Ocean, When its Springtime in the Rockies and Little Brown Jug ... She was relieved at Supper by Mr B- who played his button accordion for the dances ... a big stump fire always blazed about $\frac{1}{2}$ a chain away. The men always yarned around the fire and watched the 4 gallon buckets of water coming to the boil to make tea".⁴⁴

'Culture', managed to survive in the primitive environment.

The Quadrille Class at Kimba, where white gloves were "the order of the day"⁴⁵ spoke eloquently of a refusal to bow down to "uncivilised" isolation, as did the equally esoteric Cunyarie Literary and Social Society. This talented and dedicated group presented, for their own entertainment, evening programmes of speeches, duets, essays and mandolin music followed by a brief break for supper at midnight, and

44 *ibid.*

45 Dispatch, 24 July 1931.

dancing until 3 a.m.⁴⁶

Picture shows, the new "popular culture", were not yet a competitor to the local social, they appeared in the remote areas of the State, like the West Coast, whenever an itinerant picture projectionist visited. Such a sporadic and expensive entertainment had limited appeal,⁴⁷ and even by the beginning of the prosperous 1950's it still failed to attract large audiences.

The seasons' influence on entertainment extended to sports. In winter, Australian Rules Football attracted supporters, nothing on the farm requiring such urgent attention that a team of 18 players could not be found. Neither was anything on the farm so demanding as to prevent the rest of the family from watching and barracking.⁴⁸ In summer the pressures of harvest made the selection of 11 men for cricket almost impossible.⁴⁹

Remembering the travel times of the 'thirties, the late hour at which social events concluded indicates that when they were able, the farmers seized and used their opportunities to enrich and enliven their otherwise unsophisticated, uncivilised, existence. By city standards the farmers' living standards were uncivilised, his

46 Dispatch, 17 July 1931.

47 15% go once in 3 months - travel 10 miles; 10% go once every week - travel 2 miles. Holt, op. cit. p.106.

48 The spectators came from all age groups, 41% aged 14-20; 20% aged 21-44; 55% over 45. *ibid.*, p.107.

49 11% played football, 35% watched - 6% played cricket, 2% watched. *ibid.* p.107.

entertainments, housing, and amenities, poor.

But the civilized standards of Adelaide were not the only standards. The farmers did compare their condition to the delights of urban living - ice, cool drinks, and swimming during summer,⁵⁰ but they remembered their other material advantages. The farmer had a home for his family which was not likely to be taken away for as long as the Government saw him as the backbone of the State and, despite the initial impression gained from the Census he was financially relatively well off as well.

The Census figures showed that an unexpectedly high proportion of the low-income breadwinners were in the country areas.⁵¹ But the proportion who had no income at all was quite low.⁵² The farmers could expect to get some money during the year from the sale of farm sidelines, eggs and milk. It would be only a small amount, but nevertheless welcome. In the poorer areas of the State, which had low wheat yields, the income might not cover the expenses of

50 Murray Pioneer, 29 March 1934. (Hereafter Pioneer.)

51 Male rural breadwinners were 39.8% of the State's breadwinners. The male breadwinners in rural areas accounted for 32.5% of those in the state with no income; 45.5% of those earning some money, but less than 1 per week; and 48.5% of those earning between 1 and 2 per week. Commonwealth of Australia: Census of the Commonwealth of Australia, 30 June 1933, (Canberra, 1940), p.1910. (Hereafter Census.)

52 See above.

the crop,⁵³ but at least it offered a better alternative than exclusive reliance on the wheat cheque. The sidelines, in addition to providing cash income, also saved the farmer over one pound per week in food costs.⁵⁴

The farmer was better off than the person in the city with no income at all because, being self-employed, an annual income of zero meant only that the farmer's expenditure was equal to (or in excess) of his income. In the city "no income" meant that the breadwinner had no money to spend and was almost always the symptom of unemployment.⁵⁵ Significantly, most of the breadwinners who had no income for reasons other than unemployment were in the rural areas.⁵⁶ In analysing the relative suffering in the country and the city, the concept of income is of only marginal value, as is that of unemployment. Both are urban and industrial quotients of relative well-being, inapplicable to the practices of subsistence farming adopted by South Australian farmers.

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- 53 Annual deficit on a farm growing wheat, without allowing any payments to the farmer, was minus £210. The sideline income was £229. Nett income 7/4 per week. Records of the Royal Commission on Wheat Flour and Bread Industries. Commonwealth National Library - Archives Division Accession No. CP 656, Series No. 17. (Hereafter CP 656, §.17, etc.)
- 54 £60 per annum. A.J. Perkins, "Economic Position of Mixed Farming" S.A.J.A., XXXIII (1929), p.100.
- 55 84% Urban breadwinners with no income had none because they were unemployed. Census, p.1910.
- 56 85% workers who had no income because they were "unpaid help" were in the Agricultural/Pastoral/Dairying Industries. Census, p.1369. One in nine Rural Males had no income, one in eight of the urban males. Census, p.1910.

During the Depression there were proportionally fewer unemployed men in the country than would have been expected from the geographical distribution of population and breadwinners.⁵⁷ Rural men made up about two-fifths of the State's breadwinners, but only 13% of the State's unemployed.⁵⁸ In the Agricultural, Dairy and Pastoral industries only one person in every sixteen was out of work, less than half the State average.⁵⁹ In such industries where most of the breadwinners were self employed,⁶⁰ 'unemployment' was a foreign idea. The dominance of self employed people in the rural industries was part of the settlers' heritage and habits. During their first years on the land they had been unable to afford to hire men⁶¹ and as their families grew up, they had no need to. Rather than hire workers to expand production on the farm, the farmer looked for labour saving devices to allow more effective use of his family's 'free' labour. A further factor keeping unemployment low in the primary industries was the very fact that a sizeable proportion⁶² of the 'employees' were members of a farmer's family. On perhaps one quarter of the State's

57 Rural areas 46% population.

58 Census, p.1910, c.f. also footnote 51 supra.

59 Census, p.1369.

60 *ibid.*, In Agricultural/Pastoral pursuits self-employed 27,637; employees 22,642.

61 A.J. Perkins "A Plea for Nation-wide Research Into the Economic Position of our Various Rural Industries" S.A.J.A. XXXI (1928) p. 593.

62 3192 helpers not receiving wages or salary. Total of 25,834 employees in Ag./Past.Dairy Industries (i.e. 12% breadwinners) Census, p.1369.

farms⁶³ they worked for their father⁶⁴ in return for board and lodging. The "unpaid helper" was a predominantly rural phenomenon⁶⁵ confined almost entirely to primary production,⁶⁶ and since few farmers found it necessary to augment this family assistance with one or two men at harvest time⁶⁷ it would appear that the unpaid help was under-employed most of the time.

Whatever their income or employment, South Australia's farming families regarded themselves as the backbone of the State⁶⁸ - a claim that the previous generation had made with more accuracy.⁶⁹ Since then South Australian wheat production had

63 10% farms had unpaid family assistance, i.e. approx. 1 farm in 4 with family assistance did not pay wages. CP 656, S.17.

64 20% farms had no assistance, 20% had only family assistance, 40% had only outside assistance and 20% had both family and outside assistance. (CP 656, S.17). 26% working on their own account. (Census, p.1369). List of 102 employees on 82 farms indicates most of them were members of the family. Government Record Group No.6, Drought Relief and Farmers Assistance. Series 1, File No. 114 in South Australian State Archives. Hereafter this Group will be identified as GRG6, followed by the Series number, followed by the File number. Hence the above reference would read GRG-6/1/114.

65 90% were in rural areas. Census, p.1910.

66 85% were in primary production. Census, pp.1368-9.

67 Average employment requirements were 65 man days - i.e. approximately 1.35 men for 7 weeks on the average. (CP 656, S.17)

68 e.g. Advertiser, 8 January 1930. Letter to Editor.

69 Census figures for breadwinners show 1911, 30% in primary production, in 1921, 27%; in 1933, 20%.

declined in importance. No longer was it the Commonwealth's granary, but in the years between the two World Wars the State's economy and landscape were still dominated by primary industry, chief among which was wheat-growing.⁷⁰ Breadstuffs accounted for most of the value of exports,⁷¹ wheat-farmers contributed most of the value of the State's primary production⁷² and employed the largest proportion of the state's workers in primary industry.⁷³ Probably about one third of all the State's breadwinners were dependent, directly or indirectly, on the produce of the land,⁷⁴ but this proportion was falling as primary industry was supplemented by secondary industries.⁷⁵ By the middle of the 'twenties the aggregate nett value of production of industry had passed that of agriculture but the State was by no means industrialised.⁷⁶

Just under half of South Australia's population⁷⁷ was in the

70 Table 1, Map 1 (inside back cover).

71 Table 1.

72 *ibid.*

73 40% breadwinners in primary industry and 7.5% total breadwinners, ranking after Commerce and Finance, 15%; Manufacturing 13%; and Personal Domestic Service 8%. Census, pp.404-5, 410-11.

74 Calculating dependence of other industries on primary production. From data in Rural Reconstruction Commission First Report: A General Rural Survey (Canberra, 1944) pp.11-12. Hereafter R.R.C. I.

75 *c.f.* footnote 69, *supra*.

76 Table 1.

77 Table 1.

rural areas, in the isolated towns, and at the sidings dotted along the railway network, or on the more remote farms and stations. The economy of the small settlements depended on the primary producer and the wheat farmer most of all, just as did the economy of the State itself. This dependence on one staple made the economy extraordinarily vulnerable to the shifts and vagaries of the international wheat market - in global terms even the Nation's contribution to the wheat stock was negligible.⁷⁸ Any decline in the world market price was an immediate threat to the farmers' livelihood and the State's economy. There was no way the threat could be met and the Government had to hope for the best, because primary producers held the greatest opportunities to increase production to meet the State's financial commitments.⁷⁹ The late 1920's saw the beginning of patriotic calls to the farmers to assist the State. From the opening of the Agricultural Policy Campaign in 1927 the State Government pointed out to the farmer the privilege they were being offered - the privilege of taking the greatest burden.⁸⁰ The Government urged the production of more and still more primary produce. In 1928 alone the Minister of

78 Table 2, Australian production = 3% World production.

79 Premier (R. Butler) opening the Agricultural policy campaign, 22 August 1927. S.A.J.A. XXXI (1927) p.114.

80 "The lions share of the work must fall upon the shoulders of primary producers ... I am inclined to look upon it as one of the privileges that attach to the occupancy of land". Minister of Agriculture (J. Cowan). 26 August 1927. S.A.J.A. XXXI (1927), p.179.

Agriculture circularised 19,000 farmers⁸¹ as part of the "Greater Production Campaign".⁸² Speaking as a fellow farmer he explained:

there is one measure, and perhaps only one, that will bring early relief from the stringency of existing financial conditions ... maximum production of ... maximum quantities of wheat⁸³

The annual exhortations to yet more wheat production culminated in 1930 with the Prime Minister's appeal to "GROW MORE WHEAT"⁸⁴ to help Australia meet its commitments abroad.⁸⁵

By this time the stocks of unsold wheat all over the world were over four times Australia's annual production.⁸⁶ The giant surplus had been growing, if not unnoticed, then unremarked,⁸⁷ as the European importing countries became more self-sufficient after the First World War.⁸⁸ As stocks accumulated, the prices fell.⁸⁹ The farmers' incomes dwindled but they, like the experts, remained optimistic,⁹⁰ and for good reason. Their decreasing annual returns

83 Circular letter, 1 March 1928 (emphasis in original). D.A.249/28

84 "Grow More Wheat" in F.K. Crowley, Modern Australia in Documents (2 Vols., Melbourne, 1973) Vol. I, pp.463-4.

85 Director of Agriculture - notes for the Premier. D.A. 762/31.

86 Table 2.

87 E. Dunsdorfs. The Australian Wheat-Growing Industry 1788-1948. (Melbourne, 1956) pp.270-1. The International Institute of Agriculture (Rome) did not publish stockpile data in its volume The Agricultural Situation until 1931.

88 Royal Commission on the Wheat, Flour and Bread Industries, Second Report, (Canberra, 1935), p.17. Hereafter R.C.W.I.

89 Table 2.

90 R.C.W.I. Second Report p.17. "extent of the surplus was not immediately realised ... it was expected that the position would be relieved".

were not recognised as simply, or even primarily, as a result of declining prices, but as a reflection of poor yields during droughts. South Australia was a dry State,⁹¹ and worse still, in the districts where the rainfall was sufficient for wheat growing, the annual precipitation was unpredictable. As many as 5 out of 10 years⁹² would be droughts on the average, but in the latter half of the 'twenties the seasons had been much worse. By 1930 most of the Upper North, the Murray Mallee and the West Coast had been through three bad seasons of below average rainfall. There was widespread failure of crops,⁹³ and the immediacy of the trials of widespread drought⁹⁴ was sufficient to distract the farmer from the trend of wheat prices. His attention was concentrated on getting credit for the next season and putting in the next crop, not on the prices over which he had little control.

The farmer's instinctive reaction to his reduced income was to put in more acres of wheat, hoping that the increased total

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- 91 82% State had less than 10" p.a.; only 1% had over 25" p.a. Agricultural Settlement Committee Report, S.A.P.P. No. 71, 1931, p.60. Hereafter S.A.P.P. 71, 1931.
- 92 "drought ... [a] season of continuously effective rainfall [of] less than five months", H.C. Trumble, "Rainfall Evaporation and drought Frequency in S.A.", S.A.J.A., L (1948), p.58, c.f. also Map 2.
- 93 "to all intents and purposes half the crops in [U.N. & M.M.] werelost". "1929 was the fourth consecutive unfavourable season for many farmers". S.A.P.P. 43, 1930, p.7.
- 94 W.J. Gibbs, J.V. Maher, Rainfall Deciles as Drought Indicators Commonwealth Bureau Meteorology Bulletin No. 48, (Melbourne, 1967) *passim*.

yield would offset the previous loss, and gambling on a better season, or better prices, "next year".⁹⁵ Driven by these hopes, and the fear that he would not have a big enough crop to cover all his past losses if the season was kind to him,⁹⁶ the farmer abandoned his crop rotation, if indeed he had ever bothered with that refinement of farm management.⁹⁷ Fallowing was abandoned because it wasted land that could be planted, and there was little point in keeping paddocks fallow to boost the yield⁹⁸ of the next season's crop if creditors were not going to allow the farmer to remain on the land to sow it.

After three years of drought and falling prices the farmers of South Australia put a record acreage,⁹⁹ perhaps spurred on¹⁰⁰ by the Federal Governments calls to "Grow More Wheat" and the State Premier's appeal to bring in a huge harvest to "end the

95 F. Coleman (Chairman Agricultural Advisory Board) "they are absolutely certain every year that the drought is going to break". Report on the Finances of South Australia as Affected by Federation. S.A.P.P. No.73, 1931, p.53.

96 Interview, Mrs R. Hunt, [Bordertown], September 1971.

97 35% of farmers had no crop rotation system at all. CP 656, S.17.

98 Minimum increase of three bushels per acre. W.L. Johnston "State of South Australia - Wheat Production on Fallow". S.A.J.A., XXX (1926), p.274.

99 Graph II.

100 ... "we grew more wheat ... not because they asked us to, only because ... it looked economically advisable". Interview, Mr E.L. Mattinson [Bordertown], September 1971.

depression".¹⁰¹

To achieve that end they made additional efforts to put in as much fertilizer with the crop as they were able.¹⁰² At the same time they extended their cropping into second and third class land¹⁰³ and into the riskier areas of the State, like the Willochra Plain, which had been abandoned as wheat land in the 'eighties.¹⁰⁴ There the farmers scratched in crops on unploughed land with light dressings of superphosphate, hoping to get the maximum return for the minimum expenditure.¹⁰⁵ Nineteen thirty was the most favourable season for three years but, unfortunately, while the crops flourished, the prices fell. When seeding had started in April, wheat was worth over fifty pence per bushel.¹⁰⁶ By the middle of the year the possibility of good yields in the Northern Hemisphere was more certain. It also appeared that, in addition to the threat of good crops in exporting and importing countries, Russia would export wheat. Over-supply looked inevitable and confidence in the wheat market vanished.¹⁰⁷ By the beginning of the South Australian harvest in November, wheat was less than

101 Advertiser, 18 January 1930. Article, R.L. Butler, (Premier).

102 Table 3.

103 S.A.P.P. 43, 1931, p.7.

104 D.W. Menig, On the Margins of the Good Earth: The South Australian Wheat Frontier, 1869-1884. (London, 1963), p.79.

105 Dalgety Correspondence: General Manager to London Office, 2/6/30, 26/8/31. Hereafter cited as Dalgety-London.

106 Seeding May-June, April-May in low rainfall areas. D.A. 68/34. See Graph III.

107 Rural Reconstruction Commission, Tenth Report: Commercial Policy in Relation to Agriculture. (Canberra, 1945) p.311.

thirty pence per bushel¹⁰⁸ - the farmers' gamble had failed, shattered by the collapse of the international wheat market. The farmers income sagged well below his production costs. Credit used to buy 'super' and seed was swallowed up with no return; the farmer was worse off than before. The depression that some farmers had felt in 1926-27¹⁰⁹ when prices had begun to decline had arrived as The Depression. The Government still urged farmers to continue producing, because, "Every ear of corn in Australia is an offset against our indebtedness abroad".¹¹⁰

There could have been no "intelligent Australian" who was not convinced that the salvation of South Australia, and Australia, depended on the resuscitation of Primary Industry.¹¹¹ The farmers however, were in two minds. Some said that they would not put in more crop, others that they would and were "not going to let their shirts get tangled round their legs".¹¹²

In the safer areas of the State which had not suffered the

- 108 Harvest, November-March: peak January-March. D.A. 630/35. See Graph III.
- 109 e.g. (1) Stockport Ag. Bureau to Director of Agriculture, 5 September, 1927, "farming has ceased to be a payable proposition" D.A. 741/27. (2) "the disastrous period, starting in 1927", S.A.J.A. XLI, p.380. (3) "From 1926 everything was dropped back to zero." The Farm Stock and Station Journal, 1 September 1933. Hereafter, Farm.
- 110 Minister of Agriculture (S.R. Whitford). S.A.J.A., XXXIX (1931), p.319.
- 111 Advertiser, 3 December 1930. Editorial.
- 112 Pioneer, 20 February 1931.

three-year drought, farmers were able to follow the confident advice of the Director of Agriculture to "Keep to Wheat",¹¹³ and once again increased their acreage. The less fortunate farmers in the Murray Mallee and on the West Coast could not.¹¹⁴ The failure of their last effort had brought them more immediate concerns that the State's future - their creditors. In these huge wheat-growing regions the acreage planted fell back to such an extent that the State's total crop was reduced.¹¹⁵

The restriction of credit was beginning to show in other ways. 'Super' was suddenly too expensive to use, farmers looked for ways of diluting it with ash or guano to make it spread further.¹¹⁶ Crops everywhere got lighter dressings¹¹⁷ or none at all. The farmers argued that the residual 'super' untapped by crops in the previous bad seasons, would be sufficient.¹¹⁸ Enforced economy revived the waning interest in horses on the farm.¹¹⁹ Their feed,

113 Advertiser, 27 February 1931, p.20.

114 E. & L. Dunsdorfs, Historical Statistics of the Australian Wheatgrowing Industry: Acreage and Average Yields in Counties and Divisions. N.S.W., Vic., S.A., and W.A. 1792-1950. (Melbourne, 1956), passim.

115 *ibid.*

116 D.A. 1/31 various letters to Director asking advice.

117 D.A. 763/31. Table 3.

118 Dispatch, 17 April 1931.

119 Graph IV.

unlike tractor fuel, was a farm product and "cost nothing". The conservatism shown by farmers when adopting the tractor in the late 1920's¹²⁰ saved them from real financial difficulty. The tractor had been treated as supplementary to the horse team, enabling the farmer to expand the acreage he could crop.¹²¹ When the tractor became too expensive, the farmer could revert to a solely horse-powered farm fairly readily. Naturally this generalisation did not hold in all cases, and a renewed demand for horses, combined with the need to keep teams up to strength, increased the price of horses. Horses in the north of the State, that in previous years would have been shot to save the pastures, fetched upwards of seven pounds a head, unbroken.¹²² The needy farmer was now worse off than before, unable to afford replacements for his team. The more affluent could continue as before, but they too had to forgo some luxuries. Cars, if they were still being used, cost money to register and to run, so they were laid up on blocks to await the end of the Depression. This solution was

120 Half purchased 1921-6, remainder 1927-9. D.A. 278/29.

121 Acreage increased from 361 acres to 508 acres crop on each farm while the number of horses was only reduced from 14 to 8. A.J. Perkins, "A critical Glance at Some Aspects of Tractor Farming in Australia", S.A.J.A. XXXIII (1929), p.228.

122 Dalgety-London, 22/10/30.

sufficiently common¹²³ to warrant newspaper articles on "Hints on storing your car".¹²⁴ Some farmers were reduced to riding horses or bicycles¹²⁵ but others fought to retain the convenience and luxury of motor cars and were inspired to new heights of "make and mend" to cut costs.

Farmers could not buy replacements for their cars such as tyres and batteries. This was overcome by fitting one tyre over the worn one and travelling slowly ... Kerosene lanterns were hung on the front of the cars when the batteries failed"¹²⁶

There were more elaborate innovations to reduce the cost of keeping an automobile. Hitching horses to the front,¹²⁷ transmuted it to a "horse-drawn vehicle", and cutting down the body to produce a 'utility' or 'buckboard' reduced registration costs.¹²⁸ Others unable to afford petrol¹²⁹ but wanting to retain some of the smooth ride of the car, invented the "Depression Cart" by fitting old

123 Graph I.

124 Dispatch, 13 April 1931.

125 Dispatch, 28 February 1930.

126 Mr H.A. Schiller [Cowell], written communication, 14 December 1972.

127 Dalgety - London, 22/10/30.

128 Dalgety-London (Managers & Accountants Report), 30 June 1933, complained that this practice restricted their utility sales.

129 Second Grade Petrol selling price, (inc. freight) 2/1 gall. (Approximately the value of one bushel of wheat). Dalgety - London, 30/12/30.

motor car wheels to resurrected horse-drawn buggies, sulkies, and spring carts.¹³⁰

"Making do", reducing expenditure, affected all members of the family; the farm was their way of life, more than something employing the breadwinner. Any economies necessary to keep the farm, and by extension, its family, involved all of that family - they were part of the farm's equipment. Shop-bought items like tea¹³¹ and bread¹³² vanished from the kitchen, lemon cooking essence replaced cordial,¹³³ old recipes were revived¹³⁴ and new ones invented to use up the farm's produce. Wheat was the main ingredient of the farmers' makeshifts.

This wheat we couldn't sell we even crushed some of it and used it for porridge instead of oatmeal ... I did experiment with roasting it in the oven and using it for coffee - it had quite a pleasant flavour.¹³⁵

In the most extreme circumstances the farms produce was the only source of food, be it beetroot,¹³⁶ bread and dripping,¹³⁷ or boiled wheat and treacle.¹³⁸

- 130 Mrs D. Chesterfield [Port Lincoln], Written communication, 5 March 1973.
- 131 Dalgety-London, Managers and Accountants Report on Merchandise turnover 1929-39.
- 132 D. Chesterfield, loc cit.
- 133 J. Airy, loc. cit.
- 134 S.A.J.A. XXXV (1932), p.1267 - Clare Womens Ag. Bureau Meeting 2 April 1932. Yeast Bread Cake & Buns "So many housewives nowadays are required to bake bread that a few hints ... may be found helpful".
- 135 Hunt, Interview.
- 136 J. Airy, loc. cit.
- 137 Mattinson, Interview.
- 138 Farm, 1 December 1931, p.24.

* Clothes, erstwhile essentials, became luxuries, and were made to last by constant repairing, or replaced by home made¹³⁹ garments fashioned from a variety of cast off clothing, or from the mainstay of country seamstresses, the sugar bag.¹⁴⁰

Families turned inwards, rather than expose their poverty to outsiders. The old outside interests were replaced. Holidays, trips to the township,¹⁴¹ hospital treatment,¹⁴² all were curtailed or abandoned completely: The Local Agricultural Shows languished, deprived of attendances and, in the interests of the State's economy, of Government subsidy.¹⁴³ 'Frivolous' entertainments like local race meetings were abandoned for lack of patronage.¹⁴⁴ Recreational reading too, suffered in the Depression; farmers were unable to unwilling to come into the local town thus restricting their families' access to the country libraries.¹⁴⁵ The borrowers who did still come, immersed themselves more deeply¹⁴⁶ in the

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- 139 S.A.J.A. XXXIV (1931), p.782. Gladstone Womens Ag. Bureau Meeting, 9 January 1931, "nowadays most women do a fair amount of their own dressmaking".
- 140 Farm, 1 December 1931, p.24.
- 141 In 1939 about one farmer in ten would not have had any holidays in the 1930's. Holt, op.cit., p.107. Schiller, loc. cit., weekly visits cut down to monthly.
- 142 Mrs N. Robinson, personal communication, Based on research at the Jamestown Hospital.
- 143 Subsidy of 50% value prizes offered withdrawn. 16 January 1931. Government Record Group, No.10. Minister of Agriculture Correspondence Files. No.120 of 1929. Hereafter cited as for D.A. Files (Footnote 2, supra.).
- 144 Pioneer, 9 August 1934. Karoonda racing club in recess for one year.
- 145 Number of borrowers decline. Table 4.
- 146 Increased number of volumes per borrower. Table 4.

abundant escapist¹⁴⁷ literature on the library shelves. Physical escape from the rural depression was impossible without money, but the intellectually minded farmer, and especially his wife could block out reality with romantic novels.¹⁴⁸

Compromise and making do to keep the farm going was a part of the farmer's life that the family accepted, independence was worth making sacrifices for.¹⁴⁹ But after 1930 the sacrifices were enforced, absolutely essential if the farmer was to stay on the land. For the first time since the Great War, farming appeared to be an occupation with only a doubtful future. As they realised this farmers made drastic adjustments to their way of life. A few walked off their properties in the crisis, to search out another livelihood. One farmer recorded that, of his old neighbours who had decided to meet the bad times in their own way,

Two are in Parliament, another runs a transport service from his home town to the City, another is on the goldfields, others on roadwork ... a farmer might sell half a dozen horses and live for a couple of years on the proceeds.¹⁵⁰

Some old soldiers, their reserves of fortitude exhausted during the War, found that the only remedy for the collapse of their

147 R.R.C. VII, p.85.

148 Holt, op. cit., p.105.

149 "The producer will continue on his holding by accepting a temporary reduction in his standard of living ... receiving in return continuous employment in a congenial occupation". A.J. Perkins, "The Recent Decline in the Dairying Industry: Its Causes and Remedy", S.A.J.A. XXXIV (1931), p.1243.

150 Wheatgrower, 15 January 1934.

chosen way of life was a dose of strychnine or the blast from a shotgun.¹⁵¹ The majority of farmers remained in hope and tried to economise.

The enforced economising in order to just survive led the farmer to question the basic economic facts of farming. The conventional wisdom emanating from all levels from Sir Otto Neimeyer down, was to reduce costs. In essence sound advice, but a course which the farmer could not follow. He was at the end of the economic chain, the primary producer paid for goods and services at prices over which he had no control. When his income fell because of factors which he, again, had no control, it was impossible to cut costs except by cutting back on goods and services.

The other alternative was to increase farm income. The schemes devised by the farmers to do this ranged from keeping bees or growing flowers¹⁵² in addition to wheat farming, through to encouraging flax and tobacco.¹⁵³ Citrus production was recommended to boost a profitable export trade in "unadulterated orange marmalade... a favourite food with English people ... [and] the better class of Hindus".¹⁵⁴ These alternatives represented the sort of auxiliary undertaking by which farmers could hope to net more cash income. The interest in "sidelines" like those, and more commonly, pigs,

151 Pioneer, 7 March 1930 and 10 April 1931.

152 D.A. 644/36.

153 D.A. 753/33.

154 Advertiser, 2 May 1934, p.23. Letter to Editor.

dairying, poultry, and sheep was obvious at the Agricultural Bureau meetings from 1929 to 1933.¹⁵⁵

Diversification was not a very attractive proposition when prices for primary produce had been falling at the same rate as wheat prices since the end of the 1927-28 season.¹⁵⁶ The real encouragement lay in the desirability of making the farm income as diverse as possible, to shift the economic base away from wheat. During the euphoric years of the early 'twenties when wheat returns were well over three shillings and sixpence per bushel, or ten shillings per bag, farmers regarded sidelines¹⁵⁷ as a source of income that was useful, bothersome, and non-essential.

They had happily abandoned the tedium of dairying - the physical commitment to two milkings every day of the week, was not adequately rewarded by the unchanging milk prices.¹⁵⁸ Their distaste could be seen in the small herds, most of them contained four or fewer cows,¹⁵⁹ which would suffice for the family's needs. In South Australia the dairy industry scarcely existed and farmers generally had still not advanced beyond "milking cows".¹⁶⁰ They were not even interested in improving the stock they did have. Few bothered to cull the poor producers from the herd to improve the

155 Analysis of reports in S.A.J.A., 1925-40.

156 Graph V.

157 Sidelines, "The main object of sidelines on the farm is to support the results of the main crops", S.A.J.A. XXXIV (1931) p.991.

158 Graph V.

159 Table 5.

160 Chief Dairy Instructor, S.A.J.A. XXX (1926), p.360.

breed and milk production. Half the cows on farms could not be identified as a specific breed - their only useful classification was "nondescript".¹⁶¹

The arrival of hard times reawakened the farmers' interest. Milk and butter produced on the farm was food, free of charge, and there was always the possibility of selling surplus milk to the city,¹⁶² or to the declining number of butter and cheese factories.¹⁶³ The promise of some cash return elevated the cow to a genuine sideline; with it the pig assumed importance. Dairying and pig breeding were interwoven because after separation of the cream on the farm, the skim milk could be turned to profit by feeding it to the pigs.¹⁶⁴

"Dairy" butter,¹⁶⁵ made on the farm could also be sold, or until 1933 bartered at the local General Store for other supplies.¹⁶⁶ Another attraction of the dairy as a sideline was the imperishability of the cream produced. Not that it did not go sour when

161 D.A. 66/25.

162 In addition to 4,000 cows in the Metropolitan area (GRG-10 M.A. 55/32) the city milk supply area stretched as far as Gawler, Meadows, Myponga, and to Tailem Bend and Mannum on the River Murray (S.A.J.A., XXXVII (1933) p.429). Milk was collected by boat along the Murray up to 80 miles from Murray Bridge for the city. (Farm, 1 April 1936, p.15).

163 S.A.J.A., XXXVIII (1930), p.1100. In 1925, 41 factories; 1933, 25 factories. D.A. 66/25; D.A. 689/33.

164 S.A.J.A., XXXVI, (1932), p.76.

165 S.A.J.A., XXXVII (1935), p.1542 - so called because it was made in the Dairy. 50lb. of cream would produce about 25-30lb. of butter - about 25% State's butter was "Dairy". D.A. 66/25.

166 In 1933 butter factories agreed not to re-work Dairy Butter - which meant that local shopkeepers had no avenue of disposal for any they accepted. GRG-10, M.A. 141/31 (enclosure dated 21/9/33).

sent over long distances, it certainly did, but this was ignored by the bulk buyer. Cheese and butter factories were notorious at the time for their lax acceptance of "tainted" cream collected perhaps once a week from the farmer's unrefrigerated dairy.

Factories in fierce competition for the farmers cream had no choice but to accept it in any container, in dented, rusty cans, petrol tins, jars, and billy cans,¹⁶⁷ and in any condition even if it was a week old and had travelled one hundred miles by rail.¹⁶⁸ Had they refused the evil product the farmer would have changed to a more accommodating buyer, as he did whenever he felt he was not getting paid a fair price.¹⁶⁹

Stricter provisions in the Dairy Industry in the mid 'thirties, including a tax on persons selling more than ten pounds of butter per week,¹⁷⁰ hastened the decline of the farmers' interest in cows when wheat prices improved after 1936. Herds began to slip back to their pre-depression size, the trend towards more herds of five or more cows was reversed.¹⁷¹ The only lasting impact appears to have been an improvement in the productivity of the herds, for although the numbers of cows declined, milk production continued to rise.¹⁷²

167 S.A.P.P. 43, 1932, p.32. D.A. 624/33.

168 S.A.P.P. 71, 1931, p.54.

169 Airy, loc. cit.

170 $2\frac{1}{2}$ pence per pound, D.A. 16/35.

171 Excepting very large herds, which increased in number. Table 5.

172 Table 5.

The farmer's interest in sheep as a sideline was more sustained.¹⁷³ As with cows, the typical farmer ran only a small number on his farm,¹⁷⁴ but the promise of an annual wool cheque, and the relative ease with which sheep could be obtained,¹⁷⁵ tempted him to run larger flocks.¹⁷⁶

Two main factors hindered the widespread adoption of sidelines. Diversification was effectively the prerogative of only the relatively few solvent farmers because fencing, watering points and stock themselves all had to be purchased. The farmer who was struggling to become established was in a difficult position; he was unlikely to have sheep-proof fences on his farm and less likely to be able to get credit to build them. In addition, farmers who could afford to diversify faced the threat of widespread over-production of these former "sidelines", in which they were just establishing themselves.¹⁷⁷ Oversupply was particularly obvious in the dairy industry; in the early 'thirties butter prices fell by half and milk prices by one third.¹⁷⁸ In addition, there was such a barley surplus that in 1936 farmers were advised to feed it

173 Graph IV.

174 70% flocks less than 500, 5.7% more than 1,000. Table 6.

175 c.f. Chapter III, footnote 86.

176 In 1938/39 less than 65% flocks below 500, 10% more than 1,000. Table 6.

177 S.A.J.A., XL (1936), pp.63-64.

178 Graph V.

to pigs,¹⁷⁹ although that market too was also unsound.¹⁸⁰

Farmers of limited financial means or managerial ability were effectively excluded from increasing their income through side-lines. Once satiated, the market demanded a better product which only specialisation could bring. In pig farming where there was a distinct alteration of the type of pig required, methods of breeding and management had to be readjusted and the farmer "compelled to alter his preconceived idea as to which is the correct article".¹⁸¹

The probability of being excluded from a lucrative market contributed to the farmers' caution. It was certainly simpler, probably safer, and definitely cheaper to continue as before, just altering the type of crop, not a complete way of life. As the acreage put in to grain crops stabilised¹⁸² after an "attempt to retain a living wage and working capital [had] increased rather than decreased the area sown",¹⁸³ the proportion of the land put in to wheat suffered a relative decline even though it was still the pre-eminent crop. In spite of advice and experiments to increase his income the farmer still retained his accustomed crop and the real and inseparable problem of the price of wheat.¹⁸⁴

179 Department of Agriculture Circular letter 9 January 1936. D.A. 200/36.

180 Graph VI.

181 D.A. 615/33, 12 July 1933.

182 After 1934/5, Graph II.

183 D.A. 885/38.

184 Second highest proportion blaming a specific cause of their problems (25%) identified "low prices", R.C.W.I, Second Report, p.115.

The farmer saw the low price and realised the need for reduced costs and more varied sources of income, but he saw that no matter how hard he tried to economise, his costs still exceeded his income. In spite of his sacrifices his position grew worse.¹⁸⁵ He had to bear the unfettered competition from all parts of the world and carry what he thought were uniquely Australian burdens. Tariffs, workers' compensation, and high wages imposed by the Arbitration Court all conspired to keep the prices of his essential needs¹⁸⁶ beyond the farm's capacity to pay. Since the War he had been trapped between low returns and the rising costs of essential services and goods¹⁸⁷ due to, as he put it, that "lot down in town [who] must have ... big wages and profits ... leaving ... poor devils in the country to work ... for bare tucker".¹⁸⁸ Those sentiments in the "eloquent forceful language"¹⁸⁹ that had no place in Government reports, summed up his feelings about all the oppression he felt upon himself. To him the "lot down in town" were responsible for the imposition of tariffs, high taxes, high machinery costs, the low price of produce, high freight costs,

185 Table 7.

186 Goldsborough-Mort and Co. Ltd., Annual Report, 1930. In Australian National University Archives Deposit 2B, No.48, Box 2. (Hereafter A.N.U. 2B, etc.)

187 The farmers grievances were (In approximate order of importance), high tariff, high tax, high machinery costs, low price of produce, high freight costs, insufficient capital, climate, high interest. S.A.P.P., 71, 1931, p.43.

188 Dalgety - London, 3/4/34 (quoting a client's letter).

189 As deleted from S.A.P.P. 71, 1931, p.43.

insufficient capital, high interest rates, and all his other ills.

High tariffs were constantly decried as an iniquitous imposition of the industrial Eastern States on agrarian South Australia as a price of Federation.¹⁹⁰ Machinery costs were often linked with both the Harvester Judgement, which kept wages unnaturally high, and with tariffs.¹⁹¹ Costs of basic farming machinery and equipment had increased by one third during the First World War and a further one quarter since then.¹⁹² Farmers believed that the tariff was the major problem and remained unconvinced by a Government inquiry which found that it had caused no change in the selling price of agricultural implements.¹⁹³ Their belief also survived the fall in machinery prices which brought the overall increase on pre-war costs down from a peak of 74% in the mid 'twenties to almost one third in 1934.¹⁹⁴

Taxes on income did not impinge heavily on farmers who through expenditure in excess of their income, had no income.¹⁹⁵ Furthermore, after 1933 the farmer was entitled to carry over one

190 S.A.P.P. 43, 1932, p.9.

191 *ibid.*, pp.28 and 30.

192 Price rises 1913-18: 36%; 1918-25: 27%; 1925-30: decrease 8%; 1930-34: decline of 17%. D.A. 490/30 and D.A. 875/33.

193 W.R. Maclaurin, Economic Planning in Australia 1929-1936. (London 1937), p.207, citing Tariff Board Report on Agricultural Implements. Also Director of Agriculture to Minister of Commerce (C.A.S. Hawker) 1/11/32. D.A. 819/32.

194 *c.f.* footnote 192.

195 R.C.W.I., Second Report, p.153.

years' total losses as a deduction from the next seasons' profit.¹⁹⁶
 At the local level the District Council rates and taxes were not always collected¹⁹⁷ - not only because it was a difficult task in the Depression, but also because the councillors, also farming men, were sympathetic to their fellows' problems.¹⁹⁸

Freight costs, which in South Australia amounted to just less than $\frac{1}{2}$ d per bushel per mile for wheat,¹⁹⁹ were reduced, but only to the mid 1920's level.²⁰⁰ The Railways, like any other Government body at the time, had to balance its budget. Taken all in all, Government action to facilitate the reduction of costs for the farmers was tardy, and when it did occur the reduction was meagre. Farmers, used to being praised and cajoled as the backbone of the State and Nation grew understandably impatient with the Government's reluctance to assist them. Not all were fobbed off with sweet words from the Director of Agriculture, whose advice was not to worry over passing crises of costs, but to

glory in the knowledge that in a time of grave national emergency the ultimate rehabilitation of the affairs of the community is dependent very largely upon your grit, intelligence and untiring efforts.²⁰¹

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- 196 Dalgety-London, (Manager's Report) 31 December 1933, quoting S.A. Taxation Act of 1933.
- 197 Pre-1930 collection 96% rates, post-1930 85% rates. Table 8.
- 198 "Rate payers have been agreeably surprised to find their assessments have been reduced 20%". Dispatch, 9 October 1931.
- 199 Cost per Bushel for 50 miles 2.36^d, for 100 miles 3.5^d. D.A. 875/33.
- 200 R.C.W.I., Second Report, p.134. (Decreased by 20% in 1933.)
- 201 A.J. Perkins, "Present and Future Economic Position of Farmers", S.A.J.A. XXXIV (1931), p.1238.

Instead, they thought that immediate action was essential, but were confused about who should act and how.²⁰² The suggestion that they be thankful for what they had and what had been done for them by Providence²⁰³ was not popular. They were almost unanimous that the man on the land had a claim on the people of Australia,²⁰⁴ but could not agree just what that claim was and how it should be met. Dire threats were made, including the desperate remedy for oppression from a remote, centralised and unfeeling Government - secession.²⁰⁵ In South Australia, the rest of the State, viewed from Eyre Peninsula, was so isolated as to be called "the mainland". Both Western Australia, in the Federal context, and Eyre Peninsula in South Australia, were physically isolated from the real centres of power and both looked to secession as the cure for all their problems. As with other wild suggestions to "take 50,000 bayonets and have a look over Canberra"²⁰⁶ or to bring five thousand farmers to Adelaide to "interview" the Premier,²⁰⁷ no

202 Pioneer, 2 January 1931, complains of "no unanimity". See also Advertiser, 6 January 1931, p.10

203 Pioneer, 24 August 1933.

204 A.J. Perkins, "The Country View Point", S.A.J.A. XXXIII (1929), pp.16-22. A.J. Perkins, "The Claim of the Man on the Land on the People of Australia". Radio Broadcast printed in S.A.J.A. XXXVII (1934), pp.438-442. "The Farmer as a National Asset", paper at Moorlands Ag. Bureau, 19 March, 1930, S.A.J.A. XXXIII (1930), p.1021.

105 Dispatch, 29 August 1930. Meeting of Farmers Protection Association.

206 Pioneer, 20 February 1930, Interview with Farmer.

207 Advertiser, 12 January 1931, p.10, Letter to Editor.

action followed.

More popularly, the farmers suggested a strike,²⁰⁸ a hold-up of wheat deliveries,²⁰⁹ or a restriction of wheat acreages to force concessions.²¹⁰ Once again the precise mechanism by which concessions would be forced was unclear and action did not eventuate. There was one very sound reason for continuing to grow wheat - the price might increase and save the farmer from his crisis. Other pressures to continue production were present. The independence and geographical isolation of farmers almost certainly precluded any State-wide hold-up of wheat. Its imperishable nature also precluded the success in gaining the immediate public attention which attended the holding-up of milk supplies.²¹¹ Economically, any reduction in acreage, or restriction of supplies in South Australia could not have had any impact on the wheat prices, since South Australian wheat production was a mere drop in the world's wheat pools. The Australian stored surplus alone was equivalent to half the States' annual crop.²¹² Restriction could actually have hurt the farmer by reducing his

208 Pioneer, 2 January 1931 - report of meeting at Copeville, 21 December 1930.

209 Dispatch, 27 November 1931.

210 Pioneer, 5 December 1930. Meeting at Mindarie. Advertiser, 23 November 1932, reports similar moves in W.A.

211 Wheatgrower, 15 February 1936. E. de S. Bruner, I. Lorge, Rural Trends in Depression Years: A Survey of Village Communities (New York, 1937), p.40. Milk strikes occurred in one eighth of the communities.

212 Table 2.

income and depressing land values even more,²¹³ and consequently further curtail his already precarious credit.

In addition, radical thought or action of any sort was at such a discount that a farmer felt constrained to protest his patriotism²¹⁴ before expressing doubt about the 'Grow More Wheat' campaign. Without that precaution accusations of "Bolshevism" or "Communism"²¹⁵ would have hurtled down on him, deflecting discussion from the real issues. But it is significant that in the face of such unsavoury epithets the farmers did protest. In doing so, they served notice on the public that they were pushed to the limit of their patience. The depth of despair could not be ignored when such 'revolutionary' demands came from a normally conservative and quiescent body.

The disunity of purpose, arising from the farmers' localised interests, their independent nature and the complexities of each farmer's individual case, was most evident in the multiplicity of farmers and/or citizens organisations that sprouted across the countryside and then withered, leaving no trace but their names in the newspaper files.²¹⁶ The mainspring of these ephemeral organisations was simple; the farmers were searching for some answer,

213 S.A.J.A. XXXIV (1931), p.1211.

214 Pioneer, 25 September 1931.

215 Shouted at a Councillor for suggesting that no crops should be planted. Pioneer, 26 December 1930.

216 Table 9.

any answer, to their problems. They would grasp for anything that appeared to offer it.²¹⁷ Like the city people, who were attending political and public meetings in increasing numbers in their search for some means of protest,²¹⁸ the farmers "realised the importance of getting together ... to thrash out their problems".²¹⁹ Established organisations increased their membership as farmers looked for the answer, or for action, or possibly for a friendly welcome to the fold of the disenchanting.²²⁰ If they failed to find any solution, they drifted away and the group decayed and disbanded²²¹ until economic pressures again forced them back to the familiar quest.²²² Mushrooming new organisations captured attention, but, like the older societies could only maintain it by propaganda which camouflaged their impotence.²²³ The South Australian Wheat Growers Association for example, only formed new branches after 1932, as a result of a State-wide

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- 217 Increase in membership Dairy Herd Associations since the fall in butter prices, S.A.J.A. XXXVIII (1935), p.794. 100 new members in Murray Lands Division of S.A.W.G.P.A., Pioneer, 1 August 1930. Table 4.
- 218 Dalgety-London, 12/2/31.
- 219 Advertiser, 6 April 1931, p.7. Minister of Agriculture, (S.R. Whitford).
- 220 "The Agricultural Bureau is very largely social in character" D.A. 450/32.
- 221 Table 3, Wheat Pool Deliveries. Table 4, Agricultural Bureau Membership.
- 222 c.f. 217 supra, Agricultural Bureau Membership increased in 1939 as wheat prices fell. Table 4.
- 223 In order to be effective eventually the organisation had to refrain from drastic utterances, c.f. Wheatgrower, 15 March 1935; 15 May 1935 for its position on direct action.

campaign²²⁴ and the founding of its own newspaper, the Wheatgrower, to keep its members sufficiently informed to want to remain in the organisation.²²⁵ Once any organisation began to formulate long term plans, or aim for distant goals, or for less obvious political ones, support became difficult to maintain. The problem of keeping the independent farmer involved in any organisation was epitomised by the fate of the Pinkawillinie Branch of the S.A.W.G.P.A.²²⁶ By 1932 it had abandoned the fight for the wheat-farmers' cause and had become a vigilance committee scrutinizing the condition of the roads.²²⁷ It seemed that the acid jest that there were "two classes of people you cannot organise ... lunatics and cockies"²²⁸ had some truth in it.

As organisations discussed, debated, and decayed the "practical" associations offering immediate benefit continued. Farmers did not easily accept an imposed organisation but they were willing to assist each other in practical matters in an informal, occasionally dramatic way, as when the farmers seized wheatstacks in the

224 S.A.W.G.A. Branches inaugurated 1933, 10; 1934, 10; 1935, 1; 1936, 1; 1937, 5. Wheatgrower files.

225 Wheatgrower, 15 July 1933.

226 S.A.W.G.A. was previously South Australian Wheat Growers Protection Association. (S.A.W.G.P.A.).

227 Dispatch, 31 August 1931.

228 Advertiser, 1 January, 1930. Letter to Editor. Cocky - 'a big coarse gruff man, the nearest approach to a human being who is used by the Government to finance the country', Wheatgrower, 15 November 1935.

Murray Mallee.²²⁹ Shortening a road to the Caralue railway station brought seven West Coast farmers together for over a week,²³⁰ for the farmers saw the point of this collective action, it was "an accepted thing, you help your neighbour, you're not an individualist when you are out on your farm".²³¹ Other, initially informal, organisations survived for longer. One group which began purchasing "super" from Victoria in 1931 because it was cheaper, was still going in 1935, co-operatively buying more and more every year.²³² Another co-operative venture, which ran a freight service to Adelaide for its members, lasted for at least four years.²³³ The early individuality that produced diverse responses appeared to have waned and become less of an obstacle to organisation as the 'thirties wore on. Once the organisations had consolidated themselves, found their leaders and were sure of their supporters there would arise an authentic organised voice of the farming community. The Agricultural Bureaus showed signs of collaboration, passing identically worded motions to the Agricultural Advisory Board, the Governments' semi-official ear to the ground, "urging the State Government to enact legislation

229 Advertiser, 12 July 1932, p.9. They acted to save their only assets from a Bankrupt Wheat Merchant.

230 Advertiser, 15 March 1932, p.11.

231 Mr E. Milne [Bordertown] Interview, September, 1971.

232 1931: 99 tons; 1932: 500 tons; 1933: 1600 tons. Two additional Agricultural Bureaus joined in the scheme later. Wheatgrower, 15 January, 15 February, 1934.

233 Kelly Agricultural Bureau, 1931, 1 ton truck carted 1,800 worth of goods; 1932, 30 cwt truck - 2,600; 1933, 2 ton truck - 4,000. S.A.J.A., XXXVII (1934), p.1616.

that will enable farmers to obtain a reasonable price for wheat."²³⁴

Changes had obviously occurred in the country attitude when a Government sponsored organisation devoted to studying all matters affecting the well-being of their districts, except politics and religion,²³⁵ could send a specifically political motion to the Government. The motion indicated another change, more important than a rising confidence; some farmers were now demanding Government intervention. In 1930 their great fear had been that very same thing. Too many remembered an earlier Federal Government intervention in the industry, the Wartime Wheat Pool, for the excellent and telling reason that they had not yet been paid for their grain.²³⁶ Still more remembered the Government's sorry showing in 1930 when, after asking the farmers to "Grow More Wheat", "the Nation's Bank said, No we will not help you".²³⁷ But after three years, and an internal struggle about a wheat pool,²³⁸ the farmers had begun to change their minds. Now they felt they deserved some Governmental interposition between themselves and the economic facts of life. The continued failure of the farmer's ad hoc decisions to economise, without knowing how to

234 From Miltalie, Mangalo, Elbow Hill - all passed on 13 May, 1933. GRG-10, M.A. 37/33.

235 S.A.P.P. 71, 1931, p.71.

236 Farm, 1 July 1936, announced the final payment - after 19 years!

237 Pioneer, 30 October 1931.

238 Between the S.A. Wheat Growers' Freedom Association and the S.A. Wheat Growers' Protection Association.

do it systematically, forced him to look for economic viability, by diverting his attention to the multiplicity of external sources of oppression²³⁹ and to identify them as the only causes of his plight. By concentrating on the insidious, less quantifiable, and less immediately obvious burdens which could be assumed to exist without any evidence the farmer could, with a clear conscience, demand a quid pro quo for the inconvenience these Government instigated levies placed on him; to begin with, a better price for his product.²⁴⁰ He regarded that as something which must be given to him to make farming more profitable. But by the time he made this demand, events were out-stripping him, the Depression had begun to lift and rising prices for primary produce²⁴¹ increased his income beyond his gloomy expectations.

Most indicators of economic activity show an easing of the Depression in 1933,²⁴² after wheat prices recovered to three shillings per bushel. Recovery was further assisted by the relatively more broadly based farm economy that had come out of the Depression.²⁴³ Improved prices brought increased confidence in the land. Loans were cautiously given on land as security from

239 see Footnote 187, supra.

240 S.A.P.P. 71, pp.931, p.27, shows low prices fourth on list of disabilities. In evidence to the Royal Commission on the Wheat Industry witnesses, in one third of the cases pointed out the need for a payable price for Wheat. Advertiser, May-June 1934.

241 Graph V.

242 Table Nos, 3 and 8; Graphs, I, V.

243 Compared with, say, 1930.

1932,²⁴⁴ and properties began to change hands once again.²⁴⁵

The renewed stability boosted the confidence of the rural communities. Building recommenced,²⁴⁶ and Agricultural Shows revived, obtaining record crowds and exhibitors.²⁴⁷ Materially, at least, prospects were good.

The easing of the Depression did not rescue all the farmers, nor did their prospects improve immediately, but it was a beginning. For some, recovery was completed by the guaranteed prices which prevailed throughout the Second World War.²⁴⁸ For others who had been worse off, the wool boom of the 1950's returned them to economic stability.²⁴⁹

The problems that beset farmers in 1930 still prevailed in 1939. The list of grievances presented to the Premier in that year identified the same problems as a similar petition in 1930,²⁵⁰ except for one new item: "overhead charges accumulated during the Depression".²⁵¹ Just as the farmers' fundamental problems, low returns and high costs, remained unaltered, so too did his

244 Dalgety - London, 4/2/32.

245 Dalgety - London, 7/4/32. Table 10

246 Table 8.

247 Pioneer, 12 October 1933 - "Loxton Show Shatters Records".
19 October 1933 - "2,000 at Record Show at Brows Well".

248 Schiller, loc. cit.

249 Chesterfield, loc. cit.

250 Wheatgrower, 22 February 1939.

251 Pioneer, 2 January 1931.

attitude to farming. By 1939, when wheat prices reached their lowest since 1893/94, and two pence per bushel less than 1931,²⁵² the interest in all products apart from cereals had waned. It seemed that the only diversification of interest to the farmer was that which caused least disruption to the accepted way of running the farm. The farmers had reverted to their traditional independence and seasonally optimistic attitudes. Partisan observers admitted that the wheat farmer still had only the haziest notions regarding his costs of production. He kept no books and hardly ever took depreciation or interest on his invested capital into account.²⁵³ The conservatism responsible for the farmers inertia cannot be over-estimated. In 1934, after at least three, and possibly six, years²⁵⁴ of economic stringency, farmers were still weighing the pros and cons of diversification. One farmer said he grew only wheat and did not go in for sidelines but he was seriously considering running some sheep.²⁵⁵ That farmer was not an isolated example of dogged adherence to the farming life he knew. Another, equally typical, said that if wheat went down to two and sixpence a bushel he "would still gamble on wheat, on the chance of the price improving".²⁵⁶ Wheat, not economics,

252 Graph III.

253 Wheatgrower, 16 December 1935, a pro wheatfarmer paper.

254 Many areas had suffered droughts 1927-30.

255 Advertiser, 9 May 1934, report of evidence to R.C.W.I.

256 Advertiser, 7 June 1934, Report of evidence to R.C.W.I.

dominated the farmers' lives.²⁵⁷ In 1934, when wheat was two shillings and sevenpence per bushel, the Royal Commission on the Wheat Industry asked the farmers what they would do if wheat prices reached ten shillings a bag.²⁵⁸ Overwhelmingly they vowed they would not plant more wheat,²⁵⁹ but when that hypnotic figure of "ten bob a bag" was reached²⁶⁰ the wheat acreage in South Australia began to increase.²⁶¹ The farmers were pre-eminently wheat growers, or as they drily joked in the marginal lands, "wheat planters"²⁶² - they put the seed in the ground but were never sure that it would germinate to produce a crop.

Farmers who had been on the land for only a short time were those most likely to be forced to this extreme without any option. Their farms were under-developed and the consequent under-capitalisation and restriction of credit prevented them from diversifying to broaden their economic base. Geography, as well as economics was against many of these new settlers. Since the war the major regions of expansion had been Eyre Peninsula and the Murray Mallee, areas destined to suffer drought and declining

257 7.5% Breadwinners saw themselves as wheatfarming only 4.3% thought they were mixed farmers. Census, pp.404-5 & 410-11.

258 Approximately 3/4 per bushel.

259 Of S.A. Farmers, 80% said no increase; 18% said increase; and 2% said decrease. CP 656, S.17.

260 This was generally the price from 1935 to mid-1938.

261 Graph II.

262 V. Sarne (pseudonym), recollecting replies given to him when collecting census information. Interview, October 1972.

yields.²⁶³ The Mallee vegetation common to both areas posed long-term problems for the farmers. At least five years²⁶⁴ of "scratching in" a crop faced them before the farm became an economic proposition, and a further ten to fifteen years²⁶⁵ before the paddocks were free of stumps and shoots. Long before these new settlers' paddocks were completely cleared, the Depression had begun and they were forced to crop every acre of land to stay on their farms. Rather than let land that was cleared lie wastefully fallow, the farmers put in crops on land that should have been resting.²⁶⁶ They accepted a noticeable, inevitable, drop in wheat yield²⁶⁷ because every bushel would bring some return. Continuous cropping hastened the expiry of the mallee scrub,²⁶⁸ but in the long term the soil suffered. By 1936 the abuse of the sandy soils of the mallee areas, over-enthusiastic cultivation of fallow which destroyed soil structure, and the clearing of vegetation from the sand dunes, had created a new environment²⁶⁹ of sand drifts.

264 Possibly 10 years if capital limited. Rural Reconstruction Commission Third Report; Land Utilization and Farm Settlement, (Canberra, 1944) p.41, Hereafter R.R.C. III.

265 S.A.P.P. 71, 1931, p.24.

266 A.J. Perkins "Some Parting Reflexions on Wheatgrowing in South Australia", S.A.J.A., XXXVIII (1935), p.702.

267 See Footnote 98, supra.

268 D.A. 853/27, Director to Minister of Agriculture.

269 Pioneer, 31 February 1935. Drift changes character of farmland. S.A.J.A., XL (1936), p.27. "Wind Erosion of Soils in Agricultural Areas". S.A.J.A., XLI (1937), p.379 Conference paper on Sand Drifts.

While too much fallowing could be harmful, too little, in addition to its immediate effect on the yield, could eventually deplete the nitrate fertility of the soil to such a degree that the average crop yields would decline.²⁷⁰ In the end, the farmer was the only person who could decide what he did on his own farm, and the opinions of the Department of Agriculture Instructors could be ignored.²⁷¹ Although they could not suspect it at the time, the farmers seeking to increase their annual yield by fallowing were also helping to ensure a continued and reliable yield for the future.

In these risky areas the job of rationalising the farming economy had already begun by the beginning of the Second World War. The Depression had been sufficient warning to many of the real depth of travail the land could conceal. They had remained on the land during the worst years, perhaps because the land was in their blood, as the Director of Agriculture²⁷² claimed, or because they were asses, as the Minister of Agriculture²⁷³ charged, or because they had, really, no choice at all. The farmer had so much of his capital and his life invested in his farm, that to give up meant ruin.²⁷⁴

270 The impact took 20-25 years to occur. E.A. Cornish, "Yield Trends in the Wheat Belt of South Australia During 1896-1941". Australian Journal of Scientific Research, Vol. II, Series B. Melbourne, 1949). p.126.

271 D.A. 873/27; 853/27; 864/27; 841/27. Instructions to the Instructors to increase wool clip, wheat yield and sheep breeding in their districts.

272 A.J. Perkins, "The Country Viewpoint", S.A.J.A., XXXIII (1929) pp.16-22.

273 Advertiser, 29 August 1932, p.8. Wheatgrower, 15 September 1932; Farm, 1 September 1932.

274 S.A.J.A., XXXIII (1929), p.356. Bureau Meeting.

It cost less to live in the City,²⁷⁵ but that did not attract the farmer. Living off the land, spending little, was a much more economical life than was feasible in Adelaide. Had he wanted to give up farming, a cursory glance at metropolitan conditions would have warned him to reconsider. The city was crowded with unemployed²⁷⁶ who saw the rural areas as their last hope for a job. They straggled out of the city looking for seasonal work along the Murray River.²⁷⁷ When they found no work, they camped in anonymous shifting, groups along hundreds of miles of the river,²⁷⁸ fishing and cadging food. Looking for a job, they discovered was almost as disheartening in the bush, where a single advertisement for a farm hand got over one hundred applicants.²⁷⁹ Luckier workers, with some money available, bought themselves a little general store, or a small plot of land²⁸⁰ where they could hide from the ignominy of being one of the "Unemployed". Such was the comparative promise of the country that in the first, worst years of the Depression, 1930-31, the population of Adelaide declined for the first time since 1916.¹⁸¹ From 1930 to 1933

275 Table 11.

276 Graph VII.

277 e.g. K. Tennant, The Battlers.

278 Blanchetown to Renmark. Pioneer, 26 December 1930.

279 N. Robinson, Change on Change: A History of the Northern highlands of South Australia. (Adelaide, 1971), p.239.

280 "Many farmlets of 20 to 100 acres are being purchased by men who have lost their employment but still have a few hundred pounds savings", Dalgety - London, 12/5/31.

281 Table I.

people left the city at the rate of three hundred and seventy per month.²⁸²

The farmers were far better off than the unemployed, so they stayed put,

they had a home, somewhere to live and they mostly had very good things in their home ... to give that up they had to sacrifice everything ... They might just as well be a starving cocky as an unemployed labourer.²⁸³

A few farmers who left their farms remained in the country, "going bush" to live off the country, or to towns to live on the dole.²⁸⁴ There were those too, who remained to try their luck as rabbiters, but it is difficult to judge how prevalent this reaction to the Depression was. The rabbit population could only sustain a certain number of trappers in any one area,²⁸⁵ and of these only the competent made a living.²⁸⁶ While it was possible to earn four pounds every week at trapping,²⁸⁷ it was more probable that the untrained trapper would earn nothing.²⁸⁸

282 Data from R. Broomhill (Ph.D. Thesis, in progress).

283 Russell, Interview.

284 Berril, Renmark, Barmera, had on rations: 500 in 1931; 3,000 in 1934. Pioneer, 5 June 1931; 5 February 1934. A few settlers' sons lived in the bush rather than on a farm. Pioneer, 29 March 1934.

285 Pioneer, 26 May 1932. Notes 102 persons engaged in district.

286 Quarterly Report, September, 1934, of Unemployment Relief Council Located in House of Assembly Archives, Parliament House, Adelaide. Hereafter, U.R.C. Quarterly Report.

287 Pioneer, 19 January 1933.

288 U.R.C. Quarterly Report, September, 1934.

When the city became a more attractive alternative farmers succumbed to a promise of a better life. In the inland areas of the Lower North, where the economy was less dependent on wheat, the decline in population that had characterised the post-war decade was halted between 1930 and 1933 and thereafter there was a slight increase in population.²⁸⁹ In the Mid-North²⁹⁰ where wheat growing occupied half of the breadwinners the increase in population was slowed in the first three years of the 1930's, but soon recovered. The impact of the Depression was lessened by the business and financial centres in the area, which diversified the local economy. In the Murray Mallee, on the far West Coast, and in the inland areas of the West Coast the beginning of relative depopulation was noticeable.²⁹¹ Farmers had been settling in the area since the First World War, and although the trend of increasing population continued only slightly diminished between 1930 and 1933, the rate of increase during the rest of the decade was well below the State average. In the dryer, sandier, and less accessible parts

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- 289 Population shifts based on enrolments in State Electorates from 1921 to 1937 at which date the boundaries changed. As enrolment was, effectively, compulsory, the figures give a triennial guide to the adult population in all areas of the State. (S.A.P.P. 63, for relevant years). The District Council population figures, given annually in the Statistical Register, show such conspicuous correction at the time of the Decennial Census that they can be safely regarded only as hopeful estimates, not as accurate enumeration.
- 290 Not a Statistical Division per se - corresponding to southern portion of the Upper North and northern portion of the Lower North.
- 291 No births, deaths, or weddings for a year in Kimba. Dispatch, 7 December, 1934.

of all these areas the population actually declined as farmers lost heart and abandoned unattractive, blighted holdings.²⁹²

By the end of 1934, clearing sales were increasingly common²⁹³ and the exodus was causing local concern²⁹⁴ which continued until the outbreak of War. Local newspapers called attention to the symptoms of depopulation, "the loads of furniture passing through ... train loads of machinery going back to firms".²⁹⁵

Most of the comment on depopulation and desertion of farms referred to particular areas, the regions of the State eventually identified officially as "Marginal Lands" in 1939.²⁹⁶ These tracts of country had originally been subdivided and opened to wheat-growing, but by the end of the 1930's it was evident that the poor soils²⁹⁷ and inadequate rainfall²⁹⁸ made them unsuitable for wheat.²⁹⁹ The problems of these lands had been identified before, although the term "Marginal" was not popularised until the Marginal Lands Committee Report in 1939. Department of Agriculture

292 D.A. 535/35.

293 Dispatch and Pioneer show twice as many advertisements in 1934 as in 1933.

294 Pioneer, 8 November 1934; Dispatch, 1 February 1935.

295 Wheatgrower, 15 June 1935.

296 In: Report of the Marginal Lands Committee, S.A.P.P. 62, 1939.

297 Over half the "Marginal Lands" had soils returning a declining yield. Data from Prescott, op. cit. and S.A.P.P. 62, 1939.

298 Most of the Marginal Lands suffered from over 50% drought risk, See Map 2.

299 S.A.P.P. 62, 1939, p.3 gives definition.

Instructors were aware that there was a minimum economic size for successful farms.³⁰⁰ Farmers too, were aware of similar limits,³⁰¹ even before the first formal mention of "Marginal Land" by the Agricultural Settlement Committee in 1931. The view of this body that some areas of the State were unsuitable for agriculture³⁰² only made public views that had been suppressed in the past. No-one reading the Department of Agriculture report in 1931 would have had any inkling that farming was doomed in some areas. The District Agricultural Instructor's report from the West Coast had been edited to remove his opinion that,

It has become evident that farming has been extended too far into the dry areas of the Peninsula and is too uncertain on the country West of Penong.³⁰³

Disclosure did not bring public action. Privately, the Director of Lands believed that the Government should not assist farmers³⁰⁴ on unsuitable lands, and the Pastoral Board quietly adopted a policy of adding small, uneconomic, leases on to larger properties when the opportunity arose.³⁰⁵ The unpublished views and actions of the Civil Service did in some measure carry out the Committee's

300 Minimum size farms 1,200-1,800 acres on West Coast, D.A. 947/27.

301 S.A.J.A., XXXIII (1929), p.468.

302 S.A.P.P. 71, 1931, p.44.

303 D.A. 183/31

304 Dalgety - London, 26/2/31. Report of interview with Director of Lands.

305 Dalgety - London, 1/12/32.

recommendations³⁰⁶ to reduce the number of settlers and increase the size of the holdings, portending the advice of the Royal Commission on the Wheat Industry.³⁰⁷

A more positive, dynamic policy was politically impossible for the Labour Premier who had so recently supported his opponent's scheme of going "Back to the Land",³⁰⁸ an idea so popular that all political parties formed a committee to promote it.³⁰⁹ Rather, the Government programme was opportunistic, Darwinian; allowing farmers with no chance of survival to select themselves. Politically it was a sounder solution than attempting to transfer settlers from doubtful lands to more inviting areas like the South East. This was continually referred to as an alternative³¹⁰ without any consideration of its social effects. The natural resistance of the farmer to leaving the land he had pioneered to become a pioneer again had to be overcome. Financially too, the task seemed impossible, if the evidence of the Unemployment Relief Council's Settlement Schemes was an accurate guide. By the mid 'thirties, the settlement of each unemployed man and his family on a small

306 S.A.P.P. 71, 1931, p.38.

307 Quoted in Rural Reconstruction Commission, Fourth Report: Financial and Economic Reconstruction of Farms, (Canberra, 1944), p.39. Hereafter R.R.C. IV.

308 "Back to the Land", R.L. Butler (ex-Premier), Advertiser, 18 May 1931, p.8.

309 Advertiser, 2 June 1931, p.9.

310 Register, 10 February 1925; S.A.P.P. 71, 1931, p.37; Dalgety-London, 8/1/31; GRG 6/17 Board Minute No. 3920, 28 November, 1935.

scale dairy holding in the Adelaide Hills had cost the Government seven hundred and fifty pounds in capital expenditure alone.³¹¹

In addition, each family had been given ration relief since 1931 at the rate of over eighty pounds each year.³¹² Repayments,

however, totalled only about seventeen pounds per family.³¹³

Economy, the Government watchword, ruled out re-settlement as a solution, quite apart from the problem of social upheaval. It was easier and cheaper to allow farmers to sell up and move out if they had to.

★ By 1939, the social effects of the Depression were more apparent in the rural areas than any economic changes. The fall in the crude marriage rate of men in rural industries after 1931³¹⁴ was just a fore-warning of waning confidence in the land as a place to live and bring up a family.

The exodus from the worst parts of the country made inroads into the community life that had centred on the local township.³¹⁵ As the Depression eased the towns which depended on the farming population re-commenced the decline that had begun when low prices

311 U.R.C. Quarterly Report, March, 1935. 31 families basically settled as glorified home gardeners, probably could be classed as "Dairy Farmers", as they had 126 cows between them.

312 U.R.C. Quarterly Report, March, 1936.

313 U.R.C. Quarterly Report, March, 1935.

314 Commonwealth Bureau Census and Statistics, Australian Demography Bulletin, Nos. 39-57, (Melbourne and Canberra, 1920-1939).

315 Pastoral and Marginal Agricultural Areas Inquiry Committee Report, S.A.P.P. 52, 1947, p.7.

had reduced spending.³¹⁶ The re-emergence of the motor car revived a trend that had been halted by the Depression. Centres that offered a greater variety of shops and stock than the closest hamlet were once again within the reach of farmers, and the small local communities that had survived because there was no outside competition began to be ignored.

Economically, the land was still the same, still devoted to cereal production; the full impact of the Depression on the face of South Australia was only just beginning. Unprofitable wheat areas were being subjected to investigation by a Government Committee that would reverse the official policy after twenty years of expansion and new settlement on the Agricultural frontier.³¹⁷ The fate of the Soldier Settlement Schemes, of which one quarter failed between 1924 and 1930,³¹⁸ and the earlier example of too optimistic expansion into the Upper North of the State³¹⁹ should have pointed to the risks of land settlement. If they did, the people ignored them. In 1933 the politicians were still advocating a vigorous land settlement policy³²⁰ and that year saw the beginning of the Government's ultimate folly. In the face of a calamitous depression in agriculture, the Unemployment Relief

316 R.R.C. VII, p.78.

317 The Marginal Lands Committee of 1939.

318 Department of Lands: Report, S.A.P.P. 10, 1920-1940.

319 D.W. Meinig, *op.cit.*, Chapter V, *passim*.

320 See Footnotes 309, 310.

Council had begun to settle untrained unemployed labourers on the land as farmers.³²¹

Not until the report of the Marginal Lands Committee pointed to areas where wheat was unprofitable was there any official recognition of the need to rationalise agricultural production in at least some areas of the State. Previously their policy (if it could be dignified by that title) was to allow nature to take its course and hope that optimistic farmers would realise the land was fit only for grazing.³²²

The farmers, it appeared, had not yet accepted the need for rationalisation. The Rural Reconstruction Commission thought that the historian of the future might see the 1930's as a period of great achievement, when hard times forced farmers to think about the problems of their own farms.³²³ They did, but since they chiefly identified their farms' problems as the cost of production³²⁴ there is little evidence of any purposeful move to improve their farming. They talked of Economy, Mechanisation, Bulk Handling, Standardised Parts, for Machinery, and of eliminating the middle-man,³²⁵ all with the object of cutting costs. There was

321 U.R.C. Quarterly Reports, September, 1931, December, 1931.

322 S.A.P.P. 43, 1934, p.8.

323 Rural Reconstruction Commission, First Report: A General Rural Survey, (Canberra, 1944), p.30, Hereafter R.R.C.I.

324 "The effect of the depression ... was to reduce costs"
S.A.J.A., XLII (1939), p.727.

325 To the extent of thinking of chartering their own ships.
Pioneer, 3 October 1930.

little evidence of any long-term view of their problems, and the improvement in economic prospects removed the incentive to transform thought into action.

The farmers' view was blinkered by the immediate past; looking back as conditions improved, they saw what they had survived and were content to have survived it. Their hindsight stretched only to the calamity of 1931. There was no need, now, to think about the reasons for collapse, to consider the weakness of their farm's economy, it was time to put disaster behind and face the future. In the perspective of the totally inadequate returns during the Depression, the commonplace problems of barely adequate returns were of little importance.

The farming statistics tend to indicate not diversification, but increasing concentration on larger economic units. Large holdings with lower costs per acre³²⁶ were becoming more popular, as were larger dairy herds, and sheep flocks. The trend was to an increasing concentration on livestock, and overall, a decreasing acreage was sown by wheat farmers after 1930.³²⁷ The Department of Agriculture saw the 1930's as a period of consolidation, the end of expansion, and the beginning of a trend towards intensive production.³²⁸

The trends were, however, separate from each other. The wheatfarmer was not diversifying, but the pastoralists and graziers

326 Table 12.

327 Graph II.

328 S.A.P.P. 43, 1939, p.5.

were intensifying their production, increases were most obvious in the numbers of large herds and flocks. Small scale household sidelines that required effort fell away in importance, there were fewer small herds and flocks;³²⁹ but the chickens remained.³³⁰

Farmers had decided one thing - that increased production was undesirable unless it was profitable.³³¹ That decision led to no plan, and to no change that was discernable by 1939. Their staple products were still at the mercy of the international market. Diversification of the farm products, which had been used to cushion the effect of forces outside the farm, was abandoned as conditions improved. Just as the problem of external, uncontrollable forces remained unchanged, so too did the farmers' attitudes. Possibly the threat of glutted markets held them back, more probably it was their conservatism. In the past the farmers' traditionalist outlook had been defended by the argument that the nature of his livelihood, sandwiched as it was between the pressure of markets and the vagaries of nature, made any change at all a palpable threat to his ability to survive. "The vagaries of the weather are usually sufficiently perplexing to satisfy the farmers gambling instinct".³³² After three years of drought and three more of depressed prices this explanation no longer sufficed.

329 Tables 5 and 6.

330 Graph IV.

331 Agricultural Bureau Meeting, 7 May, 1932, Tantanoola. S.A.J.A., XXXV, (1932), p.1419.

332 A.J. Perkins, S.A.J.A., XXXIV (1930) p.113.

The mono-cultural wheat farmer had been the most vulnerable, and still change was very tardy; the farmer had not revised his self-image. For as long as he regarded his occupation as an extension of his father's, that of a wheat grower, then he was doomed to produce wheat as his main, if not sole, crop. By 1933, the change necessary to accommodate to economic realities had not occurred. Over twenty thousand primary producers in the State thought of themselves as wheatfarmers, only just over half that number identified theirs as mixed farms.³³³

One lesson of the Depression, that farming would be worthwhile when run as a business, rather than pursued as an avocation, was not learnt: the farmer was not vitally interested in change and the outside world if he was surviving on the land. Within his own boundary fence he was master and accepted the consequences of his own actions. He only started to seek alternatives when his position became very precarious - the membership of the Agricultural Bureaus which had been falling since 1931 leapt up again in 1939³³⁴ when wheat prices dropped to their lowest since 1894.³³⁵ If anything, the farmer was worse off at the beginning of the Second World War than he had been in 1931. Wheat prices were at twenty pence per bushel, less than 1931, and financial burdens from the eight intervening years had to be borne.

333 Wheat farmer, 21286; Mixed/Undefined, 11979. Census, pp.404 and 410.

334 Table 4.

335 1893/4 price 2/3 per bushel.

The dogged independence of farmers, only a hairs-breadth from foolhardiness, was most obvious in their reaction to the Government. In 1933, Independent candidates had campaigned for Parliament with the slogan:

Electors think before you vote
Party Politics are a curse to Australia,³³⁶

and three had been successful,³³⁷ all in rural areas. In the next election, in 1938, nine Independents gained seats, again mostly in rural areas.³³⁸ Party politicians were firmly rejected in the farming areas that had suffered most, the farmers wanted parochial politicians who would look after their interests, but, paradoxically, they also wanted to be left alone by the Government.³³⁹ Any State intervention at all was a dangerous precedent which savoured "more of Bolshevism than of Democracy".³⁴⁰ But for many farmers their real oppressor was never the Government, but the capitalists in the city who demanded repayment. When creditors grew impatient the only source of assistance and protection that remained to carry the farmers through the Depression was the Government.

336 Pioneer, 30 March 1933.

337 1933 - successes in Albert, Flinders, Yorke Peninsula.

338 1938 - success in Ridley, Flinders, Yorke Peninsula, Stirling, Chaffey, Gouger, Alexandra.

339 See Chapter V, Footnote 60.

340 Advertiser, 7 January 1930, Letter to Editor.

CHAPTER II

STATE INTERVENTION

As wheat prices fell catastrophically in 1930 and 1931, the man on the land was forced to "make do" as an essential part of living. He was continually advised to reduce costs of production, and so beat the Depression. Caught between a buyer's market for his produce, and a seller's market for essentials, the farmer was faced with two intertwined and insoluble questions: how much did it really cost to grow wheat and, therefore, what return did he need from his crop to make a living?

No-one had an accurate idea of the cost of production of wheat. The methods used by the farmers to determine their costs were rather arbitrary, if they existed at all. The commonest system of calculation, judging from the farmers' own speeches at Agricultural Bureau meetings,¹ was to regard any payments made into a bank account as income, and to estimate the expenditure from the stubs in the cheque book. Concentration in this system, on cash turnover, constituted only a rough guide to the financial status of the farmer because it did not account for the 'invisible' costs, such as depreciation. The typical farmer was satisfied if he had a bank balance at the end of the season.² To him costs were cash expenditure - the subtleties of depreciation and other arcane computations beloved of accountants and economists were completely foreign ideas. The farmer was not vitally concerned that feed grown on the farm for his horse team, was, economically

1 S.A.J.A., Reports of meetings 1925-1940.

2 S.A.P.P. 71, 1931, p.47.

speaking, a 'cost' to be charged against the farm's income. To him it was a free item because he did not pay out any cash for it.³ 'Cash' was a deep rooted idea, the farmer regarded the sum of money left over at the end of the season as 'profit', not as earnings from which he had to deduct his wages and management fees before he could see how successful the year had been. Because his view of farm economy was so different to an economists', his purchases of machinery, new horses, or stock, appeared to be periodic raids on accumulated capital, not part of a long term budget. This lack of financial sophistication was a result, in part, of the irrelevance of economic gain to the desire to farm. The farmer also had to manage his farm, drive his team, look after and market his livestock.⁴ Since he had left school at fourteen,⁵ he had no training in any subjects remotely resembling accounting. Little wonder then that very few farmers were "able to set out their financial position in a balance sheet and show their twelve month operation in a profit and loss account".⁶ The resulting financial incompetence of farmers was blatantly obvious during the debates about the relative merits of horses and tractors that

3 As late as 1940 the advantage of growing feed on the farm was thought to be that it was not a cash transaction. A.R. Callaghan, "The Economy of Horse Useage", S.A.J.A., XLIII (1940), p.708.

4 D.A. 1167/29.

5 63% farmers got to first year secondary school standard (then left when they legally could), only 8% had any secondary schooling. 29% had only primary education. Holt, op.cit. p.152.

6 D.A. 726/31.

punctuated the 'twenties. During one meeting the speaker quoted figures to show crops that cost ten shillings per acre to produce using horse traction, and fourteen shillings and fivepence with a tractor. His opponent, with equal veracity, proved that while cropping using a tractor might cost that, it cost forty-four shillings using horses.⁷ Farmers could dismiss the whole question of costing farm work as a useless academic exercise - there was no point in worrying about what the cost of production actually was if you knew you were not going to get it back from the crop.⁸ Others, like the Director of Agriculture, thought it was inappropriate to haggle over the cost of production, and advised the farmers to "thank God that unlike hundreds of thousands of their fellow citizens they [were] at least in continuous employment".⁹

In the absence of any reliable calculation by farmers,¹⁰ the Government, through various Departments and other official bodies attempted to discover the "very important cost of production".¹¹ What they were really searching for was a measure of the financial return needed by the farmer to make a living. This end could have been better achieved by concentrating on the relatively fixed costs involved in farming instead of chasing the elusive average cost of producing one bushel of wheat. Chief among these predictable

7 S.A.J.A., XXXIII (1929), p.171.

8 "I took what was coming, I mean what was the alternative", Mr D. Butler, [Bordertown], Interview, September 1971.

9 Advertiser, 16 July 1931, p.8.

10 Even speakers unconcerned with relative merits calculated wildly differing costs ranging from as low as ten shillings to nearly one hundred shillings an acre. Reports of Bureau Meetings, S.A.J.A., 1925-1940.

11 Auditor General Report, S.A.P.P. 4, 1933, p.50.

costs was the interest on invested capital. Large-scale borrowing had produced a constant servicing charge to the farm which did not, of course, decrease with the fall of land values to more realistic levels. The farmers' commitments to servicing of debts remained at the level they had been during the boom period of the 'twenties.¹²

The overall debt on South Australian farms averaged six pounds¹³ for every acre cropped, which meant an a priori commitment, at prevailing interest rates,¹⁴ of about eighty-two pence per acre,¹⁵ almost a quarter of the probable income from the crop¹⁶ in the 1933-34 season.

The other relatively fixed costs were those involved in tilling the soil and seeding, the prerequisites for the creation of a potential crop, amounting to well over half the cost of creating and harvesting the crop.¹⁷ That expenditure was essential, the remainder of the cost depended on how much, if any, of the crop was harvested. The investment represented by a standing crop could be ruined before harvest by drought, frost,

12 Table 10.

13 Table 13.

14 From Dalgety - London: Range of interest on Mortgages: 1931, 6.5%; 1933, 5.5%; 1936, 5%.

15 At 5% = 6/10 per acre.

16 2/10 per bushel on State average crop of 9.3 bushels/acre.

17 67% total cost, Farm, 1 January 1931, p.32. 83% total cost, Advertiser, 2 October 1930.

or rust.¹⁸

The concept of "cost of production" amalgamated two independent factors, the cost of creating a crop, and the final yield, to give a cost per bushel. That figure made it appear to the farmer that all he needed to prosper was a given price per bushel. It was a handy, but dangerous, guide to profitability for it discouraged consideration of the fundamentals - the cost, and the reasonable expectation for the wheat yield with each season.¹⁹

The cost of putting in the crop varied widely over the State, even within the boundaries of the same hundred,²⁰ and between adjacent farms, because of variations in soil type and texture, the efficiency of the farmer, overhead charges, etc. This acknowledged variation led farmers to mistrust any set of calculations, claiming - quite correctly, that they were inapplicable to their own farm. It did not move them to make calculations that were applicable to their own farm.²¹

Figures that were produced at different times,²² by various

18 Farm, 1 July 1934, p.7.

19 In the Murray Mallee yields ranged from 2.8 to 10.2 bushels/acre, on the West Coast from 3.7 to 11.2 bushels/acre in the 'twenties. Dunsdorfs, Historical Statistics.

20 A "Hundred" is the basic survey unit in S.A., about 100 square miles.

21 "I have never made up figures whether wheat growing shows a loss ..." In evidence to Parliamentary Standing Committee on Public Works: Bulk Handling of Wheat, S.A.P.P. 35, 1934, p.274.

22 Table 12.

sources, did point up some consistency in the differences between the wheat growing regions of the State, differences that could have helped farmers to realise that their geographic location alone put them in a precarious position. The surveys did not examine the underlying economic determinants of profitability, the details of wheat yields, rather they looked at the operations on the farms. They showed that in marginal lands and risky areas the farmers had to operate their properties at a low cost in order to survive²³ - something the farmers already realised and practiced.

The low capital investment,²⁴ and the consequent low cost of servicing the debt, typical of the West Coast and Murray Mallee, was due to the comparative recency of expansion into those areas. The latest settlers would not have expanded their plant much beyond an essential minimum. In the older areas, greater subdivision of properties with fencing, more and better buildings, and the accumulation of new and obsolete machinery, created a greater capital commitment per farm. Whatever the condition of the machinery, the value still counted as part of the farmer's tied-up capital.²⁵ The established farmers in the older areas of the state had more substantial assets too, and could experiment more freely with new devices. Most of the State's four thousand

23 Table 12.

24 Table 14.

25 Table 14.

tractors were in these areas, the Central, and Lower North regions.²⁶

The capital value of the land in these areas was also higher than elsewhere. The value was partly a reflection of the demand for land in favourable areas²⁷ near the Capital, the State's main market. In addition the price took account of the productive capacity of the land, areas with more cleared land, better classes of soil, and higher rainfall commanding higher prices. The West Coast and Murray Mallee, suffering natural disadvantages of soil and climate, as well as tenuous connections to Adelaide, had the lowest land values.²⁸

Low capital investment did not mean that the properties were more economically viable, because in general those with low debts²⁹ also had low productive potential. On the West Coast, for instance, interest charges per acre were low, but they had to be met out of low returns per acre.³⁰ Many farmers were so heavily in debt that any margin over the costs of production was committed to paying off financial institutions for some years ahead.

The farmer's livelihood was therefore tied not only to the

26 Table 15.

27 Values in Table 14 were higher than the Depression market value, reflecting post-war boom buying.

28 Table 14.

29 Table 13.

30 Interest on the West Coast 2/7; Central: 8/11 (per acre) taken from returns of 17/6 and 39/2 per acre respectively.

climate and the wheat prices, but, more importantly, to the attitudes of his creditors. By 1928 the shrinkage of business turnover had become noticeable.³¹ Credit restriction was a natural, if abrupt, change from the prosperous days of the early 'twenties when credit had been freely available to the rural sector³² on the basis of optimistic valuations of land and stock.³³ Too many superficially attractive accounts taken up then were found to be unsound when the financial pressure of the droughts and the Depression brought them under close examination.³⁴ Country agencies of city firms were instructed to be more careful, in fact to refuse new business.³⁵ Under such a stringent regime, where a farmer's past business with a firm was a major factor in approving advances,³⁶ the sturdily independent individual suddenly in need was discriminated against. For farmers favourably known to business the position was a little less restricted, but branch managers were ordered to make only essential advances while "abnormal conditions" obtained³⁷ without the permission of

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- 31 Goldsborough-Mort, Annual Report, June 1928. A.N.U. 2B/48 Box 2.
- 32 Dalgety - London (Manager's Report), 31 December 1930.
- 33 Goldsborough-Mort, Circular to Sub-Manager, 13 February 1931. A.N.U. 2A/36.
- 34 *ibid.*
- 35 Goldsborough-Mort. General Manager, Sundry Papers, 16 January 1930. A.N.U. 2/149/2146B.
- 36 R.R. Harwood, (Manager H.V. McKay - Massey Harris) in evidence to Select Committee on the Money Lenders Bill, 6 March 1940. Located in House of Assembly Archives, Parliament House, Adelaide.
- 37 Goldsborough-Mort, Letter to Branches, 9 September 1930. A.N.U. 2/145/260.

Head Office would bring immediate dismissal.³⁸

Mortgages were more difficult to obtain,³⁹ as land values declined from 1927 onwards,⁴⁰ and as the capital value of machinery on farms also fell.⁴¹ In addition, companies were more cautious about the valuation of securities. Prior to the Depression the permissible value for second mortgages was calculated as a certain proportion, say, forty percent, of the value of the property less the value of the first mortgage. Caution brought a different scheme, the value was now determined by taking the same proportion of the value of the property, then subtracting the value of the first mortgage.⁴² Inevitably this gave a lower, safer figure, and made it more difficult for a farmer with even a wide margin of assets to get credit.⁴³

At the local level too, credit contracted. Small shopkeepers felt that they could no longer afford to carry accounts,⁴⁴ and again the established customer received favourable treatment. At

38 Goldsborough-Mort, Circular to all Branches, 2 November 1929. A.N.U. QA/36.

39 Dalgety - London, 12/5/31.

40 Dalgety - London, 6/2/30. Depreciated by 20-30%, 1928-30. Table 10.

41 Table 8.

42 Dalgety-London, (Manager's Report), 31 December 1929.

43 Dalgety-London, 12/5/31. Further evidence of restriction was the fact that from 1931 to 1934, 85% of farm machinery was purchased for cash. Advertiser, 18 May 1934.

44 The South Australian Storekeepers' and Grocers' Journal, 17 September 1930. On file at The Retail Storekeepers' Association, 329 King William Street, Adelaide.

all levels the difficulty of obtaining financial support made some less restricted source of credit essential if farmers were to continue to crop their land. Once the Depression began, some Government relief scheme to provide sources of farming finance became essential, as commerce restricted its advances and loans, withholding credit, as E.G. Theodore said, "with almost religious fervour".⁴⁵

The Government of South Australia had not ignored the increasingly bleak prospects of wheatgrowers through a series of drought years prior to 1930. In each season from 1927 to 1929 legislation, in the form of Drought Relief Acts, had been brought down to assist farmers to put in another crop, and another, and another. Large tracts of wheat country on the West Coast, and limited areas of the Upper North failed to return one bag per acre in 1928/29⁴⁶ and by the end of 1929 the prospects for these areas and the Murray Mallee were less hopeful than before. The northern part of the Murray Mallee, the Upper North and parts of the West Coast had not returned enough grain to seed the next seasons' crop.⁴⁷

After two or three hard seasons and a period of slowly declining prices,⁴⁸ the farmers needed more assistance than the

45 Dalgety-London, 30/4/31. Quoting Federal Treasurer at a meeting in Adelaide.

46 Dunsdorfs, Historical Statistics, (1 Bag approximates to three bushels).

47 Dunsdorfs, Historical Statistics, (Seeding rate was 1 bushel per acre).

48 Graphs III and V.

cereals, manure, chaff, flour, and other commodities provided under the Drought Relief Acts⁴⁹ if they were to survive on the land. Business was becoming impatient and threats of repossession were "becoming increasingly troublesome".⁵⁰ There was a possibility of thousands of farmers being forced off their properties⁵¹ if they were not protected from their creditors.

The Government had been considering legislation since 1928;⁵² by the end of 1929 the need was imperative and the Government produced the Debt Adjustment Act⁵³

to provide a measure of relief to farmers who are in financial difficulties ... and who would ... possibly go out of business altogether as primary producers.⁵⁴

It was a temporary measure⁵⁵ to reinforce the assistance offered under the Drought Relief Acts, which were again extended to assist other farmers' cropping operations in the 1930/31 season. The farmers appeared to have a choice, they either could apply for Drought Relief and receive financial assistance, which

49 Drought Relief Act, 1928, Para.3(1).

50 Manager State Bank to Treasurer 27/5/30, refers to letter 14/2/30. GRG-10, M.A. 54/30.

51 2,000 according to the Premier, Hon. R.L. Butler. South Australia, Parliamentary Debates, 19 November 1929, p.2070. Hereafter referred to as S.A.P.D.

52 S.A.P.D., 19 November 1929, p.2065.

53 20° Georgii V, No. 1939. "Debt Adjustment Act, 1929". Hereafter DAA.

54 S.A.P.D. 19 November 1929, p.2069.

55 H.K. Paine, written evidence to Select Committee on the Mortgagors Relief Bill, 1931. 10 September 1931. Located in the House of Assembly Archives, Parliament House, Adelaide.

was a charge on their land, for the coming season, or they could seek protection from foreclosure under the Debts Adjustment Act. Far fewer than predicted decided that they needed protection,⁵⁶ less than one quarter of the five thousand applicants for Government assistance that season chose to come under the DAA.⁵⁷ The majority, it appeared, were in difficulties due to adverse seasons,⁵⁸ but these difficulties were not severe enough to make them seek protection from their creditors. The Drought Relief Acts offered more material benefit to the farmer than the DAA which could only arrange a settlement of debts or, failing that, protection. They offered positive assistance in the form of useful commodities, not passive protection.⁵⁹

The few who applied under the DAA did so because they needed assistance that they were unlikely to get from suspicious creditors. Credit was not readily available for farmers who might be sold up at any moment by other antecedent creditors. The aim of the act, as with Drought Relief, was to keep the farmer on the land. DAA accomplished this by guaranteeing advances for the next season, either by direct sponsorship, or making them attractive credit risks by forestalling swift foreclosure or Bankruptcy proceedings. The implicit threat of losing money through the

59 See footnote 49, supra.

57 Table 16.

58 S.A.P.D. 19 November 1929, p.2067.

59 See footnote 49, Supra.

precipitate action of other creditors was lessened by the legal restrictions of DAA and, it was hoped, that this would enable producers to obtain "further advances".⁶⁰ Fear of creditors, not the need for assistance, drove farmers to apply for Debt Adjustment. Only those farmers who were able to carry on using their own resources were able to take advantage of the legislation.⁶¹

The DAA worked well for those who applied for its protection. Most of the applicants⁶² were able to make arrangements with their creditors through the mediation of the Director of Debt Adjustment, Judge H.K. Paine.⁶³ He was able to prevent harsh action by the creditors, and by making them realise that "mercy tempers justice" was able to secure their co-operation.⁶⁴ The remaining thirty percent, whose creditors were less amenable, were granted certificates protecting them from legal action.⁶⁵

The effect of the legislation was to stay a threat to a large section of the State's economy, but it did nothing to alleviate

60 S.A.P.D. 19 November 1929, p.2067.

61 H.K. Paine, "Report on Assistance to Drought Affected and Necessitous Farmers in S.A. and Legislation for Rehabilitation of Primary Producers 1914-1936". Filed in GRG - 6/3/88.

62 70% according to F.S. Alford, "Debt Adjustment and Farmers' Relief Acts of South Australia", Economic Record, 8 (1932), p.273.

63 Herbert Kingsley Paine (1883-1972), Educated privately at Gawler, S.A., and at the Collegiate School of Saint Peter and the University of Adelaide. Admitted to the Bar 1905, Knighted 1953. Advertiser, 8 November 1972.

64 S.A.P.P. 4, 1932, p.51.

65 Alford, op. cit., p.273.

the distress which provoked the threat of bankruptcy proceedings. It was a facade with an imposing title to disguise its frailty. It did not lead to the adjustment of debts, and a majority of creditors, and a majority in value of all unsecured creditors could override the legal protection of the Act⁶⁶ if the farmer seemed to be unlikely to recover his position.⁶⁷ The Chamber of Commerce had been able to water down the provisions of the original Bill to make it "less obnoxious"⁶⁸ to the Banks and other financially interested parties. The creditors interests were protected by a self-serving agreement not to take action, and because of this the farmers coincidentally received some protection. The financial institutions were more worried by the possible action of their associates than by the farmers' plight. Machinery agents in particular were likely to upset the status quo by taking steps to retrieve their goods.⁶⁹ The creditors saw that unless there was "restraint among all creditors the State ... [would] have ... difficulty in returning to a sound basis of finance".⁷⁰ The alternative, so it seemed, was no restraint, meaning wholesale foreclosures and consequently small returns to creditors. Restraint would enable the farmers' position, and their creditors' probable pickings to improve. It was not surprising then that

66 DAA, Para. 9.

67 Dalgety-London, 11/6/30.

68 Dalgety-London, (Manager's Report), 31 December 1929.

69 Manager of State Bank to Treasurer 27/5/30. GRG-10. M.A. 54/30.

70 Dalgety - London, 12/5/31.

the Director was able to secure so many amicable agreements without recourse to the Courts, and without any real legal sanctions to enforce a settlement. The act was an impressive legislative blind on which the State risked nothing⁷¹ to keep the creditor-creditor and, incidentally, the debtor-creditor interests balanced in the expectation of the return of good seasons and the continuance of high prices.⁷² The inability of Parliament to make any positive attempt to assist the wheat industry was again revealed in 1930 when a Wheat Pool Bill failed to get a second reading. Laissez Faire was still of paramount importance.

The next season, 1930/31, was very good, a record acreage of wheat returned the highest yield per acre since 1927/28,⁷³ but at disastrous prices. The Commonwealth Government had encouraged record plantings, offering the wheat-farmers a "special inducement"⁷⁴ of a guaranteed price of four shillings per bushel.⁷⁵ Before the 1930/31 harvest ended the Commonwealth Bank had discovered⁷⁶ that its charter put sound finance before the farmers'

71 No provision for finance from the Government in DAA.

72 GRG - 6/3/88.

73 Dunsdorfs, Historical Statistics. Table 17.

74 Director of Agriculture summarising the Prime Minister's speech at Federal Wheat Pool Conference. D.A. 267/30, 22 February 1930.

75 Dunsdorfs, Australian Wheat-growing, p.269.

76 Political ambition was a possible motive for the discovery. C.B. Schedvin, Australia and the Great Depression; A Study in Economic Development and Policy in the 1920's and 1930's, (Sydney, 1970), p.146.

interests,⁷⁷ and the guarantee was void.⁷⁸ As soon as the news broke, State Cabinet met⁷⁹ and quickly announced that new, retrospective, legislation to help the farmer would be devised.⁸⁰

The announcement forestalled farmers mutterings about a moratorium on their debts⁸¹ and demonstrated to the business interests that Premier Hill and his Labour ministers had a "more sane"⁸² outlook than their party counterparts in New South Wales, Mr Lang and his confederates.

A Government committee was formed to devise a workable plan⁸³ and the Chamber of Commerce submitted a scheme based on agreements reached between pastoral, commercial, banking, oil, and farming interests⁸⁴ but dependent on Government finance.⁸⁵ The need for a decision before seeding began in April was recognised.⁸⁶

77 Register, 20 January 1931.

78 Column-wide headline "Fed. Wheat Guarantee Valueless", Advertiser, 20 January 1931, p.7.

79 Advertiser, 21 January 1931, p.9 (Report of previous day's meeting).

80 Advertiser, 21 January 1931, p.9.

81 Advertiser, 13 January 1931, p.7.

82 Dalgety - London, 15/1/31.

83 Advertiser, 21 January 1931, p.9: W.J. Colebatch, Deputy Director of Lands; R.R. Stuckey, Chairman of State Bank Board; W.J. Warren, General Manager of State Bank. Later expanded to include C.J. Field, Director of Lands; A.J. Perkins; Director of Agriculture; Advertiser, 17 March 1931, p.30, (also consulted with H.K. Paine).

84 Advertiser, 21 January 1931.

85 Goldsborough-Mort, General Manager, 26 March 1931. A.N.U.2A/36.

86 Dalgety - London, 22/1/31.

Further urgency was injected when, at the beginning of February, farmers everywhere failed to honour their promissory notes,⁸⁷ the contractual agreements to repay after the harvest, money advanced against the growing crop. In the past, South Australians had gained a reputation for their cavalier treatment of bills and debts,⁸⁸ but now the "immense number"⁸⁹ created alarm. Credit was restricted,⁹⁰ and wheat merchants began dunning farmers for repayment of advances that were by then in excess of the current value of the crop.⁹¹

By the end of the month the plan was decided and Legislation was being drafted for presentation to a receptive⁹² Parliament immediately it resumed sitting in March. The plan, in outline, resembled an earlier businessman's suggestion that some form of committee be created to assess the desirability of assisting individual farmers.⁹³ The State Bank Board, under R.R. Stuckey,

87 Foreshadowed the previous December. Dalgety-London (Manager's Report), 31 December 1930.

88 Goldsborough-Mort, General Manager to London Office, 20 August 1925, A.N.U. 2/158/1.

89 Dalgety-London, 19/2/31.

90 H.K. Paine to farmer 4/3/31; GRG - 6/2/670. Dalgety-London, 12/3/31.

91 J.A. Lyons, M.P. to Premier, 30 January 1931. GRG-10, M.A. 16/31.

92 "All parties have agreed to expedite ... the Bill", Farm, 1 March 1931, p.19.

93 Dalgety - London, 18/12/30.

was to administer the Act with advice from a Committee made up of one representative from each of the Chamber of Commerce, the Chamber of Manufactures, the Superphosphate and Cornsack Producers, Wholesalers and Retailers, and the farming community.⁹⁴

The opening Address in Reply was disposed of as quickly as possible and the Premier introduced the Farmers' Relief Bill, admitting that it was "certainly legislation of a drastic nature"⁹⁵ but necessarily so because drastic conditions merited drastic actions.⁹⁶ Parliament passed the bill with almost no debate. Not even the blatant perversion of the Drought Relief Act provisions incorporated in the Bill aroused comment.⁹⁷ Under the new Act, Drought Relief could be given to farmers who were in need, "although not in drought affected areas".⁹⁸ The members obviously accepted the overriding need for action, rather than debate on principles. The farmers wanted a plan for the present⁹⁹ and emergency action was essential to save the farmer's life work

94 Committee Membership: E.A. Badcock, J.P.; W.J. Barker, J.P.; Chamber of Manufactures Nominee; Hon. A.P. Blesing, M.L.C.; E.E. George, M.P.; W.F.L. McConnell; S. McG. Reid, Chamber of Commerce Nominee. Advertiser, 24 February 1931, p.9. South Australian Government Gazette, 16 April 1931.

95 S.A.P.D. 17 March 1931, p.29, the Premier, Hon. L.L. Hill.

96 *ibid.*

97 Part II of 22^o Georgii V, No.1996, "Farmers' Relief Act 1931". Hereafter FRA.

98 FRA Para. 28.

99 S.A.P.D. 18 March 1931, p.60.

work and assets, and also those of his creditors.¹⁰⁰ The Bill passed with only four divisions in each House,¹⁰¹ and would have had a smoother passage had it not been for the intensive lobbying of machinery merchants seeking first preference claims on the farmers' earnings.¹⁰² Implements purchased on time payment, or hire-purchase, belonged to the Company. But they were being used, damaged, and worn, to produce crops that might, or might not, eventually give some benefit to all the creditors, not just that Company. The machinery firms, such as H.V. McKay, Massey-Harris, which was carrying the accounts of three thousand farmers,¹⁰³ were annoyed that the returns from their capital would not all come to them. Their alternative was to try to reclaim the capital. In the weeks before the passage of the Bill made repossession impossible there was "organised attempt by one or two distributing agents for machinery to get in as much as they ... [could]".¹⁰⁴

The new Act required farmers to assign all their crop to the Board, instead of allowing advances to be a charge on the land, as had been the practice under the Drought Relief Acts. In return for this sacrifice of control over his finances the farmer received stronger protection than the DAA offered. The FRA

100 *ibid.* p.62.

101 S.A.P.D. March 1931 *passim*.

102 Goldsborough-Mort, 26/3/31, A.N.U. 2A/36.

103 See footnote 36, *supra*.

104 S.A.P.D. 9 March 1931, p.204.

substituted for "amicable settlement" an outright prohibition of any proceedings¹⁰⁵ against applicants to enable them to sow and harvest the next crop unhindered.¹⁰⁶ This provision might have seemed out of place in an Act designed by commercial interests, but its aim was the same as the similar, if weaker, provision of the DAA. Under FRA the applicants could get assistance from the Government, or, if they wished, from private financiers.¹⁰⁷ In order to ensure that any profits resulting from this assistance would be used to pay off the advances it was essential that no predatory creditor be allowed to begin proceedings and appropriate the results of others' generosity. Strict prohibition of the initiation of any action was to the benefit of all parties; the farmer was spared the worry that his creditors might lose patience, and the investments of the Government and/or private enterprise were secured.

About one third of the wheat-farmers in the State applied¹⁰⁸ for the assistance and protection of the FRA and few were refused.¹⁰⁹ The majority who were assisted were financed from Government sources.¹¹⁰ Critics of the Act thought that the merchants and

105 FRA Para. 16 (1).

106 FRA Preamble.

107 FRA Para. 10 (1).

108 Tables 16 and 17.

109 19% refused, Table 16.

110 Private enterprise assisted 783, the Government, 2169, plus 507 assisted by both. S.A.P.F. 4, 1932, p.43.

other financiers who gave assistance were not really lessening the Government's burden, as was intended, but simply skimming the cream of applicants for assistance.¹¹¹ Certainly the private lenders were willing to make swift decisions to assist farmers. In the first two months of the Act's operation they advanced an average of eighty-six pounds per farm, compared with the Government's eighty pounds.¹¹² They were not, however, noticeably more adept at choosing good credit risks than the Government,¹¹³ although they cautiously¹¹⁴ assisted very few farmers.¹¹⁵ Possibly they might have had a greater proportion repaying all their advances, but there is no evidence available to test this. However, from the evidence in Table 18, it appears unlikely that the private financiers did 'skim the cream', and it is unlikely that their alleged attempt would have bothered the Government. It saw that the main aim of the Act was to keep the farmer on the land, even if it meant it had to

speculate in assisting a man to plant a crop ... with a possibility of wheat prices ... as they are now ... a very doubtful proposition.¹¹⁶

Instead of seeking forbearance from the business and creditor

111 S.A.P.D. 20 November 1931, p.2746.

112 S.A.P.D. 2 June 1931, p.375.

113 Average repayments to Government, 79% advances, to rest of financiers, 82%. Table 18.

114 The average advance by the Government was £146, from private sources, £118. Table 18.

115 Table 16.

116 S.A.P.D. 17 March 1931, p.29.

sections of the community, the Government asked for their active participation and financial assistance to supply goods to the farmer from their own resources and to take the same chance on repayment as the state bank.

Fortunately the gamble paid off, from the Administration's viewpoint the 1931/32 season was a "good year"¹¹⁷ because the majority of farmers granted assistance repaid all their advances,¹¹⁸ This was a much more encouraging result than had been achieved under the Drought Relief Acts since, by the end of the 1931/32 financial year, less than one third of the farmers assisted in 1927/28 had repaid their advances.¹¹⁹ Creditors, too, could be reasonably satisfied, for the FRA had worked with a "reasonable absence"¹²⁰ of trouble or unfairness among them. Over one third of the farmers had made sufficient profit during the season to pay off the Government's priority claim¹²¹ for advances and also pay a dividend on their debts.¹²² Perhaps that was sufficient to reassure creditors of the utility of the Act, despite the inclusion in it of priorities "not originally contemplated".¹²³

117 GRG - 6/3/88.

118 74%, Table 19.

119 Table 19.

120 Dalgety - London, 26/11/31.

121 FRA Para. 14 (1), (a).

122 35%, Table 19.

123 Dalgety - London, 16/4/31.

Long before the effectiveness of the Act was known Parliament had to decide whether they would continue to assist the wheat industry in the following season. During 1931 a committee, drawn mainly from the Department of Agriculture, had been investigating the Disabilities of Wheatgrowers.¹²⁴ They had discovered that more than half were heavily in debt, and recommended that the State's problems be solved by placing a sales tax on flour and by considering the adjustment of debts and a lowering of the tariff.¹²⁵ The Agricultural Settlement Committee report in November disclosed that there was a

growing feeling amongst responsible people, ... particularly with those comprising the business and banking sections of the community,¹²⁶

that further advances to farmers would be unwise. The dichotomy of interests between Government and Business was obvious. The former saw the financial weakness of the farmers as a reason for continued assistance, the latter thought it a telling argument against assistance. The Committee's conclusion was that the principles of business were subordinate to the National importance of keeping people on the land.¹²⁷ Their argument was reiterated by the Premier when he introduced the Farmers' Relief Act Extension

124 A.E.V. Richardson, A.J. Perkins, W.J. Colebatch. 21 August, 1931. D.A. 762/31.

125 Advertiser, 27 August 1931, p.10.

126 S.A.P.P. 71, 1931, p.41.

127 *ibid.*

Bill to provide farming finance for the 1932/33 season "for the purpose of saving the most important industry in the State".¹²⁸

Once again the Bill had a smooth passage, the only issue that led to a division being whether the Board should retain the discounts it obtained through its large orders.¹²⁹ Business was still suspicious of any Act that interfered with the normal channels of commerce,¹³⁰ but as before, their advice had been sought, and their recommendations written into the Bill before it was tabled. They had requested¹³¹ that the distribution of proceeds should be handled by the Board, not necessarily by the party that had made the original advance,¹³² a change also favoured by farmers.¹³³ The Farmers' Relief Act Extension Act¹³⁴ relied less on Business than had its predecessor, the private agreements for assistance were being deleted, although there was still the possibility of arranging them.¹³⁵ Under FRA any applicant being assisted from any quarter could come under the protection of the Act if he wished.¹³⁶

128 S.A.P.D. 20 November 1931, p.2746.

129 S.A.P.D. 24 November 1931, pp.2862-3.

130 Dalgety - London, 26/11/73.

131 "Clause 10 was asked for by the Chamber of Commerce and the Banks", S.A.P.D., 25 November 1931, p.2924.

132 "The Bank will undertake distribution if the original advancer agrees". Clause 10 of the Extension Act.

133 Pioneer, 22 January 1932.

134 22° Georgii V, No.2057, "Farmers Relief Act Extension Act, 1931", Hereafter EA.

135 EA Clause 10 (1)

136 FRA Part I.

However, under EA, farmers assisted privately only came under the protection of the Act if their financier asked the bank to distribute the farmers' proceeds.¹³⁷ This revision meant that the commercial interests had greater control over the disposal of their clients' earnings. Very few applications were received for Bank-controlled distribution of private finance.¹³⁸ Most probably they were made on behalf of farmers with more than one major creditor to ensure a non-partisan distribution of the farm proceeds between the several interests. The small number also indicated the willingness of creditors to make arrangements outside the formality of the Act. Comment at the time,¹³⁹ and later,¹⁴⁰ indicated that the existence of Relief Acts assisted more farmers than actually applied for it. Creditors were aware that if their treatment of the farmer appeared unreasonable, he could seek refuge in the Act and evade any commitments to them for at least a year. The existence of the Act therefore moderated creditors' demands.

Farmers benefitted from the incorporation of more liberal provisions. Sharefarmers, previously excluded by a rigid definition of a farmer as a holder of land in fee simple, or on a crown lease, were able to apply.¹⁴¹ All farmers were freed of the necessity to submit requisitions for urgent repairs to the

137 EA Clause 10 (1).

138 142 out of 2561. Table 16.

139 Dalgety - London, 12/5/31.

140 Dalgety - London, 1/12/32.

141 S.A.P.D. 20 November 1931, p.2744.

Adelaide administrators. Machinery agents were allowed to undertake emergency replacement of parts up to the value of five pounds without an official order.¹⁴²

From the limited amount of data available it appears that most of the farmers assisted under the FRA applied for further protection.¹⁴³ Once again the Government advanced more money per farm¹⁴⁴ than the private sector, and recovered a smaller proportion of it.¹⁴⁵ Both parties advanced more per farm than in the previous year¹⁴⁶ but by the end of the season less than half of the farmers had repaid their advances.¹⁴⁷ A tiny proportion succeeded in paying off all their advances and pre-existing debts.¹⁴⁸ The main factors involved in the conspicuous failure of farmers appear to be compounded of the high value of the original advance, and the failure of the farmers to produce the crops against which the advances were made. "In many cases the actual yields were nearly fifty percent below the figures

142 Advertiser, 25 November 1931, p.10.

143 From continuity of applications in GRC-6, Series 9, 11, 12, 13, 14.

144 Table 18.

145 Government 60%; Private 82%. Table 18.

146 Average advance: 1931/2 £146; 1932/3 £210.

147 Table 19.

148 *ibid.*

estimated by the applicants",¹⁴⁹ because of the diseases, rust and take-all, and the unfavourable weather¹⁵⁰ in some areas. On the West Coast the reduction in average yield was particularly severe,¹⁵¹ and because nearly one third¹⁵² of the applicants came from there, the impact on the overall performance of farmers under the Act was quite marked.

By this time the Government was caught in a seemingly unbreakable cycle - it had to decide whether it was going to finance farmers for the coming season before it knew the results of the current season. Such ad hoc legislation might never end: so much depended on the farmers' and the politicians' confidence, which shifted with the harvest prospects and the wheat prices.

In November, 1932, the routine began again, but the debate was not routine. The question of the economic strain of assisting farmers had been raised before¹⁵³ outside Parliament, it was now mentioned in debate. Was the Act, the politicians wanted to know, "keeping these people as cheaply as ... possible"?¹⁵⁴ The question remained unanswered because the interest still lay in the

149 State Bank: Report, S.A.P.P. 25, 1933, p.9.

150 S.A.P.P. 43, 1933, p.5.

151 Table 17.

152 S.A.P.P. 25, 1932, p.9.

153 "Limitations imposed by the financial condition of the country are ... inexorable". Editorial in Advertiser, 27 October 1932.

154 S.A.P.D. 8 November 1932, p.1718.

continuation of production, not what it cost. According to the Director of Agriculture, continued assistance was essential because of

the strong moral influence on the attitudes of farmers towards continued wheat production in the near future.¹⁵⁵

Sceptical business firms too, accepted this philosophy, agreeing that it was wiser, for the time being, to carry on. Their confidence was bolstered by the success of the FRA, which they had helped draft,¹⁵⁶ and by the beginning of repayments of long-outstanding debts.¹⁵⁷ Their normally firm grasp of 'sound' financial principles was weakened.¹⁵⁸ Probably it was better for the State to lose fifty-thousand pounds every year and retain the farmers' revenue¹⁵⁹ than to cling to economic orthodoxy.

Parliament still desired to assist farmers, irrespective of economics,¹⁶⁰ but began to attack the methods used because the legislation was not giving the results it should.¹⁶¹ The Acts were based on annual legislation and the established principle of sound finance, the repayment of advances at the end of every

155 Edited out of Director's draft of a statement for the Premier concerning necessity of relief. 4/10/32. D.A. 819/32.

156 Dalgety - London, 1/12/32.

157 Dalgety - London, 7/4/32.

158 Dalgety - London, 1/12/32.

159 Dalgety - London, 23/2/33.

160 Advertiser, 22 September 1933, p.20. Editorial.

161 S.A.P.D. 19 July 1932, p.51.

season. This hindered the farmer and so, eventually, the State. Restricting advances to one season did not encourage wheat farmers to maintain their crop production. The farmers under seasonal Acts could not know from year to year whether their applications would be accepted, or if there would be any legislation at all.¹⁶² Even if this doubt did not destroy their confidence they were not allowed to make any capital expenditure. Machinery could be repaired but not replaced because the advances under the Acts were restricted to expenditure necessary for one season's crop. Under the annual legislation it could not matter that the purchase of sheep,¹⁶³ cows, or fencing, or that the replacement, rather than the repair of machinery, might have saved the State money in the long term. The letter of the law did not allow it. Neither could preparatory fallowing be legally financed because it would benefit a future crop.¹⁶⁴ The annual nature of the Acts particularly affected the farmers in the State's regions of variable rainfall. A struggling farmer who might have regained his economic strength over two or more seasons was refused assistance unless he could show a possibility of success in one season.

This criticism made, the Act once again ¹⁶⁵ as in the past,

162 S.A.P.D. 4 October 1933, p.1503.

163 S.A.P.D. 21 November 1933, p.2263.

164 S.A.P.D. 25 November 1931, p.2927; 8 November 1932, p.171.

165 23° Georgii V, No. 2100, "Farmers Relief Act, 1932", Hereafter RA.

was extended for another season in November to maintain wheat production at "the highest possible point".¹⁶⁶ But the Premier and the Leader of the Opposition both knew that it was a stop-gap¹⁶⁷ measure to assist farmers until a Committee investigated the whole rationale of any future policy of assistance. The Government required the Report before the next elections¹⁶⁸ so that, as one Committee member explained, it could

have on hand a report from a Committee whose recommendations will carry weight, indicating that the Government hopes no material changes are necessary in the existing legislation, and that no widespread 'adjustment' by legislation is necessary.¹⁶⁹

In the meantime, the Act had to be made to operate. Two years of experience brought forth further amendments to the original scheme to increase its efficiency. In order to safe-guard the Government's finances a specific clause¹⁷⁰ was inserted to legally define the rights of the Bank to be paid for wheat delivered to merchants, on its behalf, by farmers under its control. Previously, the grain dealers had adhered to business practices and refused to pay the proceeds unless the Bank could

166 Advertiser, 23 February 1933.

167 S.A.P.D. 3 November 1932, p.1650, Hon. L.L. Hill - Premier. *ibid.* 8 November 1932, p.1713, Hon. R.L. Butler - Leader of the Opposition.

168 'By February 14th, 1933' S.A.J.A., XXXVI (1932), p.522.

169 Dalgety - London, 22/12/32. Quoting a member of the Committee.

170 RA Clause 4 (d).

produce documentary proof that the farmer had delivered the wheat.¹⁷¹

Simultaneously with this enforcement of the State's rights, the needs of the farmers were given more liberal consideration. Concessions that were granted showed a recognition that wheat farmers had other concerns in life apart from the production of crops; for the first time it was possible to obtain cash advances for medical expenses for the applicants' families.¹⁷² Sustenance allowances were made separate from the seasonal running expense allowance for the farm, the farmer was entitled to assistance to maintain himself and his family without prejudicing possible additional assistance to purchase clothing or machinery.¹⁷³ Farmers were also granted permission to retain part of their wheat crop for gristing into flour. The concept of strictly seasonal concern was in fact already being eroded and conditions liberalised, possibly to remove the incentive for dishonest dealings. More positive steps were taken to prevent the recurrence of dubious practices which had flourished under the protection of the Relief Acts. The categories of persons allowed to make advances to farmers were specified more exactly to prevent the not quite illegal collusion of the farmer and the creditor in order to avoid payment to the State Bank

171 S.A.P.D. 3 November 1932, p.1652.

172 RA Clause 7 (2) c.

173 RA Clause 7 (2) d.

Board. The Acts previously had specified that the proceeds of the crops were to be divided among the creditors who had advanced money for the crop, which allowed a private lender and a farmer, by collusion, to obtain practically the whole of the crop proceeds in repayment of fictitious loans.¹⁷⁴ The farmer, by doing this, retained a cash income immune from the claims of his other creditors because, legally, it did not exist.

The restriction of illegal activities by RA was less important to the farmers than the positive actions taken to ease their burden. They thought that the 1932 Act was a considerable improvement on its predecessors,¹⁷⁵ a trustworthy judgement because most of the farmers who applied for assistance had a sufficient experience of the previous Acts to make a considered judgement. Probably three in every four had been assisted under EA in the previous year and possibly as many as one half had been dependent on Government assistance since the 1929 Drought Relief Act.¹⁷⁶

For all of them the 1933/34 season was the worst¹⁷⁷ since the beginning of the decade, over three quarters failed to repay

174 S.A.P.D. 3 November 1932, p.1653.

175 Wheatgrower, 15 December 1932.

176 From continuity of applications in GRG-6, Series 9, 11, 12, 13, 14.

177 "Season was not ... particularly favourable", S.A.P.P. 43, 1933, p.17.

their advances.¹⁷⁸ As had happened in the previous year, the low yields on the West Coast, and now also in the Murray Mallee, had a disproportionate effect on the overall performance of farmers.¹⁷⁹

The Report of the Committee investigating Debt Adjustment had been completed at the end of March 1933¹⁸⁰ but had not been presented until after the April election which removed Lionel Hill's Labor Government.¹⁸¹ In its Majority Report the Committee recommended that the administrators of the Farmers Relief Act have complete discretion in granting relief under any annual legislation the Parliament might bring forward. The Director of Debt Adjustment should be given finance to assist the farmers under his protection and should also be allowed powers similar to those of the State Bank, in order to maintain control of the farmers' operations. Any adjustment of Debts was to be voluntary and the best the State could do for the farmer was to subsidise him from funds raised by a flour tax, and to attempt to reduce wharfage, transport tariffs, and interest charges.¹⁸²

The Minority Report by the farmers' representatives on the Committee

178 Table 19.

179 Table 17.

180 S.A.P.P. 51, 1933, p.11. Report signed 31 March 1933.

181 Report tabled in Legislative Council 6 July 1933, S.A.P.P. 51, 1933, p.1.

182 S.A.P.P. 51, 1933, p.11.

requested a five year extension of the Relief Acts, increased farmers representation on the administering body, and proposed that debts be frozen, and eventually, adjusted.¹⁸³

The Farmers Assistance Act of 1933¹⁸⁴ incorporated most of the recommendations, slightly altering the previous Acts and amalgamating the administration of the Farmers Relief and Debt Adjustment Acts under one Board, to be chaired by Judge Paine. At the time Judge Paine was the Director of Debt Adjustment and had been chairman of the Debt Adjustment Inquiry Committee which had, "in effect" recommended that assistance to farmers be controlled by an independent Board, and not by the State Bank.¹⁸⁵ Rival banks, fearful of the State Bank's power to monopolise the custom of the farmers it assisted¹⁸⁶ would have welcomed that decision.

The important change was that, under FAA, the farmer would be looked after on a long term basis and not suffer the demoralizing¹⁸⁷ uncertainty of piecemeal annual legislation. Assistance would be available until the end of the 1937/38 season¹⁸⁸

183 *ibid*, p.12.

184 24° Georgii V, No. 2134, "Farmers Assistance Act, 1933". Hereafter FAA.

185 GRG-6/17, Board Minute No. 1694, 16 August 1934.

186 Dalgety - London, 5/3/31.

187 S.A.J.A., XXXVII (1934), p.1104.

188 FAA Para 12. Suggested as early as 1932 in Dalgety - London (Manager's Report), 30 June 1932.

on a wider,¹⁸⁹ sounder basis than the farmers' past performance and immediate prospects. For the first time the future became a factor in rehabilitation. Under the new Act the farmers had the opportunity they needed to regain their stability and financial independence, through financial assistance and rationalization of their debts. Part IV of the Act made provision for the adjustment of Crown, and other, debts and in order to relieve some of the burden of secured debts without threatening creditors, it also provided for a means of writing down the increasingly onerous interest charges.¹⁹⁰ The DAA had initiated the idea of adjustment, if not its effective practice. The FAA went further, specifying the type of adjustment that could be made.¹⁹¹ Rather surprisingly, considering the widespread antipathy to any variety of repudiation,¹⁹² the Bill aroused little debate.

According to the Advertiser the most significant change in the new Act was not the decision to formalize and encourage the writing down of debts. It was, rather, the abandonment of the Crown's priority claims on outstanding Drought Relief charges.¹⁹³

189 GRG-6/3/88.

190 FAA Clause 44 (e).

191 FAA Clauses 43-45 especially.

192 S.A.P.D. 31 March 1931, p.236.

193 Advertiser, 22 September 1933, p.20. Editorial "Farmers Debts". At this time the arrears of Drought Relief were 90% of the sum advanced and interest approximately £225 per farmer. (From S.A.P.P. 4, 1933).

The Government hoped that this concession would encourage the flow of mortgage credit to the country by making investment more secure than when it had to take second place to a Crown claim.¹⁹⁴ In the Assembly only four Members thought it worth speaking on the second reading of the Bill,¹⁹⁵ perhaps because the debate went on into the early morning.¹⁹⁶ Most of the divisions occurred in passing Part IV, when abortive attempts were made to get more concessions for the farmers, not, it is important to note, to prevent any debt adjustment scheme.¹⁹⁷ The tone of the debate was set by the Leader of the Labor opposition, when he declared that his faction would not oppose this "most important piece of legislation".¹⁹⁸ Some Legislative Council members doubted the merits of the Act, arguing that this sort of legislation should be "done away with as soon as possible"¹⁹⁹ because it only helped the farmer to "struggle along"²⁰⁰ and would not permanently bring him out of the difficulties in which he found himself.²⁰¹ The matter, they felt, was one which should

194 Advertiser, 26 May 1933, p.22.

195 M. McIntosh, Commissioner of Crown Lands, A. Christian, (both L.C.L.), T. Stott, (Independent); and A. Lacey, Leader of the Opposition, (A.L.P.).

196 S.A.P.D. 26 October 1933, pp.1851-1861 (approximately 3 a.m.).

197 See Chapter IV, especially footnote 70.

198 S.A.P.D. 4 October 1933, p.1498.

199 S.A.P.D. 7 November 1933, p.2047.

200 S.A.P.D. 4 October 1933, p.1456.

201 S.A.P.D. 7 November 1933, p.2048.

be considered from the standpoint of whether further advances to the farmers would benefit the State.²⁰²

In both Houses divisions due to disagreements with the way in which the Act was to operate, and not the aims of the Act itself, resulted in the entrenching of the protection of creditors' interests. The scope of independent action by the farmer was limited and the administrative Board given untrammelled power to make its own conditions for assistance, to ensure that only the honest and deserving received it. This unprecedented power limited credit for a time²⁰³ but it also prevented the abuses which had been possible before. The powers of strict control given to the Board enabled it to transfer a recalcitrant farmer from partial to complete control if necessary.²⁰⁴ In the course of the debates Parliament failed to resolve its ambivalent attitude to the new autonomous Board. They agreed that Judge Paine was the ideal administrator for the Act²⁰⁵ but they wanted to be sure that the Board did not sacrifice the State's money to the special interests of the farmers, either by design or through being cheated. The Government, they felt, should only hand over specified powers to the Board.²⁰⁶ Yet strict oversight

202 S.A.P.D. 15 November 1933, p.2162.

203 Dalgety - London, (Manager's Report), 31 December 1933.

204 *ibid.*

205 S.A.P.D. 17 October 1933, p.1645; 1 November 1933, pp.1954 & 1959.

206 S.A.P.D. 26 October 1933, p.1859.

of the Board meant the threat of political interference, which had been one of the failings of the previous Acts. Hostile Members of Parliament alleged that the State Bank Board had been directed by the Government to continue to advance money²⁰⁷ and that farmers previously refused assistance were given "something to go on with"²⁰⁸ on the orders of the Ministry.

A further argument against too strict, or too direct, control was that the Board had to be allowed to use its initiative to apply its powers flexibly. Inconsistent policy was essential for the fair treatment of farmers who had inconsistent problems and needs. By allowing the greatest discretion to the Board, Parliament hoped that the farmers would be assisted as fairly as possible. The compromise between political control and dangerous freedom was to allow an unfettered Board, and at the same time, to stress that the effectiveness of the Legislation would depend on the calibre of people appointed to the Board.²⁰⁹

The Government appointed²¹⁰ the Director of Debt Adjustment to the position of Chairman with a salary increase of fifty pounds per year and his Deputy Director, A.T. Penglase, was appointed Executive Officer of the Board. Both men had long experience of administering the loosely defined DAA. The

207 S.A.P.D. 15 November 1933, p.2161.

208 S.A.P.D. 1 November 1933, p.1958.

209 S.A.P.D. 1933, pp.248, 1502, 1504, 1637-8, 1645, 1954, 1957, 1959, 2042, 2047.

210 Based on Advertiser, 2 December 1933, p.15; 8 December 1933, p.25; 9 December 1933, p.1; 20 December 1933, p.21.

Government's interests were represented by the Under-Treasurer R.R. Stuckey who had previous experience in the administration of Farm Relief as chairman of the State Bank Board. The farmers' creditors were represented by the secretary of the Taxpayers Association, Mr C. Harding Browne, until 1935 when K.W. Neill, a chartered accountant, replaced him.²¹¹ The interests of the farmers were attended to by J.C. Venning, then Secretary of the South Australian Wheat-grower's Association, and editor of its journal, the Wheatgrower. Farmers were particularly conscious that the composition of the Board was important, the FAA was now the only large Government aid programme available to them - if the Board was unsympathetic then many would be doomed.²¹²

The new provisions for approval of applications were based broadly on the old DAA system, where the ability or prospective ability of the farmer to pay²¹³ his way was investigated. The Board had to be sure that it assisted only farmers who had

a reasonable prospect of becoming able within a reasonable time, to carry on ... farming ... without loss.²¹⁴

The information concerning the previous capabilities and performance, upon which much of that assessment depended, was readily available to the Board. It had taken over the administrative

211 Advertiser, 11 January 1935, p.19.

212 Farm, 1 December 1933, p.3.

213 DAA Para.7 (11).

214 FAA Para. 66.

staff of the Relief Acts administration from the State Bank.²¹⁵ They had a long acquaintance with most of the applicants for Government relief,²¹⁶ and in addition the Director had an excellent memory for the farmers who had been under the DAA.²¹⁷

The initial refusal of assistance to an unprecedented proportion²¹⁸ of applicants aroused widespread protests and deputations²¹⁹ to which the Government succumbed. The agreement by the Government and the Opposition that the long term prospects of the farmer had to be considered before assistance would be given had been short-sighted. They had not realised the natural corollary of that policy must be outright refusal to assist farmers whose future promised only a recurring series of crises leading inevitably to failure. Under the terms of the Act, farmers who had poor prospects had to be put out of business, or at least left to fend for themselves. Cabinet was not willing to accept that ramification of the Act. The Government pointed out publicly, inside and outside Parliament, that interference with the Board was not possible, because the legislation would be worthless

215 Sir H. Kingsley Paine, Interview June 1971.

216 2055 applicants only 68 had never been under DAA or a Farm Relief Act. S.A.P.D. 3 September 1935, pp.487-8.

217 Paine had "a remarkable knowledge and memory", Wheatgrower 15 September 1938. Russel, interview made a similar comment, and in an interview at the age of 88 (cited above) his memory was very precise.

218 Table 16.

219 Dalgety - London, 15/3/34.

if the judgement of the Board was allowed to be overridden by persons actuated by personal or political motives.²²⁰

The Government could not and did "not intend to give instructions"²²¹ to the Board. Just where the dividing line between 'instruction' and 'pressure' lay was not defined. The Government itself was not averse to interference, so long as it could not be seen to be guilty of overriding the Board. Initially the Cabinet request that

for this year the Act should be administered on not too rigid a basis ... otherwise the tendency will be for [farmers] to drift to the city and live on unemployment relief²²²

might actually have been precipitate. The pressure on the Board's assessors due to a wave of late applications in the middle of February²²³ might have given the bureaucracy an excuse to give a cursory approval to all or most applications and spend the remainder of the year culling the applicants. The farmers had refrained from applying until the last minute to see if they

- 220 Premier R.L. Butler quoted in "Government Stand Behind Farm Board", Advertiser, 16 January 1934, p.19.
- 221 Premier; S.A.P.D. 25 July 1934, p.206, also 24 July 1934, p.124.
- 222 Premier to Chairman F.A.B. 5 March 1934. GRG-6/1/43.
- 223 Forms had been sent to all farmers previously assisted in the first week of January. Paine interviewed in Wheatgrower, 15 June 1934.

would be paid any bounty money.²²⁴ Others were simply too disgruntled to bother to fill in the forms.²²⁵ The Board did not allow the rigid procedure necessary for effective evaluation to be shortcircuited for political expediency or to save time. Judge Paine was impressed by the need to make the Farmers Assistance Board credible.²²⁶ His frustrating experiences whilst Director of Debt Adjustment, arguing with creditors who used the Act only while it helped them,²²⁷ had taught him that any protective legislation had to have obvious power. Any action that could be interpreted as submission to political pressure could irrevocably damage the Board's reputation; therefore it had to be avoided.

All the applications were thoroughly checked and the doubtful risks refused further assistance. Which was, after all, what the Board had been appointed to do. Cabinet did not grasp that the power to approve carried with it the power not to approve, and communicated again with Judge Paine saying that it was

considering the repercussions ... from the refusal of your board to give relief to any considerable number of farmers this year,²²⁸

and pointing out that a man on his farm was a wealth producer and

224 Advertiser, 22 June 1934, p.24.

225 Paine, Interview.

226 There was, he said "a tendency among the public to belittle the Farmers Assistance administration", Address to Supervisors Conference, 9 October 1934. GRG-6/1/122.

227 Paine: Written evidence to Select Committee on the Mortgagees Relief Bill ... 10 September 1931. (See above footnote 55, for location).

228 Premier to Chairman F.A.B. 28 March 1934. GRG-6/1/43.

not a "definite liability".²²⁹ Paine disagreed, correctly claiming that no appreciable loss of wealth would result from refusing assistance to about six hundred farmers.²³⁰

The Government demurred and for the first, and only time, an inquiry was held to investigate the cases of farmers who were refused assistance. In the opinion of the Government only applicants of proven dishonesty should have been rejected.²³¹ The merits of four hundred and fifty farmers refused assistance and protection were re-evaluated by a committee which "did not find fault with the Board's decision in a single case".²³² However, their interpretation of the decisions differed considerably - they recommended protection for over one hundred²³³ of the farmers! The Board scathingly analysed the shortcomings of the Committees' investigation. In nearly half the cases considered

the inspectors were materially misinformed ... in some ... the inspector had no previous knowledge of the farmer or his farm. For the most part these reports were lacking in important details ... In four cases the Committee recommended protection in the face of a statement by the inspector that ... protection was not justified.²³⁴

229 *ibid.*

230 The total number of rejections and withdrawals was 613. If all were counted as refusals their contribution would have only amounted to 3% of the harvest yield (Based on the data of those who were not refused for that season).

231 "Report of the Committee appointed to investigate cases of Farmers whose Applications under FAA were Declined", 3 August 1934. Committee: G.J. Field (Director of Lands), W.J. Colebatch (Chairman Land Board), T.V. Johnson (Branch Inspector with State Bank). S.A.P.D. 30 August 1934, p.851. GRC-6/1/68.

232 S.A.P.D. 20 August 1935, p.293.

233 GRC-6/1/68

234 *ibid.*, Paine's reply, 17 August 1934.

In a further sixty cases the statements were seemingly based only on hearsay.²³⁵ Although the Board agreed with the new assessment in only six cases, it had to offer assistance to all one hundred and ten. Only eleven accepted. Probably most found that they were able to carry on independently of the Government using their wheat bounty money or private assistance from their creditors. A further quarter were probably no longer on the land.²³⁶

The material gathered by the Committee demonstrated that farmers were not being forced off the land by the Board's refusal to assist them.²³⁷ The Cabinet fear of decaying farms and of increased unemployment²³⁸ was without foundation, it therefore no longer had any reason to appeal for leniency in the interests of State.

Behind the Board's refusal to agree with the Committee lay a fundamental reluctance to assist potentially troublesome farmers who would come under the Board's protection but not under its control because they had sufficient money from other sources, like the Wheat Bounty, with which to carry on. In the past the Board had found these farmers difficult to manage because it did not have exclusive financial control of them, and

235 *ibid.*

236 *ibid.*, (Proportions estimated from data in Table 20).

237 *ibid.*

238 Premier to Chairman F.A.B. 28 March 1934; GRG-6/1/43.

now had no desire to become involved with them again. Without a cash nexus the only power the Board had came from its ability to withdraw its protection, but this avenue of action was closed because it was undesirable,²³⁹ especially if it had to be used "to any wholesale extent".²⁴⁰ The Board also felt that a farmer who had some funds but who came under its protection was not better off, because commercial credit was less freely available to those who were under the State administration.²⁴¹

Another attitude which permeated the Board's actions, and the actions of other creditors, was the assumption that aid should be given only to those farmers who were doing their best to make good their position. That attitude had prevailed since at least 1929 when, under the DAA the Director had to be satisfied with "the ability or prospective ability of the farmer to pay his just debts"²⁴² and a similar provision was made in the 1933 Act.²⁴³

The Board's concern for economy was justifiable, but strangely at odds with the original aims of the Acts, to

239 GRG-6/1/68, Paine's reply. Similarly, the Minister of Agriculture refrained from using his punitive powers under the Dairy Act from 1931 to 1935. GRG-10 M.A. 118/31, 10 November 1931; D.A. 1105/35, 28 November 1935.

240 GRG-6/1/88, Paine's reply.

241 *ibid.*

242 DAA Para 7 (ii).

243 FAA Para 66. See Footnote 214 *supra*.

maintain farmers on the land. The idea of "deserving" farmers was mentioned after the passing of EA in 1931, although it was clothed in evasive humanitarian terms. The argument for economy was skillfully designed as natural concern for the farmer. Was it not immoral, the politicians asked, to mislead the farmers into believing that they could work their way out of debt?²⁴⁴ Surely too, it was cruel to help them carry on?²⁴⁵ Parliaments' and creditors' reactions against Farm Relief were only partly based on fears of over-spending, they were aggravated by the patent dishonesty of some of the farmers assisted - curiously adversity and dishonesty went hand in hand.²⁴⁶

Prior to 1934 the Government had legal control over the crop and its proceeds, but allowed the farmer freedom to dispose of any livestock or plant, which he did without any benefit accruing to his creditors.²⁴⁷ In the informal rural economy where even sharefarming contracts were most often verbal, farmers could easily dispose of part of their crop for cash to a neighbour without the Bank being aware of any misdemeanor. The same end, cash in hand, could be achieved by retaining some wheat "for seeding" and later selling it secretly. In either case the Board could not suspect that the unfortunately low

244 S.A.P.D. 8 November 1932, p.1718.

245 S.A.P.D. 15 November 1932, p.2161.

246 Dalgety - London, 22/10/31.

247 S.A.P.D. 31 October 1933, p.1884.

'yield' resulting was due to anything but bad luck or bad weather. Other ploys were devised by farmers devised to evade the provisions of the Acts, especially those sections which gave the Government control of expenditure in exchange for protection. Some applied for relief and protection because they did not want to pay their debts, not because they could not.²⁴⁸ Others, aware of the parsimony of Government agencies, or perhaps simply pessimistic, sent in demands for excessive assistance, expecting them to be cut back - rather like the opening offer in bartering. The Bank reduced the applicants request because they were aware of their tendency to over-estimate and the farmer received approximately what he really needed.²⁴⁹ The continuous cycle of assumption and counter assumption inconvenienced only the honest, straight-forward farmer who did not overestimate.²⁵⁰ Verily, the Lord helped those who helped themselves and those "who applied for most, got most".²⁵¹ The belief that a little dishonesty was acceptable was encouraged by these farmers' experiences so it was no wonder their honesty could not stand the strain of temptation.²⁵² It was a simple enough matter to

248 S.A.P.D. 23 November 1931, p.2816.

249 S.A.P.D. 3 October 1933, p.1424.

250 S.A.P.D. 23 November 1931, p.2813 (8 bales of bags reduced to 7).

251 S.A.P.D. 3 October 1933, p.1424.

252 Dalgety - London, 25/2/34.

obtain superphosphate or other forms of relief from the Board, ostensibly for growing wheat, and then subsequently to use all or part of the land to depasture sheep, the proceeds from which were not accountable to the board.²⁵³

Naturally these semi-illegal practices upset the creditors. Business firms attacked the laxity of laws which let frauds go unpunished, but their protests were not as shrill as they might have been, for, through the Chambers of Commerce and Manufacturers they had been party to the drawing up of the FAA.²⁵⁴

From 1929 to the end of 1933 the Relief legislation kept an uneasy and gradually deteriorating truce between the creditors and their debtors. It achieved the primary aim of maintaining the wheat producers on the land, although on the surface they relieved the problems of less than three percent of the applicants,²⁵⁵ those who managed to pay off all their debts after the Government had assisted them. Indirectly the Government's action did assist some other farmers, by setting a precedent and, through a mood of faint optimism, causing banks and business to make funds available for putting in a new crop. For the remainder who did get some Government assistance, the operation appeared to be only marginally for relief, and mainly "a measure to enable the farmer to struggle along under the direction of a Board".²⁵⁶

253 Dalgety - London, 22/2/38.

254 Dalgety - London, 1/7/33.

255 Only 2.4% of applicants accepted paid off their creditors. (Table 19).

256 Dalgety - London, 12/5/31.

The limitation of assistance to one season might have helped a few farmers to continue if they could convince the Board that this was the season that was going to set them on their feet. Under FAA the Board in the State Bank Building in Adelaide had a more far-sighted duty, to protect and succor farmers whose long term future prospects seemed to make them worthy of assistance. The only limitation it acknowledged was economic. Farmers who through technical or financial inefficiency²⁵⁷ showed no prospect of being able to pay off their creditors within reasonable time, either had to have their debts adjusted, or be refused assistance. After the initial culling of the weak farmers or strong personalities²⁵⁸ the proportion of applications approved each year remained below the comparable figures for EA and RA.²⁵⁹ As was to be expected from legislation designed to assist farmers over a long period, the proportion reapplying from year to year was very high. Fewer and fewer farmers who had not previously been assisted applied as the seasons ran on, and the proportion of new applications approved fell away as well.²⁶⁰ New applicants were less likely to be granted assistance than the established recipients of relief about whom the Board knew most. In contrast to the approval of three quarters of the "old hands'" applications,

257 GRG-6/3/88.

258 See Chapter IV, footnotes 156, 162, *infra*.

259 Table 16.

260 Table 21.

less than half of the new applicants succeeded in getting farm relief.²⁶¹

After the 1935/36 season, when the Primary Producers' Debts Act was passed, some of the "old hands" approved were farmers still under the provisions of that Act, continuing under the Board's supervision as required by their schemes of debt adjustment.²⁶² Since the Board controlled both the FAA and the Primary Producers' Debts Act it was unlikely that referrals from one to the other would be refused. This factor would inflate the proportion of "old" applicants being re-approved.

From the limited material available it appears that between the opening of the FAA in 1934 and the end of 1939 some seven hundred farmers assisted under the FAA had their debts adjusted²⁶³ and over two thousand either withdrew from the protection of the Act or were refused assistance.²⁶⁴ Analysis of the financial results of each season provides little guide to the method by which assistance was allocated.²⁶⁵ It may be presumed that those farmers who repaid all their creditors did not reapply for assistance. Some of the farmers who failed to pay off any of

261 *ibid.*

262 Of 1250 farmers whose debts had been adjusted, 459 were still under FAA. GRG-6/1/43.

263 GRG-6/1/43.

264 Tables 16 and 21.

265 There is no statistical relationship between the number of refusals in any year and the number of total/partial failures in the previous year.

their commitments outside the Board became disheartened to the point where they felt "It was no good my staying on and go (sic) back further every year ... it is only a waste of time",²⁶⁶ and decided to wind up their affairs. At the same time about half the farmers²⁶⁷ did not reapply because they had paid off most of their debts, or felt that they had at last turned the corner and had either decided, or been told, that they need no longer fear their creditors. A private agreement outside the Act seemed to offer more sympathy and less supervision than appeared to be the farmers' lot under Government control.²⁶⁸

The Wheatgrower, not noted for its support of the Government, warned its readers not to leave the Board's protection lest they learn too late that despite its regulations, it was preferable to a private scheme for management, humanity, and economy of costs.²⁶⁹ The farmer who had only a slim chance of survival under the Relief Act without any debt adjustment scheme had less when his creditors charged him more for their supervision than the Board had.²⁷⁰ Private concerns charged up to eighteen

266 Letter, 8 July 1936. GRG-6/13/181.

267 GRG-6/3/88 implies this but also says "no statistics are available".

268 Dalgety - London, (Manager's Report), 30 June 1935.

269 Wheatgrower, 15 May 1936.

270 Wheatgrower, 15 April 1936.

percent, five times the Board's rate.²⁷¹

The Board's effectiveness was limited by the Government's desire for economic operation of the Acts from year to year, which required that every season the advances had to be recovered. That would have been a difficult task without the continually depressed market. Assistance was pared back to approximate the expected return from one season's crop, the crop for which finance was made available. All that the farmer could hope for was a temporary respite from the claims of his creditors. As prices fell, less of the loan made by the State to the farmer would be repaid from the season's crop and the cost to the State of supporting farmers would increase. The Board had also to contend with the rising costs of all farming needs. Farm wages doubled between 1934 and 1939.²⁷² Other expenditure, on clothes, sustenance, machinery, etc., also rose.²⁷³ All these increased costs had to be borne under a restricted allowance from the Treasury.²⁷⁴

Inevitably, fewer and fewer farmers could be assisted. In order to maintain the maximum number of farmers in spite of these pressures, the Board felt compelled to keep returns to a maximum

271 *ibid.* (Board charged $3\frac{3}{4}\%$. FAA, Para 18(1), GRG-6/1/126).

272 In 1937 agricultural wages were at their 1927 level again, having fallen by 50% during the Depression. GRG-6/1/43. See also Table 22.

273 Table 22.

274 Table 23.

and, therefore, to refuse further assistance to farmers likely to be inefficient. These considerations should have been immaterial to a Board created to assist farmers to pay their way in a reasonable time²⁷⁵ - which could be five or fifteen years.²⁷⁶ The Board's policies were, so it claimed, based on a long term average wheat price of three shillings and sixpence per bushel.²⁷⁷ The proportion of farmers withdrawn or refused follows too closely the previous seasons changing wheat prices for the Board to convincingly defend its claim to a long term policy. As wheat prices fell in one season, so then did the proportion of approvals in the next season.²⁷⁸ The massive rejection of over one quarter of the applicants in 1939,²⁷⁹ claimed in the heat of the moment to be twice as great a percentage as in any previous year²⁸⁰ was explained away by the Board as an economic necessity. The Board's finances were too restricted,²⁸¹ leniency could not outlast a budget, and losses had become too heavy to bear.²⁸²

The prevailing financial orthodoxy that governed the administration of Farm Relief was the basis of the attacks on the

275 FAA Para 66.

276 FAA Para 12; Paine, Interview.

277 GRG-6/3/17 (Letter 11 May 1938).

278 Spearman's correlation test indicates that the observed conformity of wheat prices and the percentage of applications refused is rarely likely to occur by chance.

279 Wheatgrower, 22 April 1939, claimed 27.4%.

280 *ibid*, but see Tables 16 and 21.

281 S.A.P.D. 16 November 1938, p.2503.

282 Paine to Treasurer, 21 March 1939. GRG-6/1/43.

Legislation. Criticism of the waste²⁸³ involved in the Acts had been justly voiced since their inception. The mal-administration, and lack of co-ordination between the administrators of the DAA and the Farm Relief Acts, had put the State's money into uneconomic farms.²⁸⁴ The candid, and blunt, Report by the Auditor General on the operation of the Acts provided ample ammunition for critics in his forthright accounts of assistance given to hopeless cases. His investigation of a Murray Mallee farmer, for example, showed that, "it would have paid to maintain him in idleness and paid him £6 per week for the 6 years he has been on his farm".²⁸⁵

Criticism of the financial aspects of the Acts throughout the 'thirties was soundly based, since not one had recovered all the money it had advanced. As relief measures they were a continual drain on the State Government's finances, Parliament was beginning to feel that the State could not continue to exist if public revenue had to carry all the industries that were not paying for themselves.²⁸⁶

But the legislation had been based on a mixture of political expediency and concern, not on any cost-effectiveness plan, nor indeed on any real plan at all. Criticism of its economics was,

283 Advertiser, 21 August 1935, p.23, "Help often too Generous".

284 S.A.P.P. 4, 1932, p.50.

285 S.A.P.P. 4, 1932, p.49.

286 S.A.P.D., 25 July 1934, p.194.

therefore, largely irrelevant to its aim of keeping farmers growing wheat. The underlying rationalisation of the hand-to-mouth legislation from 1929 to 1932, and the more ordered FAA in 1933, was the acknowledged dependence of South Australia on the products of its primary industries. The need to maintain wheat growing, the main industry in that sector, dominated the explanations of the need to protect farmers from 1929 onwards. The DAA, Parliament hoped, would remove the fear of bankruptcy and encourage the farmer to increase his efforts to produce more.²⁸⁷ That attitude carried through the FRA too, the State could not afford to allow the land to go uncropped if it was to meet its liabilities.²⁸⁸ The "policy of producing wheat at all costs"²⁸⁹ was initially seen as a necessary gamble.²⁹⁰ Its cost gave legislators a new perspective. As the years progressed their aim gradually, subtly, shifted from that of maintaining the wheat industry, to maintaining the farmer. This meant more than keeping the medium of foreign exchange in good supply and implicitly it required a more consistent policy than had been evident up to the Act of 1932.

The need to continually re-enact Relief legislation eroded the original concept of producing wheat, "come what may". The precarious state of the wheat-farmers became increasingly difficult

287 S.A.P.D. 19 November 1929, pp.2065-66.

288 S.A.P.D. 31 March 1931, p.236.

289 S.A.P.D. 8 November 1931, p.1722.

290 S.A.P.D. 17 March 1931, p.29.

to ignore as season succeeded season without improvement. Criticism that began with the questioning of financial aims broadened to query the necessity of any assistance.²⁹¹ Costs continued too high, and had been too prolonged;²⁹² it seemed most expedient to abandon any pretence of continuity²⁹³ and disband the Board.²⁹⁴

This idea was encouraged by the existence of farmers the Board had refused to assist, but who had nevertheless continued with outside help.²⁹⁵ Inevitably the idea took root of withdrawing assistance and

allowing creditors to employ their business experience and sense of fair play in protecting their own assets and at the same time keeping farmers in production.²⁹⁶

The underlying assumption that private business had a superior, disinterested ability to select good farming risks was, in the light of their performance under FRA,²⁹⁷ a questionable one. Their failure then to show dramatically superior success was not an isolated instance. In 1931 the Auditor of one Company had remarked that the unsatisfactory accounts were due to the Firm's "loose" business practices.²⁹⁸

291 Pioneer, 5 July 1934.

292 S.A.P.D. 1 July 1936, p.429.

293 S.A.P.D. 1 July 1936, p.430.

294 S.A.P.D. 1 July 1936, p.428.

295 S.A.P.D. 8 October 1941, p.913.

296 S.A.P.D. 15 August 1935, p.267.

297 See footnote 113, supra.

298 Goldsborough-Mort, letter, 13 February 1931. A.N.U. 2A/36.

Furthermore, the Government agency was more likely to balance the farmers' and the creditors' interest more equitably than the self interest of any of the parties would allow if left alone. The farmers, and their creditors, who benefitted from the Act, and stood to gain even more rewards from the Primary Producers' Debts Act,²⁹⁹ did not complain.³⁰⁰

The Board and the FAA remained inviolate while discontent simmered, until the time came to renew the Act in 1938. Again the charge was made that assistance for farmers had been a burden on the community for too long³⁰¹ and that, therefore, it should be ended.³⁰² The original charter of the Board to assist farmers who could make their way within reasonable time was ignored. In 1933 Parliament had been less pessimistic, thinking that perhaps only five years³⁰³ assistance would be necessary. In less time than that Parliament had become disillusioned and dismayed with the cost of maintaining the farmers. The Premier defended the financial burden imposed on the community. It was tolerable, he said, and losses would be "infinitesimal compared with losses which would be made under any other form of

299 See Chapter IV, footnote 243, *infra*.

300 S.A.P.D. 15 August 1935, p.285.

301 S.A.P.D. 1 December 1938, p.2818.

302 *ibid*.

303 S.A.P.D. 14 November 1933, p.2098. Judge Paine thought that fifteen years was not a pessimistic estimate. (Interview.)

legislation".³⁰⁴

In fact, losses under FAA from 1934 onwards continued as they had under the earlier Acts, and repayments fell short of advances, the proportion of advances repaid did, however, improve.³⁰⁵ The ability of the Board to keep nett annual costs low was especially remarkable during a period of rising costs. Probably this was a result of the stricter control exercised over the farmers.³⁰⁶ Control, it seemed, was an essential part of the farmers' future, because it helped the State fulfil its desire to keep expenditure to a minimum during the Depression. The practice of the Bank, and later the Board, of maintaining the canons of sound financing worked against keeping as many farmers on the land as possible. Balanced books and benevolence did not mix.

304 S.A.P.D. 1 December 1938, p.2925.

305 Table 19

306 FAA Para 68, provided for this.

CHAPTER III

LIVING ON RELIEF

Government parsimony provided the basis of many complaints from the farmers. Chief among the issues heatedly debated throughout the Depression was the inadequate sustenance provided the assisted farmers. The State Bank Board had decided in 1931 that unmarried farmers could live on ten shillings' worth of groceries a week, and that a family could survive on a slightly larger allowance.¹ A family of twelve, one politician claimed, was expected to survive on two pounds per week. He might have invented that family to score points in Parliamentary debate,² but the allowance he quoted was correct. Until 1932 the sustenance allowance was fifteen shillings per week for married couples and a half-a-crown per week extra for each child, to a maximum allowance for the family of two pounds.³ The following year the children's allowances were revised and graded according to age, and the overall allowance was increased.⁴ It remained almost unchanged until after the Second World War began;⁵ the only increase made was ninepence per person in lieu of an allowance of grain for gristing, in 1937.⁶ In retrospect the cash value of sustenance allowances compared favourably with

1 Table 24.

2 S.A.P.D. 23 November 1931, p.2815.

3 GRG-6/1/14.

4 Table 24

5 *ibid.*

6 Circular No. 126, 16 January 1937. To take effect 1 March 1937. GRG-6/13/179.

the Government's frugal allowances to others, and with private payments for sustenance. Probably individual employees in rural areas were better off than the lone farmer in monetary terms, but the variety and inadequacy of all of the data on the subject⁷ made a firm appraisal very difficult. The farmer was definitely more fortunate than any of the unemployed in the city during the Depression. A city family of two adults and two children had to subsist on food given in exchange for ration tickets. Each week they could get between fifteen and seventeen shillings⁸ worth of groceries, about two-thirds of the farmer's family allowance.⁹ Neither allowance was generous in comparison with the Basic Wage of three guineas for a family of five¹⁰ but in the 'thirties the ideal of the basic wage was achieved far less often than it was held up for emulation.¹¹

The farmer's position was not as advantageous as the accountant's figures for allowances seem to indicate. The static face value of sustenance payments over so many years when prices

7 Table 25.

8 *ibid.*

9 Table 24.

10 Table 25

11 70% of Breadwinners in 1933 earned less than 3 per week, and 52% of married men earned less than the basic wage. Census, pp.1718 & 1910.

were generally rising,¹² meant that the real value of the allowance declined during the 'thirties. Had the Farmers Assistance Board modified their allowances to account for changed values, the food and grocery allowance for married couples in 1938/9 should have been twenty-five shillings per week. Instead, it was just over one guinea.¹³

In addition to inflation, the farmers suffered from their remote locations. The Commonwealth Labour Reports indicated that food costs were higher in country towns than in the city,¹⁴ because most products had to be brought up the railway line from central agents in Adelaide. Farmers' wives had challenged this imposition on rural families when wheat prices fell, claiming that it cost upwards of one-third as much again to buy food in a country store as it did in the city.¹⁵ The Relief administration took no account of the variations between different parts of the State, assuming that if the sustenance grant was generally adequate, then it would be so in particular cases. It is certain that farmers in some parts of the State should have had more generous allowances because, as the Board's own inquiries showed, they were necessary. The figures that it collected showed that

12 Table 22.

13 Table 24.

14 Table 11. The difference was as much as 23% in some areas. CRG-6/8/62.

15 Advertiser, 19 December 1930, 44%; 13 November 1930, 30%.

thirty standard grocery items costing £2-19-0 in Adelaide cost a minimum of £3-3-9½ in the country. The median increase above the city price was eight shillings and sixpence; the highest mark-up was over thirteen shillings.¹⁶ It should have been obvious from these figures that a married couple needed an allowance eight percent more than the Board budgeted. In concrete terms, in 1934/5, they should have been getting another twenty pence per week. In very isolated areas, such as Kimba, the weekly rate should have been five shillings more than it was.¹⁷ There is no evidence that the Board ever made allowances for inflation or isolation when apportioning sustenance.¹⁸

Strict interpretation of the sustenance allowance continually reminded the farmer of his subservience to the city and prompted continual demands for a relaxation of its provisions. The Farmers Assistance Board, which paid the farmers' accounts up to the limit the Board had set on sustenance as the shopkeeper submitted them, initially favoured monthly rather than quarterly orders for foodstuffs because shopkeepers abused the Board's trust.¹⁹ If, as some did, they obtained payment for a month's supplies which they had not yet delivered, the Board was

16 Survey 23 January 1936. Minimum increase, 8% at Port Lincoln, Maximum 23% at Kyancutta. GRG-6/1/162.

17 *ibid.* Kimba, 20.5% increase over city.

18 Table 24 is based on the most complete set of data available.

19 GRG-6/1/160.

prematurely parted from some of its interest earning finance and the storekeeper benefitted.²⁰ Agitation for more flexible ordering procedures eventually brought "valuable concessions"²¹ to the farmers in 1936. Payments were to be made direct to the farmer in advance by monthly, bi-monthly, or quarterly cheque.²² The Board retained its iron authority by reserving the right to vary the procedure in individual cases if it considered circumstances warranted an adjustment.²³ The concession itself was very limited; each applicant still had to "nominate in writing to the Board the trader or traders with whom [he] proposed to deal",²⁴ and was compelled under Paragraph 68 of the FAA to use the money only to purchase sustenance requirements.²⁵ The farmers were warned that if the Board had reason to think that the advances were being mis-spent it would "certainly call upon the applicant to give a full account".²⁶ The overall sustenance allowance remained unchanged, a source of continual recrimination from the farmers, who thought it inadequate. The Board's immutable response to criticism was the same as Paine had

20 Wheatgrower, 15 March 1935.

21 Wheatgrower, 15 January 1936.

22 F.A.B. Circular No. 93. (10 January 1936). GRG-6/1/38.

23 Wheatgrower, 15 January 1936.

24 F.A.B. Circular No. 93.

25 *ibid.*

26 *ibid.*

used when Director of Debt Adjustment.²⁷ The farmer, they claimed, had ample opportunity to increase his real allowance from the sidelines on his farm. In practically every case²⁸ the income from the sale of dairy produce, eggs, rabbits, fox skins, and the like²⁹ was retained by the farmer. In the Board's eyes, taking into account the value of available sidelines

which should average 10/- per week, the use of ration sheep and pigs ... the living cost compares favourably with that of a man on the basic wage.³⁰

That argument, adroitly varied from time to time, was used to reject criticism of any discrepancy between the actual allowance and the needs of particular families. Rigorous investigation would have revealed the inconsistencies of the Board's excuses. The first unwarranted assumption was that farmers who needed assistance were sufficiently competent to have some farm sidelines. At no time were all wheat farmers entirely self-sufficient, there were always some who had no cattle, or pigs, or poultry.³¹ The fact that the majority of wheat farmers did have some sidelines did not automatically ensure that the wheat farmers who needed assistance were as well off. Most probably

27 c.f. GRG-6/2/669.

28 GRG-6/1/160.

29 *ibid.*

30 GRG-6/1/41, 31 January 1940.

31 Table 26.

they were not. As might have been expected, the farmers who needed assistance maintained fewer sidelines than the average farmer,³² and they were probably significantly less diversified than their counterparts who cropped the same area of wheat.³³ A further unwarranted assumption was that the surplus sidelines were saleable. In remote areas, like the West Coast, and the Murray Mallee, where the need of assistance was greatest,³⁴ the small local demand for farm products was easily oversupplied.³⁵ The resulting low prices hardly justified the effort needed to take produce from farm to market. Dairy butter fetched sixpence per pound, eggs were bought at three for a penny.³⁶ In larger metropolitan markets retail prices were higher but the costs of transport and the commission of the middlemen again discouraged the farmer. Pigs which sold for twenty-seven shillings in Adelaide returned less than half that to the farmer.³⁷ Other sidelines were even less remunerative,³⁸ so markets outside the local region were closed to many as well. In combination, lack of diversity and flooded markets dragged the sideline income of

32 *ibid.*

33 *ibid.*

34 Table 37.

35 Pioneer, 4 December 1931; S.A.J.A., XXXV (1931) p.443; Farm, 1 August 1933.

36 Pioneer, 4 December 1931; 19 January 1933.

37 S.A.J.A. XXXVI (1932), p.75.

38 Thus during an egg glut, when production was 70% in excess of the State's needs, the local price was 3 pence per dozen. Pioneer, 14 December 1931; S.A.P.P. 71, 1931, p.56.

the assisted farmer down from the State average of about two hundred pounds per year to about one hundred and fifty.³⁹

The Board did not treat all the farmers' requests with the disdain with which it heard appeals for sustenance; it could make changes when it thought fit.⁴⁰ Under the State Bank there had been some liberalisation of the sustenance grant to allow for the replacement of clothing. In the first year of the FRA applicants "had to appeal to charity"⁴¹ for clothing. The Country Women's Association alone supplied blankets and clothes to fifteen hundred families.⁴² The odium of Government 'wards' depending on charity forced guarded recognition of the necessity for a clothing allowance in 1932. A grant of up to fifteen pounds was allowed in especially meritorious cases,⁴³ and in the Act of 1932 the principle of a separate clothing allowance was recognised. Under FRA the distinction was made between assistance required by the farmer to "maintain himself and his family",⁴⁴ and the payment of advances to purchase clothing.⁴⁵ Later the Board considered the practicability of making advances in cash

39 Table 27.

40 Advertiser, 10 January 1936, p.24.

41 S.A.P.D. 4 October 1933, p.1502.

42 C.W.A. written communication 10 June 1971, quoting 1931 Annual Report.

43 Dating from 11 April 1932. GRG-6/1/41.

44 FRA Para. 7 (1).

45 FRA Para. 7 (2) d.

for clothing.⁴⁶ Their general attitude was, however, seen in the warning to applicants in 1934 that funds did not allow the fulfilment of all wishes and counselling "reasonable forbearance" in applications for clothing.⁴⁷

In 1932, for the first time, claims for doctors' fees were allowed.⁴⁸ This meant that while the Government might have to pay out more for certain individuals, the average cost of sustenance requirements of each farm would be reduced.⁴⁹ The cheese-paring attitude of the administration was evident in their medical allowances; under FAA the annual outlay was less than ninety shillings per applicant each year,⁵⁰ it was kept low by the consistent refusal of the Board to pay hospital fees in full.⁵¹ Only once did the Board assist applicants by subsidising a medical service, and then only because the farmers concerned were so isolated that a subsidy was the only way in which medical treatment could be assured.⁵²

46 Wheatgrower, 15 August 1935.

47 Wheatgrower, 15 June 1935 (H.K. Paine).

48 S.A.P.D. 3 November 1932, p.1653.

49 Sustenance allowances: FRA, £71; EA, £70; RA, £54.
GRG-6 Series 9, 11, 12.

50 GRG-6/1/43, 6 February 1939.

51 "In view of the amount required ... over the season, the Board is not prepared to ... meet the whole of your account".
GRG-6/13/179. 23 May 1936.

52 In country West of Ceduna. GRG-6/17 Board Minute No.354,
22 March 1934.

Each administration was noticeably more receptive to requests that appeared to be of some benefit to the farm, as distinct from the farmer,⁵³ and allowed concessions which ensured smooth running of the farm. From the inception of the Acts wages were paid to any assistant necessarily involved in farm operations.⁵⁴ That gave farmers' sons a genuine cash-in-hand income, probably for the first time in their life. Work previously undertaken by "unpaid helpers" as part of their family responsibilities was now paid for by the Board on a few farms.⁵⁵

Early experiences showed the Board that too close adherence to the sanctity of its balance sheets caused delays that were harmful to the prospects of the farmers it was meant to be assisting. In some cases crop production was halved because the farmer was faced with no alternative but to seed his paddocks without superphosphate. Had he waited for the Board to send it, the opportunity for seeding would have passed and there would have been no crop at all.⁵⁶ Late supply of super meant seeding was a waste of time, money, and energy.⁵⁷ Grudging permission

53 Pioneer, 20 March 1931.

54 S.A.J.A. XXXV (1932), p.717.

55 82 applicants under FAA had between them 102 employees, most with same family name as employer. GRG-6/1/114.

56 S.A.P.D. 23 November 1931, p.2817.

57 Pioneer, 20 November 1931.

to obtain spare parts also held up cropping at important times because the Board took about seven days to reply to letters.⁵⁸ If the request was clearly put and justified the order would be placed, and the only delay would be delivery time. If the request was, as often occurred, obscured by the farmers' literary style which severely hindered interpretation of their request,⁵⁹ the delays would multiply. Under the EA, the Board's rule that any purchases needed prior approval was waived for repairs at harvest time, in an attempt to compromise between the State's desire to maintain wheat production and its need to control expenditure. Strict limits were set on the amount that could be spent at any one time without prior permission, and the type of expenditure was also defined. The maximum value initially allowed for any individual repair was ten pounds during the peak harvesting season of November to January, and five pounds during harvest in October and February. The money could only be used to replace breakages, not to repair machines in readiness for harvesting.⁶⁰ Later the scheme was revised to allow farmers a flat rate of five pounds for repairs during

58 Analysis of letters in GRG-6; Series 2, 9, 11, 12, 13, 14.

59 "It is useless for you to write me letters such as this as there are no details ... H.K.P." GRG-6/2/708.

60 Farm, 1 November 1933, p.13.

seeding, fallowing, hay cutting, and harvesting.⁶¹ The concession was more or less a token, since a new steering wheel alone cost £7-10-0,⁶² and the farmers being assisted might expect to need more frequent and larger repairs because they had more old-fashioned machinery than the average farmer.⁶³

When the passage of FAA gave the Board power to make long range plans to assist farmers,⁶⁴ it was able to take more positive steps to ensure that farmers it did assist returned the best dividend possible to the State as they improved their individual prospects. The Board's power was used to assist, and if necessary demand that, farmers accommodate to the economic reality of low wheat prices by changing their style of farming. In the face of unbounded (and unfounded), optimism this task was difficult. Farmers were perennially optimistic, believing firmly, even if desperately, that the next season would be the good one.⁶⁵ A Board Supervisor still recalls

one old chappie from the West Coast ... every year put ... in thirteen hundred acres of wheat ... he said ... 'we're going to have a good year next year - I want to put in thirteen hundred acres, I know we are going to have a good year'.⁶⁶

61 Farm, 1 June 1934, p.27.

62 S.A.P.D. 24 November 1931, p.2858.

63 Table 28.

64 cf. p.39 , supra.

65 For example: S. Cockburn, "The Rural Crisis", Advertiser, 7-14 August 1971. Also Advertiser, 4 November 1972.

66 "V. Sarne", Interview.

Where it was impossible to make farmers realise their precarious position it became necessary for the Board to use all the Act's power to force changes.⁶⁷ Farmers who, out of cynicism or demoralisation,⁶⁸ identified themselves as "wheat-sowers" and who planted wheat in the hope that it would grow,⁶⁹ as well as the farmers who regarded themselves as wheatgrowers pure and simple and had no sidelines,⁷⁰ were forced to become mixed farmers.

The ideas and assumptions of the Board were completely foreign to farmers indifferent to the need to diversity, or who were content to carry on their familiar farming programme. The Board's demands ran contrary to the established practices of a large proportion of the States' farmers. It discouraged the use of tractors,⁷¹ encouraged diversified crops and crop rotation⁷² and restricted the sowing of wheat to fallowed land whenever possible.⁷³ It tried to shift the farmers focus from cereal growing and "endeavoured to provide every farmer with such a flock of

67 "The Board may give to any applicant ... any directions as to a) The disposition of his property or income, b) his business transactions, c) the better management and working of his farm" FAA Para. 68(1).

68 ... "many farmers, dejected under the long continued strain of low prices ... are inclined to develop negligent agricultural methods". S.A.P.P. 43, 1934, p.17.

69 "V. Sarne", interview.

70 Mr G.A. McDonald (Kadina), written communication, 26 November 1971.

71 GRG-6/1/43.

72 35% farmers did not rotate crops. CP656, S.17.

73 30% crops not grown on fallow. GRG-6/3/88.

sheep, generally ewes"⁷⁴ as his farm was capable of carrying.⁷⁵

The Board was particularly well placed to foster a change to mixed farming, quite apart from its compulsory powers. As a controlling body possessing intimate knowledge of the farmers' prospects and having a continual association with commercial interests,⁷⁶ it was able to encourage Stock firms to assist in the diversification of farming. The firms ran little risk of having their stock sold off by the farmer. After the Board's Supervisors had "confidently" recommended farmers for continued assistance,⁷⁷ the Pastoral companies were assured that the Board's policy was "to insist that applicants hold their sheep, where possible, for the production of wool and raising of lambs".⁷⁸ In addition, the firms maintained control over any income accruing from their stock, by "selling" the sheep to the farmer on the sole security of a stock mortgage without any cash transaction. The income from the sheep was applied to the discharge of the Stock Mortgage⁷⁹ over one or two years.⁸⁰ The farmer thus gained

74 Minute for distribution to Board Members N.D. [July-August 1934] GRG-6/1/95.

75 *ibid.*

76 The Board contained a representative of the Chamber of Commerce.

77 Board instruction to Supervisors desiring to recommend farmers for sheep grazing. 17 August 1939. GRG-6/1/125.

78 Board to Elder-Smith & Co., 7 August 1939. GRG-6/1/125.

79 GRG-6/1/95.

80 Wheatgrower, 15 June 1934. (H.K. Paine).

the desired broad economic base without any cost to the State.⁸¹ By 1936 the majority of the farmers on relief had nearly three hundred sheep each,⁸² less than the average wheat farmer,⁸³ but the encumbrance on each was only less than thirty⁸⁴ pence per head at a time when sheep were worth over one pound on the market.⁸⁵

Without an assured central control, diversification would have been more difficult for the farmer. If, as was most likely, he could not afford to buy stock outright, he could have got them by signing away the rights to all his stock under the terms of an ordinary stock mortgage.⁸⁶ The Board's control made each assisted farmer an attractive client, more likely to gain assistance at less risk both to the creditor and the pastoral firm.

Managerial decisions made by the Board were not acts that seriously interfered with the personal life of the farmer, and were sometimes admitted to be justified, even by those who opposed

81 "the biggest part of the sheep supplied ... are sold by the Stock Agents on Stock Mortgage". GRG-6/1/43.

82 GRG-6/3/88.

83 Average Flock on Wheatfarms numbered 430. D.A. 1/37. See Table 29.

84 317,609 sheep, encumbrance £37,718. GRG-6/3/88.

85 Graph VI, c. 1936/7.

86 Wheatgrower, 15 May 1934, quoting Stock Mortgage Act of 1924.

any control. But they still balked at the high cost of improving their farm through the provision of water facilities and stock.⁸⁷ The cost was the loss of the farmer's freedom to make decisions, or to never make decisions, the end of his freedom to continue the practices which had forced him to ask for assistance. "Freedom" was the fundamental concept which coloured the farmers' attitudes to the FAA and, to a lesser extent, the Primary Producers' Debts Act.⁸⁸ Sociologists postulate a hierarchy of farmer's attitudes in which "freedom" ranks fourth in a list of nine,⁸⁹ and it is obvious that any control which inhibited the farmers' ability to take decisions would appear to be oppressive. Prior to the FAA farmers complained that there was no liberty under the Relief Acts and many had become so disheartened as to lose their incentive to work.⁹⁰ In the case of a simple operation like hay cutting, the Board's impact on the farmers' freedom is clearly seen. The relevant circular directs that

The hay must be stoked, carted and stacked in proper manner within reasonable time. The stack must be covered or thatched as soon as possible after completion and must also be protected from damage by stock. You are authorised to use such of the hay as is necessary for fodder for your own stock, but none of it must be sold, lent, or otherwise disposed of without the consent in writing of the Farmers Assistance Board.⁹¹

87 Letter to Premier, 4 December 1938. GRG-6/1/43.

88 Under that Act "control is not ... exercised to the same extent as ... under FAA". GRG-6/3/88.

89 See Chapter I, Footnote 7.

90 Advertiser, 28 October 1933.

91 F.A.B. Circular No.82. GRG-6/13/179.

The practical man had to bow down to "some clairvoyant in Adelaide"⁹² who claimed to be able to judge the farmer's needs better than he could, sight unseen. An "expert" it seemed, who could not see the idiocy of making the farmer sell all his wheat rather than allowing him to keep some to make bread,⁹³ and thereby reduce his sustenance claim. An 'expert' who could not allow the farmer to buy a cow to provide some of his family's needs and save the State money.⁹⁴ Hindered in every move by an anonymous Board in Adelaide, being told what to grow, and when, and what to buy, and from whom, farmers became increasingly suspicious of the Act. They mistrusted the ability of the "Famous Adelaide Boneheads"⁹⁵ to understand their needs when they found themselves paying out of their own pockets every day for necessities for the farm that were "too small to send in for".⁹⁶

Demands for 'freedom' manifested themselves as arguments dealing with cash allowances. Without an untrammelled income the farmer could feel neither free nor independent. Under FAA, the replacement of the previously minimal control with more effectively enforced, stringent, conditions, promoted antagonism.⁹⁷

92 S.A.P.D. 23 November 1931, p.2813.

93 GRG-6/1/38.

94 S.A.P.D., 21 November 1933, p.2263.

95 Wheatgrower, 15 February 1935.

96 Advertiser, 22 June 1934, p.24.

97 H.K. Paine, GRG-6/1/60.

Strict limitation of cash allowances, reinforced by the farmer's habit of judging farming on cash inflow, made him wonder whether the Assistance Act was assisting him towards prosperity or ruin.⁹⁸ Government parsimony aggravated their objections. The tight-fisted approach that characterised allowances for repairs, food, and clothing was clearly seen in the Board's control of the wheat bounty payments to all farmers.

The Federal Government grant to assist all needy wheat growers was distributed by the Board to farmers who, understandably, expected it to be a gift. Under FAA it was not, the farmers who were sufficiently needy to require State assistance as well as Federal Bounties had to pay their bounty money back to the Board because it constituted income.⁹⁹ Farmers who had previously been under the State Bank Board were shocked. In seasons past it had only sparingly exercised the legal controls it possessed.¹⁰⁰ The Bank had determined its right to appropriate the farmers' bounty money¹⁰¹ but had apparently not enforced it. The farmers were accustomed to using their "free gift" to renew their clothes, to buy stock, register trucks,¹⁰² or squander on frivolities.¹⁰³ Strict control by the Farmers

98 Dispatch, 1 June 1934.

99 FAA, Para. 68 (1) a. See also footnote 67 supra.

100 Dispatch, 16 March 1934.

101 Pioneer, 22 January 1932. Action endorsed by Solicitor General.

102 Wheatgrower, 15 September 1932.

103 President of Wheatfarmers Protection Assn., to Premier, 21 September 1932, D.A. 819/32.

Assistance Board was fresh evidence for farmers that those in authority had little sympathy for them.¹⁰⁴ At its own convenience, twice a year, the Board paid out a total of twelve pounds from the bounty money to cover farmers' petty cash and postage expenses.¹⁰⁵ The flat rate ignored the size of the farmer's family and the sum total of his bounty¹⁰⁶ which might be far in excess of the average of thirty pounds per farm.¹⁰⁷

The Board felt these considerations were immaterial, it had never been intended that the bounty was for indiscriminate use.¹⁰⁸ Rather, it had been granted with the object of helping place the wheat-grower on a stable base and

the interests of the State demanded that it should be devoted to that end in the way the Board judged best.¹⁰⁹

By the 1935/36 season, the second year of FAA, the terms of the bounty payment had been reorganised to prevent any garnisheeing of the money intended for farmers. The Board, seeking the opinion of the Crown Solicitor, was told that if a

104 Pioneer, 22 January 1932.

105 Advertiser, 2 June 1934.

106 Advertiser, 22 June 1934, p.24.

107 Table 30.

108 GRG-6/1/160.

109 Wheatgrower, 15 June 1934 (H.K. Paine).

bounty was granted then it must be paid "direct to the wheat-grower".¹¹⁰ The Board complied with the literal meaning of the law and, in the States' interests, thoroughly disregarded its spirit. Every bounty payment the Board posted to farmers under FAA arrived attached to Farmers Assistance Board Circular Number 110. Quoting the compulsory powers of the Act¹¹¹ the notice required the farmer to use the bounty cheque for the purposes the Board thought it was intended, which was to obtain essential requirements. The Circular directed the farmers to

apply the amount now paid ... towards the purchase of your sustenance requirements at the monthly rate approved by the Board ... after deducting an amount of £12 for incidental petty expenses.¹¹²

No further cheques for sustenance would be issued until the bounty payment had been, literally, consumed.¹¹³

When a gift from the Federal Government could be so easily intercepted, the farmers could have no doubt at all that they were, effectively, the tenant farmers of an Adelaide manager to a much larger degree than had existed under the State Bank. Well before 1933 there existed a widespread feeling that the administrator of the DAA, Judge Paine, would be the ideal man to

110 Crown Solicitor to F.A.B., 12 June 1935, GRG-6/1/182.

111 FAA, Para. 68.

112 Circular 110, in GRG-6/13/179.

113 *ibid.*

run any new Farmers Assistance Board.¹¹⁴ Probably the opinion stemmed from the relative flexibility available to him as sole arbitrator under the DAA rather than any intrinsic magnanimity embodied in a Bankruptcy Court Judge.

If farmers expected Paine to bring a new era of leniency to farm relief they were quickly disappointed, control by the Farmers Assistance Board was stricter than that exercised by the Bank Board. The manager of the Bank had been aware of the dangers of allowing farmers free access to the State Government coffers, and had advised some control of wheat bounty funds¹¹⁵ without ever taking any action to prevent abuses. Under the Bank Board the farmers were treated leniently, or as the Auditor General saw it, inefficiently. Under the Bank's administration of the Drought Relief Acts, payments were made without any effective check on the farmers' needs. The expenditure vouchers were, in the Auditor General's view, "the most unsatisfactory that have ever come to ... notice".¹¹⁶ One farmer had been granted £36.3.0 to buy, (among a variety of luxuries), five pounds of tobacco, two pounds of acid drops, twelve

114 Select Committee on Mortgagors Relief Bill, 1931. Evidence 22 September 1931 "give almost unfettered discretion to someone such as Judge Paine" (House of Assembly Archives, Parliament House, Adelaide). See also S.A.P.D. 1933, pp.1504, 1645, 1954, 1957, 1959, for similar comment.

115 Manager of State Bank to Director of Agriculture (N.D.) D.A. 819/32.

116 S.A.P.P. 4, 1931, p.41.

pounds of canary seed, one box of medicated cough mixtures, and one tin of Hudsons Eumenthol Jubes.¹¹⁷

Farmers who had benefitted from such accidental largesse from the Bank were hurt by the changed attitude of the Farmers Assistance Board. In order to use the discretion given it by the FAA, the Board had to be sure that it was the only party exercising any discretionary power. By making the Board the central authority which minutely scrutinised all the farmers' activities and to whom every action was accountable, Judge Paine created the system that he believed was most beneficial to the farmer. His experience as Director of DAA had shown him that relief schemes were healthiest when the producer realized that

he must depend on his own energies and resources and ... [was] not encouraged by immediate relief to slacken his efforts or to continue to rely upon such help as his natural right.¹¹⁸

The farmer's first personal acquaintance with the new policy came as they opened their application forms. They were ten page documents full of intricate detail, far removed from the two and one half page forms used under FRA.¹¹⁹ For the first time the administration wanted to know everything about the farm. From the number, age and state of repair of the farming

117. *ibid.*

118. Select Committee on Mortgagors Relief Bill, 1931. Written evidence of H.K. Paine, 10 September 1931. (*loc. cit.*)

119. GRG-6, Series 11, 12, 13. EA, 8 Pages; RA, 7 pages.

implements, to the number, and ages of the children; from the total income of the property to the exact ownership of all plant and livestock. The Board was not going to be fobbed off with, as had happened in the past, excuses that the cows or pigs belonged to "Mary or Mum"¹²⁰ and so were not part of the farmer's assets. Judge Paine had experienced challenges from farmers under DAA where individuals could safely say "go your hardest, I've got nothing you can take".¹²¹ He wanted the Board to be able to ascertain and keep in view every detail of the financial and technical state of the farm,¹²² so that it could adequately control the affairs of the numerous applicants.¹²³

The Board's justification for the form was the necessity to protect and control the tax-payers money. The concessions and privileges granted required a reciprocal duty from the farmer to abide by the rules, to "play fair". Control was also necessary to mollify the fears of creditors who saw their assets in the hands of people who had displayed no sense of financial responsibility in the past. In an early report on schemes for farm relief Paine had set down a lesson he had learnt as Director of Debt Adjustment, the lesson that farm finance was difficult to administer. Protesting that he was "without desire

120 Supervisor at Conference, 1935. GRG-6/1/122.

121 Comment by member of Eudunda Farmers Society, 9 February 1931. GRG-6/2/678.

122 Advertiser, 1 January 1934. p.10, (H.K. Paine).

123 "Debt Adjustment for the Whole Community", Advertiser, 10 March 1932, p.9.

to reflect on the honesty of South Australian farmers"¹²³ he stated firmly that the affairs of all who participated in any relief scheme should be subject to a central control.¹²⁴ As Chairman of the Farmers Assistance Board, Paine was in a position to put this lesson to practical use.

Farmers were incensed by the Board's desire to know "a great deal too much"¹²⁵ about their affairs, treating the farmer as if he was "living in Soviet Russia",¹²⁶ demanding that they sign away in ten seconds what they had worked for a decade to gain.¹²⁷ Reaction was swift, almost as soon as the application forms arrived protest meetings erupted across the State. At Karoonda a massive crowd of several hundred farmers filled the hall and jammed into the doors and windows to hear to Minister of Crown Lands hastily excuse Parliament from any responsibility.¹²⁸ At Mindarie, two hundred farmers voted to protest against "the drastic nature of the F.A.B. application forms".¹²⁹ In Kyancutta, nearly one hundred farmers decided that they would not sign away their freedom by promising to obey "any directions of the Board",¹³⁰ as did over one hundred at Sherlock.¹³¹ Passions flared and

124. *ibid.*

125. Pioneer, 22 February 1934, (Interview with a Loxton Farmer).

126. *ibid.*, (Interview with applicant from Taplan).

127. Pioneer, 9 March 1934.

128. Pioneer, 18 January 1934.

129. *ibid.*

130. Advertiser, 5 February 1934.

131. Pioneer, 25 January 1934.

cooled, the outburst died down as pragmatic farmers accepted that their moral abhorrence of the invasion of their private lives was not going to help them survive another season. Assistance, at whatever price, was essential.¹³²

The farmers found it difficult to accept that an Act of Parliament did not give them a right to assistance, but only made them eligible to apply for a jealously rationed concession. This meant but one thing to them - Judge Paine was "the Dictator of the wheat industry in South Australia".¹³³ Like many simple truths, that view was wrong, but the farmers were convinced that the Board had been given such drastic powers that farmers' wives were to be deprived of sundry earnings from their dairy, pigs, or poultry.¹³⁴ This was seen as evidence that the new Act was framed to save city interests and ration the farmer to subsistence level.¹³⁵ Their misconception had arisen from the attempts made in Parliament to ensure that the Board had adequate power to discover the total income and assets of a farm. Attempts were made to ensure that all farm income, except the farmer's wife's¹³⁶ income, would be considered.¹³⁷ Politicians were

132 Wheatgrower, 15 February 1934; Pioneer, 8 February 1934. (Meetings at Peake and Waikerie respectively.)

133 Dispatch, 9 March 1934.

134 Wheatgrower, 15 June 1934; Pioneer, 19 December 1935.

135 Pioneer, 29 March 1934.

136 S.A.P.D. 31 October 1933, pp.1833-7.

137 S.A.P.D. 21 November 1933, pp.2262-5.

loth to pass legislation which threatened controversy by interfering with the farmer's family as well as the farm. When the Assembly divided to vote on the issue one third of the members were absent,¹³⁸ having either departed for their evening meal,¹³⁹ or prudently absented themselves to avoid making a public stand.¹⁴⁰ The relevant section of the Act read, after amendment and counter-amendment had failed to find acceptable words, that the Board had "an unfettered discretion to grant or refuse any application or to grant any application in part only".¹⁴¹ The Board could take into account, or ignore, the wife's income when deciding on the amount needed for the upkeep of the farm.¹⁴² The farmers however, were convinced that the legislation required the Board to callously seize all income, and that therefore the Administration was inimical to the farmers' best interests.

Their conviction that the State and the Relief Administration were insensitive to the farmers' needs and that both were subservient to the demands of creditors, was not lacking basis in fact. Their first evidence of the primacy of the creditors'

138 15 of 45 members. S.A.P.D. 31 October 1933, p.1837.

139 The tea adjournment at 6.05 occurred immediately following the division.

140 Amendment to take wife's incomes into account: The pattern of voting was: Labour factions; 2 for, 5 against; 7 abstentions (1 rural): L.C.L.: 14 for, 7 against, 8 abstentions, of which 5 were in wheat farming electorates.

141 FAA, Para. 17(1).

142 Pioneer, 25 January 1934 (H.K. Paine).

interests under Farm Relief legislation had been published on the first of September 1931. The Bank Board took space on the prime news pages of the Advertiser to publish an alphabetical list of the names of all applicants for farm relief,¹⁴³ which in certain districts amounted to a census of the inhabitants.¹⁴⁴

Apart from a facetious suggestion that the list should be published in the Government Gazette (because no-one read it),¹⁴⁵ the Parliamentary reaction was one of obvious embarrassment that their legislation could be interpreted so shamefully.¹⁴⁶ Farmers were exposed to unnecessary publicity which gave no indication of the reasons behind their applications for assistance. Because it was not clear whether they were being assisted by the Government or by their creditors¹⁴⁷ cautious businessmen placed still more restrictions on credit available to those listed.¹⁴⁸ Lack of precise information increased the suspicion that many applicants did not deserve assistance.¹⁴⁹

143 Advertiser, 1 September 1931, pp.6-9. In the physical layout of the paper the first page of news and editorial comment was about p.5.

144 Dispatch, 18 September 1931.

145 S.A.P.D. 1 September 1931, p.1500.

146 The Act specified that the Board "may" publish a notice, not that it had to, nor that it must, publish a list of applicants. FRA, Para. 14.

147 S.A.P.D., 1 September 1931, p.1996.

148 S.A.P.D., 28 November 1931, p.2816.

149 Mrs J. Rowley [Elliston], written communication, 23 February 1973. Advertiser 3 September 1931, p.12.

Under subsequent Acts any lists published appeared in the obscurity of the Government Gazette, which allowed business interests to check on their clients, and at the same time avoided ostentatious publicity. But by then the farmers had seen with whom the loyalties of the Government lay.

The farmers' suspicion of the Relief Administration grew as the FAA continued. According to some, the importance of "economy" to the Board meant that hundreds of farmers were deliberately turned off their holdings to drift on to the dole.¹⁵⁰ This corollary of efficient approval, efficient rejection, was an important function directly delegated to the Board under Paragraph 65 of FAA. Rejection was unpleasant for the recipient, but the Board defended its action by reference to that Paragraph which expressly forbade it

to afford any protection or assistance to any farmer unless ... satisfied he was a reasonable prospect of rehabilitation.¹⁵¹

Obviously, the Board said, in carrying out its duties it was bound to force a number of farmers into the clutches of their creditors¹⁵² and from there, perhaps, into final liquidation.¹⁵³ The Board discounted exaggerated charges, like the claim that in 1934/35 "no fewer than four hundred and five farmers were turned

150 S.A.P.D. 20 August 1935, p.293.

151 H.K. Paine to Treasurer, 14 June 1938. GRG-6/1/43.

152 A.W. Christian (MP) to Paine, 22 April 1938. GRG-6/3/17.

153 H.K. Paine to Treasurer, 14 June 1938. GRG-6/1/43.

off their land".¹⁵⁴ In fact the total number of Primary Producers' Bankruptcies and Compositions was less than that¹⁵⁵ and it was in any event, unlikely that the Board which dealt with a minority of the State's farmers,¹⁵⁶ would be responsible for all bankruptcies and schemes of arrangements. If the fate of those refused resembled, in any way, that of the farmers refused in the first year of the Act, probably only two thirds were in any danger at all of being thrown off their land.¹⁵⁷

In cases where a farmer was forced to assign his estate, the sale was duly advertised and took place - if the farmer's neighbours thought it should. In some areas the thought of suffering the same fate united farmers in a fellowship of fear to stop or disrupt sales.¹⁵⁸ Prospective buyers would read that a clearing sale was being held because the farmer was "leaving the district" or "voluntarily relinquishing farming",¹⁵⁹ rarely that he was being compelled to leave. They could not know for sure which variety of sale it was going to be until they

154 S.A.P.D. 14 August 1935, p.198.

155 Table 31.

156 For the 1934/35 season the Board received 2173 applications.

157 GRG-6/1/68. See Table 20.

158 Pioneer, 23 February 1933, "If any forced sales are held it is almost certain drastic action will be taken".

159 From Pioneer and Dispatch. Sales advertised 1930-35; Mortgagees foreclosure offered as reason in 16% and 9% of cases respectively: "Voluntarily relinquishing" 15% and 52% of cases and "Assigned Estate", 42% and 39% of cases respectively.

arrived and heard the quiet whisper that there was to be no bidding because it was one of those sales.¹⁶⁰ Bids could be made only if they were sufficiently ridiculous,¹⁶¹ but if a farmer was injudicious enough to bid seriously he would be prevailed upon to change his mind. When a quiet talk behind the haystack had no effect,¹⁶² more drastic methods were used -

a returned soldier farmer ... was struck from behind and knocked down after he had purchased a stripper. He was then attacked by several of the crowd and intimidated into relinquishing his purchase.¹⁶³

Farmers who had no money were unlikely to be involved in competitive bidding, as forced sales machinery and stock were in such poor condition that the man with money would not touch them and they were left for the middle-man to buy cheap.¹⁶⁴ In those circumstances it was easy for farmers to unite against a commercial, and therefore almost certainly unwanted, alien influence. The meagre evidence, often negative, suggests that direct boycotts and intimidation were not widely used. Farmers heard about them, of course, but their very newsworthiness seems to indicate that they were not common. Their danger to farmers was pointed out in straight 'hip-pocket' terms:

160 Interview, Mrs R. Hunt [Bordertown], September 1971.

161 E.g. 11/- offered for 3 horses. Advertiser, 10 March 1933, p.19.

162 Interview, Mr "W. Salter" (pseudonym) February 1972.

163 Advertiser, 10 March 1933, p.19. Report of sale at Poochera.

164 GRG-6/1/122. Supervisors Conference, 1938.

If farmers took it into their own hands to prevent buyers from bidding, such action would react against settlers generally as no financial institution would be prepared to provide finance to assist them if such happenings ... were repeated.¹⁶⁵

On occasion the position was reversed, the seller, for his own reasons, desired a cheap sale. One group of farmers became most distressed when they discovered that one of their fellows was going to stop any bidding so that his relatives could buy cheaply¹⁶⁶ and was prepared to make sure that no-one would bid. A notice in the local paper

WANTED - Couple bruisers deal with scabs
at unfortunate farmers forced sale.¹⁶⁷

ensured that prospective buyers, whether they believed the farmer "unfortunate" or not, were appraised of his intentions.

Most probably the boycott was a frequent threat but not a common reality because clashes between buyers and sellers could be avoided in less public ways. Essential farm machinery could be 'lost', stock could 'stray', and unfortunately be unavailable at the sale. In one recorded case a farmer took cows, poultry, a team of horses, and a motor car out of the district to thwart his creditors at the sale.¹⁶⁸ Another was alleged to have survived the Depression by selling milk from his cows which he

165 Advertiser, 16 March 1933, p.10. Auctioneer at adjournment of sale at Poochera.

166 Letter from "Ceduna and 100 more farmers anxious to buy", 2 March 1936. GRG-6/1/28.

167 *ibid*, (newspaper clipping).

168 Letter from "Fair Play", 20 April 1934. GRG-6/1/28.

miraculously found in the scrub after his farm had been sold up.¹⁶⁹

In areas where the Board's Supervisor was sympathetic the clearing sale could be ritualised for the benefit of the interested parties, the farmer and the Government. One ex-supervisor recalled:

We never had any friction at all with the sales I was at ... What I'd do was I'd see what he could finance ... I'd fix the lowest, the absolute minimum price on that ... I'd say [to] the auctioneer "He wants these things" and the auctioneer would say "Well Gentlemen everything's for sale. Now Mr So-and-So, he's interested in these things, I'll offer them first". He'd offer ... and nobody would bid for them.¹⁷⁰

The farmer would then bid the lowest price acceptable to the Government,¹⁷¹ and might in that way retain sufficient plant to continue farming,¹⁷² without any direct confrontation. There was no need for a farmer fallen on hard times to challenge or threaten anyone in order to get a "fair go". The demand for livestock could balance out the restricted interest in machinery, so that even if a harvester brought one tenth of its list price the sale, overall, might realise eighty percent of the inventory

169 "W. Salter", interview.

170 "V. Sarne", interview. This procedure was not uncommon. See GRG-6/1/43, letter to Premier 23 January 1939, stating "there was not anything sold ... which was not genuine excepting the motor car". Also, H.R. Hogan, Pioneering and Progress of Kimba, (Adelaide, 1971), p.14.

171 Pioneer, 26 January 1931, plough worth £100 for £17. D.A. 239/31. Harvester worth £80 for £7-10-0.

172 Schiller, loc. cit.

value.¹⁷³ Again this possibility improved the farmer's prospects for clearing away his liabilities and perhaps beginning again. In addition, the existence of restricted markets for agricultural land also meant that the farmer might remain on the farm which had been sold up, as a caretaker for the mortgagors, or for the Board.¹⁷⁴ Failing that, he might live with relatives or take over another farm in the district.¹⁷⁵

Marginally legal arrangements succeeded because they were easy to disguise and the Board was not antagonised by an open challenge to its authority, although it was aware of the devious dealings and continually tried to prevent them. Judge Paine was certain that unequivocal legal action against misdeeds was essential to restoring respect for the operation of farming assistance, to remove the "tendency among the public to belittle the farm assistance administration".¹⁷⁶ The Board was more than vigilant, it actively sought information. It asked wheat merchants, for instance, to supply confidential information in connection with illegal disposal of grain by farmers under the Board, promising in return that the firms would not be hurt financially as a result of any irregularities that were discovered.¹⁷⁷ Farmers were ready to report anonymously on their fellows out of their concern for (if pseudonyms are any guide)

173 D.A. 239/31 (Sale of Vietch Experimental Farm).

174 S.A.P.D. 8 October 1941, p.915.

175 Pioneer, 11 May 1933.

176 H.K. Paine at Supervisors Conference, 9 October 1934.
GRG-6/1/122.

177 GRG-6/17, Board Minute No. 5205, 12 November 1936.

"Fair Play" and "Justice".¹⁷⁸ Letters from these sources told the Board how farmers kept back for their private use, wheat which had been grown with the Board's assistance. They harvested it and hid it in chaff heaps,¹⁷⁹ then regretfully informed the Board that the crop had not yielded as well as had been expected. The wheat could then be loaded on to a truck under a pile of stumps¹⁸⁰ and taken to a friendly wheat merchant outside the district who would pay cash and enter the delivery under a fictitious name. No-one who was not involved need ever realise it had occurred, and the earnings could be easily concealed in children's bank accounts.¹⁸¹

In the past, under the State Bank administration, the farmer had needed to keep something back, surreptitious earnings represented a hedge against the end of the Relief Acts.¹⁸² Under the FAA the annual uncertainty about the availability of relief was lessened, but there was still the possibility that assistance might be refused, and that was sufficient to make illegal earnings attractive. Fear of being left without Government support supplied only part of the motive for widespread evasion of

178 Anon. letters file. GRG-6/1/28.

179 *ibid*, 11 December 1934.

180 *ibid*, 21 January 1935.

181 GRG-6/1/28 ? December 1939.

182 Wheatgrower, 15 September 1932.

the farmers' responsibilities to the Board. Its unreasonable sustenance allowances provided another. Wheat, in small lots, or livestock, could be swapped with the butcher, or storekeeper, or the garage, in exchange for meat, food, or petrol.¹⁸³

The trials of Depression and the dictatorship of the Board caused farmers to lose patience with the legal way of working for a solution, but these specific factors did not create an uniquely new set of attitudes. The prospective buyer who wrote of a sale he attended as "a swindling affair ... Hack had 'planted' (hidden) many things"¹⁸⁴ was describing activities that were at least as prevalent in the 1930's as when he wrote in 1843.

From most accounts the farmers did not often feel sufficiently enraged at evasion of the Board's impositions to write and inform it, but the existence in the Board's filing system of a special docket labelled "Anonymous Letters"¹⁸⁵ and its contents, indicate that the farmers trials had not given them a universal camaraderie. The writers appear to have been moved by a spirit of compulsory egalitarianism - to them 'fair play' meant that no-one should be able to get more than anyone else, not that all should benefit equally.¹⁸⁶

183 Mrs "S. Tate" (pseudonym) [Kimba] written communication, 2 March 1973.

184 State Archives of South Australia. Accession No. A837 B3. Letter: 1 March 1843.

185 GRG-6/1/28.

186 Personal correspondence is couched not in terms that everyone deserved more consideration but that some people refused to make do with the minimal concessions of the Board. Rowley, McDonald, loc. cit. Letter to Premier, 11 February 1939. GRG-6/1/43.

The Board did not rely solely on voluntary information, but made active searches to discover transgressors of its edicts. When the first letter to the wheat merchants¹⁸⁷ brought no results the Board revised its offer. It no longer limited its requests to the supply of information, but asked for access to the wheat agent's books so that it could discover illegal disposal for itself. In consideration of their co-operation

the Board agreed not to enforce any claims it might have ... in respect to any wheat to which the Board was entitled.¹⁸⁸

The offer was made by a legally knowledgeable Board and had to be read with that in mind, remembering too that a Judge was not likely to discard his training and look favourably on any infraction of the Law. The Board adhered to the agreement, but those merchants who had previously accepted illegal deliveries of wheat received a

communication... advising that no further orders ... would be issued in their favour. In cases where the receiver happened to be a wheat buyer, the Board ... recommend[ed] that the man's agency be cancelled.¹⁸⁹

Small wonder that the Board had little success with their appeal. In a year it was made there was an increased number of prosecutions made against farmers for "Fraudulent Conversion", ie, using the Board's wheat to purchase goods without its permission.¹⁹⁰ However,

187 See footnote 177, supra.

188 GRG 6/17, Board Minute No. 6588, 24 February 1938.

189 S.A.P.D. 16 November 1938, pp.2504-5 (quoting a Board letter).

190 Table 32.

it appears that this increase was due to the actions of an informer,¹⁹¹ not to the merchants. Over a period of three days eighteen citizens of Kimba were tried for various offences involving illegal dealing in wheat. Most receivers of stolen wheat were jailed, the farmers fined. One of the farmers who "stole" two hundred and fifty-two bags of wheat to finance his marriage was jailed for two months.¹⁹²

Cheating was virtually impossible to detect without informers, so farmers and storekeepers were relatively safe if they were circumspect in their dealings. Small businesses found that operating just outside the law, if not completely illegally, was an economic necessity. The country storekeepers were not in a financial position to carry accounts for three months before payment.¹⁹³ Sustenance orders could not be delivered all at once, because it was essential for the farmer to get supplies as he needed them. Either the shop-keeper had to carry the growing debt on his books until all of the goods were supplied, or the farmer had to sign for the receipt of goods before they were delivered. In order to get reimbursement, storekeepers made up fictitious farmer's accounts and submitted invoices to the Board showing items which the farmer had not ordered and which might never be supplied.¹⁹⁴ The farmers signed

191 Dispatch, 7 October 1938.

192 Dispatch, 26 August 1938.

193 G. Woodson and Co., Merchants, to H.K. Paine, 25 January 1935. GRG-6/1/138.

194 Statement by storekeeper. GRG-6/1/139.

spurious bills, or blank forms so that the storekeeper could get his cash and the farmer could get the items he wanted as he needed them.¹⁹⁵ This means of evasion was more beneficial to the farmer than the other alternative open to the shopkeeper, which was to increase prices to farmers under the Assistance Acts. A shop might have three prices, one for cash customers, one for monthly accounts with 10% interest, and one for Farm Relief accounts with a 25% mark-up on prices.¹⁹⁶

The penalties attached to evading the Act were more severe than was immediately obvious. Upon conviction, a shopkeeper, like a wheat merchant, would lose all the custom of the Board's farmers. A steady flow of sound customers was thus eliminated at a time when farmers were wont to put off payment until absolutely necessary. And that could easily be less often than the usual annual payments when the wheat cheques arrived.¹⁹⁷ The errant farmer, although he did not know it, had greatly reduced his chances of continued assistance, for the Board did not believe that punishment rehabilitated offenders. The Board sought the advice of the Crown Solicitor with respect to the legal sanctions available to it for use against farmers convicted of offences

195 *ibid*, Statement by one of his customers.

196 Pioneer, 9 February 1934.

197 Hunt, interview.

against it. In an equivocal reply he stated that a conviction, and the facts disclosed thereby would affect the applicant's credit, and render it improbable that an ordinary trading bank would give him an overdraft, or that merchants would give him the same credit as they would other farmers. As every applicants prospect of carrying on without loss depended largely on his reputation, a conviction, then, coupled with other facts affecting his prospect of getting credit "might well be a decisive factor in justifying the Board in deciding to dismiss the application".¹⁹⁸

To be placed thus in double jeopardy was unjust, particularly if the original transgression had been the outcome of a genuine misunderstanding. What appeared to the Board, unsighted by its legal pre-occupations, as mockery of its rules and the Law of the State was frequently evidence of the vast gulf between the educated administrators and the unsophisticated recipients of their instructions. In the case of the wheat bounty, farmers assumed that the grant was a gift from the Commonwealth to them. As such they could not possibly 'steal' it from the Board because they could not see that it concerned the Board in any way.¹⁹⁹ Other farmers had more confused ideas of their relation to the Board. "Poor scholars"²⁰⁰ did not grasp the significance of the Board's control because they literally could not understand it.²⁰¹

198 Crown Solicitor to Board, 10 November 1938, GRG-6/3/69.

199 Pioneer, 23 August 1934, (court case evidence).

200 Pioneer, 22 June 1933 (Court case).

201 *ibid.*

The sheer volume of messages and forms overwhelmed these farmers. Their chief impression was not of complexity but of bulk so great that they had to put their forms through the wringer to fit them into an envelope.²⁰² Misunderstood complexities of detail contributed to the apparent lawlessness of farmers under the Act. The Board saw only law breaking and, being concerned with administering the law, did not distinguish between frauds and follies. It could see no reason why the observance of statutory duties should place "any strain upon the ethics or morals of the applicants".²⁰³ The applicants themselves appeared to agree. After four people had been prosecuted for failing to comply with the Board's directions in 1934, no more proceedings were recorded under that head²⁰⁴ as farmers learnt to conceal their evasion.

Storekeepers, sure of payment, were prepared to accommodate the whims and real needs of his assisted customers. The few prosecutions indicate less the absence of evasion than the dearth of information about it reaching Adelaide. Where a community felt that it had its own interests and separate identity, only those offences against the law which also offended the local mores were likely to be punished, whatever the organisation concerned. Goldsborough-Mort found the Catholic

202 Wheatgrower, 12 September 1935.

203 GRG-6/1/160.

204 Table 32.

unity at Kapunda so strong that it abandoned an embezzlement prosecution.²⁰⁵ At Karkoo twenty-eight citizens petitioned the Board in protest about "espionage" directed against a local farmer.²⁰⁶ The Kyancutta farmers kept a register of "parties morally entitled" to the properties in the district on which forced sales had been held.²⁰⁷

Not all rural communities had the same communal spirit as Kupunda's Catholics. Local historians looking back on the Depression notice a disintegration of positive community ties.²⁰⁸ However, the neighbourliness, based as always on a "mutuality of interests"²⁰⁹ did remain. But instead of being united by common desires, the farmers were drawn together through fear of alien forces interfering in their lives. The Director of Agriculture noted that public opinion in some areas was lenient towards the farmer who was not working hard for his creditors.²¹⁰ Businesses that foreclosed on farmers therefore

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- 205 Goldsborough-Mort Adelaide Office General Manager, Private Letters, 13 and 16 November 1936. A.N.U. 2A/41.
- 206 GRG-6/4/32.
- 207 Wheatgrower, 15 February 1936.
- 208 M.R. Casson, W.R.C. Hirst, Loxton, (Melbourne, 1972), p.94.
- 209 R. Heberle, "The Application of Fundamental Concepts in Rural Community Studies", Rural Sociology, VI (1941), p.214.
- 210 S.A.J.A. XXXVIII (1934), p.1104.

might find themselves victims of a boycott.²¹¹ An informer in a small town had nowhere to hide from hate. The tradesman who exposed the trafficking in wheat at Kimba,²¹² and who had been fined £33/7/6 for receiving two hundred and sixty-three bags of wheat, was

held up to hatred and contempt on account of his action and ... his punishment had been very terrible. His business had suffered.²¹³

The Board saw that there was opportunity for large scale fraud when a farmer could get linseed oil charged to his account as Bovril.²¹⁴ The Board's local supervisors were put to work to sniff out possible infringements of the Act by storekeepers, under instructions to

casually approach the wives of ... settlers and ask them if they retain the dockets for the groceries that they purchase ... endeavour to get them into your possession.²¹⁵

No proceedings could result from these investigations. Legally, all that existed as a "technical" attempt to defraud by false pretences.²¹⁶ The Board could not show that an inaccurate or misleading receipt proved²¹⁷ that the sustenance

211 Pioneer, 17 July 1931.

212 See footnote 191 supra.

213 Dispatch, 7 October 1938.

214 Pioneer, 8 February 1934.

215 Letter to Supervisor, 3 November 1934. GRG-6/1/138.

216 Crown Solicitors Opinion. GRG-6/1/138.

217 See footnotes 194-195 supra.

allowance had not been spent on sustenance. Instead of legal action, the Board notified storekeepers that if any of their number was guilty of improper action (an ominously ambiguous phrase), then no further sustenance orders would be issued in their favour.²¹⁸

The man on the land could see nothing criminal in his activities, the sustenance allowance seemed so inadequate that it compelled the farmer to scheme to get enough for his family.²¹⁹ It might have been against his principles to resort to underhand means, but his duty to his family demanded it.²²⁰ Any blame that had to be laid fell squarely on the Board. Its dictatorship undermined peoples' sense of responsibility,²²¹ the impracticability of its instructions compelled a disregard of honesty and integrity, creating a distinction in the farmer's mind between moral rights and legal rights.²²² The farmer in fact thought that people were prosecuted and fined who "were not guilty at all".²²³ The Board, on the other hand, could see no reason why obedience should cause any strain on the farmer's honesty.²²⁴

218 F.A.B. Circular No.62, 10 January 1935. GRG-6/1/139.

219 Advertiser, 2 June 1934, p.18.

220 Letter to Premier, 4 December 1938. GRG-6/1/43.

221 S.A.P.D. 16 November 1938, p.2501.

222 GRG-6/1/160.

223 Statement to Premier, Kimba, 28 January 1939. GRG-6/1/43.

224 GRG-6/1/160.

The 'strain' was due to the fact that farmers had no choice but to appear to obey the Board and conceal any transgressions, because it was almost the last possible source of assistance. Alternatives to submission that were proposed were barren. No direct action of any sort seems to have eventuated. Nothing more was heard of a proposal for massive confrontation in Adelaide by "15,000 unemp. (sic) Primary Producers and others"²²⁵. Farmers were against direct action, even when they were sorely tried. They were careful to proclaim that even as "this class of administration ... was driving people to revolutionary ideas"²²⁶ they believed in a system "the reverse of ... bloody revolution ... Justice".²²⁷ Confrontation as a means of protest did not appeal, neither did the old threat of strike action. Walking off the land if no protection was forthcoming²²⁸ was not a genuine alternative, for farming was superior to unemployment. Appeals for farmers to refuse to sow or harvest the wheat crop were also doomed. The individual farmer, if he possibly could, would sow a crop in the hope that the seasons would change. So a State-wide appeal to farmers to refuse to crop their land, organised by the Wheatgrowers Association, failed to attract great support. The Association found, too, that they could not get the twelve

225 Letter to Premier, 21 March 1934. GRG-6/1/43.

226 Speech to Premier, Kimba, 28 January 1939. GRG-6/1/43.

227 *ibid.*

228 Pioneer, 14 November 1930.

hundred signatures necessary²²⁹ to bring into operation a resolution that farmers "refuse to work under the Farmers Assistance Act, as at present operating".²³⁰ Any form of threat was essentially doomed, firstly because the farmers were attempting to argue from a weak position, and secondly because they found the idea of overt action distasteful and irresponsible.²³¹

The most effective restraint was their supplicant status, only those who needed assistance had any reason to object to the administration, and at the same time, a stronger reason not to publicise their feelings - the fear of rejection. Their objection to the Board's rule was therefore expressed in less obvious ways. "Defrauding" the Board by taking what they felt entitled to, was widespread,²³² as was outright illegal evasion.²³³ Sarcasm too relieved feelings. The Board was lampooned at a local carnival as a decrepit horse-drawn motor car labelled "The Board of Control".²³⁴ In these ways the conservative victims of bureaucracy compensated for their lack of power by

229 Wheatgrower, 15 February 1935.

230 Pioneer, 24 January 1935, Meeting at Karoonda 18 January 1935.

231 Advertiser, 14 March 1934.

232 See above pp.160-161.

233 Written communications Mr R.W. Reichstein, [Booolooroo] 10 January 1973, "with a little careful thought we managed to get around them". "S. Tate", "the Board was not informed". Also the Boards own files contain ample evidence.

234 Dispatch, 3 March 1933.

ostensibly disinterested criticism of "efficiency" in the Board's performance.²³⁵ No efficient farmer, they claimed, could work honestly under Government control.²³⁶ The "efficiency" they wanted could be anything at all. Frequently it represented a practical farmer's approach, a more thorough understanding of the land than the ethereal ideas of the Board. The farmer who was not allowed to sell his sheep because the Board wanted three pence per head more than he was being offered on the day failed to sell them at all. As a result his pastures were overstocked and ruined.²³⁷ No farmer could wholly trust a Board whose directives could lead to disasters like that.

In its own terms the Board was efficient. It administered the State's finances well, with as little loss as could be managed, and it sought to base its decisions on a first hand knowledge of the individual farmer. It had faced a difficult task and had "succeeded in assisting a very large number of farmers to a position of independence".²³⁸ That was sufficient proof that the retired farmers who were the Boards valuers and approvers²³⁹ still maintained their farming skills.

235 P.M. Blau, Bureaucracy in Modern Society, (New York, 1956), pp.149-50.

236 CP 656, 31, S.A./B3, Copies of General Comments.

237 S.A.P.D. 8 October 1941, p.914.

238 S.A.P.P. 4, 1937, p.42.

239 Interviews "V. Barne", H.K. Paine.

The Farmers Assistance Board possibly inherited part of its reputation for inefficiency from the State Bank, which even when working late at night could not deal adequately²⁴⁰ with the flood of applications.²⁴¹ The Farmers Assistance Board took two or three weeks to process applications,²⁴² and thereafter there was always a delay before any request from a farmer was answered because the Board's obligation to see that he warranted the assistance requested. Farmers were vulnerable to any delay in the decisions affecting their applications, which might prevent them from making preparatory arrangements for the future and leave them destitute as a result.

The farmers felt that the Board could improve its efficiency and remove delays by decentralising the administration and delegating its authority. Coupled with this was a demand for more effective farmers' voice within the administration. In 1931 farmers suggested that an honorary local committee of three would speed up decisions concerning applications.²⁴³ Decentralisation had been recommended in the Report on Debt Adjustment in 1933,²⁴⁴ but in 1934 the administration was still centralised in Adelaide and the farmers' demands for local control were unabated.

240 Advertiser, 25 April 1931, p.10; 3 June 1931, p.18.

241 General Manager, State Bank, 17 December 1931. GRG-6/9/140.

242 Wheatgrower, 15 June 1934. (H.K. Paine).

243 Dispatch, 23 October 1931; Advertiser, 24 November 1931.

244 S.A.P.P. 51, 1933, p.12. Recommendation No.7.

The requests came to nought because the Board, and particularly Judge Paine, wanted central control to maintain its responsibility to the Treasury and the taxpayers. Local Bank Managers, who might have been the key to any decentralisation scheme,²⁴⁵ were not thought suitable because past experience had shown that they were not likely to have time to spare,²⁴⁶ nor be in a sufficiently independent position to exercise adequate control.²⁴⁷ The provision for local control incorporated in the FAA was never to be, for the fear that local administrators would find difficulty in refusing assistance to people they knew²⁴⁸ was too strong. Equally likely was the possibility that local appointees would find it too easy to refuse people that they knew too well. Opinion, the perceived truth, could be stronger than reality.

The only slight attenuation of its authority allowed by the Board was to appoint Supervisors, each to oversee the work of about two hundred farmers.²⁴⁹ The Board chose practical men with a sound knowledge of farming who had worked in dry areas, or as mixed farmers, or who had "followed pursuits which brought them into intimate contact with farming activities".²⁵⁰ Judge

245 Pioneer, 25 August 1932.

246 S.A.P.D. 17 October 1933, p.1640.

247 GRG-6/1/160.

248 Premier to meeting at Kimba 28 January 1939. GRG-6/1/43.

249 Wheatgrower, 15 June 1934, (H.K. Paine).

250 Advertiser, 9 June 1934, (H.K. Paine).

Paine saw these men, at least initially, as agents who would restore farm assistance to "something like respect"²⁵¹ while co-operating with head office to ensure farming efficiency.²⁵² Their responsibilities under the FAA were to observe, report and recommend, but definitely not to instruct the farmer in how to work his farm.²⁵³ But that was an inescapable part of their work; the Board wanted them to ensure that the assisted farmers carried out their operations effectively and to "advise them in all matters connected with their farming".²⁵⁴ The supervisors had power to investigate, and to write their reports on Form No.49, but no power for independent action. Decentralisation to the Board, meant more effective checks on the farmers, not autonomous local control. Paine's reluctance to trust his Supervisors is seen dramatically in the change in his approach in the eleven months after their first meeting. In 1934 he treated them as partners, calling for comments on the areas and people they looked after. By 1935 their token independence had been withdrawn, their comments were rigidly confined to specific topics - pigs, sheep, living areas, etc.²⁵⁵ Perhaps his early dealings with farmers under the DAA²⁵⁶ had made him wary, and

251 Paine to Supervisors Conference, 9 October 1934. GRG-6/1/122.

252 *ibid.*, 19 September, 1935.

253 S.A.P.D. 17 October 1933, p.1640.

254 GRG-6/3/88.

255 GRG-6/1/122, *passim*.

256 Advertiser, 10 March 1932, p.9.

unwilling to trust ex-farmers with any great responsibilities. He was dissatisfied with the Supervisors' work, and the lack of detail in their reports.²⁵⁷ But the fact that in previous years he had not made use of the power granted under the DAA to appoint local supervisors²⁵⁸ seems to indicate that his decision to maintain a central and personal control of the administration had been taken long before 1934.

Decentralisation was again an issue when the renewal of the FAA was debated in 1938. The Board's "integrity, conscientiousness and ability"²⁵⁹ were not questioned, the discussion centred on its erroneous policy of attempting to run the affairs of hundreds of farmers from Pirie Street.²⁶⁰ Paine, via the Premier, replied that decentralisation could not be countenanced because of the expense,²⁶¹ and because it would take responsibility away from the Head Office.²⁶²

The perpetuation of a formal, central, structure that used the State's resources well provoked charges of inefficiency, delay, and uninformed justice, from the farmers it was meant to

257 Supervisors Conference, 19 September 1935. GRG-6/1/122.

258 S.A.P.D. 23 November 1931, p.2814.

259 S.A.P.D. 16 November 1938, p.2501.

260 *ibid.*

261 Supervisors' costs were 17% of the Board's expenses. S.A.P.P. 4, Balance Sheets, 1935-39.

262 S.A.P.D. 30 November 1938, p.2784 - Premier's reply to a question two weeks earlier (S.A.P.D. 16 November 1938, p.2501), allowed ample time for consultation.

benefit. It created a justified suspicion that the only task of the Supervisors was to spy.²⁶³ The Supervisors did little to reduce their alienation from the rural community. From the beginning they had to try to overcome the rural prejudice that any person advising the farmer could only have taken the job because he was not good enough to be a practical farmer.²⁶⁴ It did the Board little good to proclaim that in choosing twelve men from hundreds of applicants²⁶⁵ they had taken care to select "practical men with a good sound knowledge of farming",²⁶⁶ because in addition to some of the State's most capable farmers,²⁶⁷ it had appointed men to areas in which they had no experience.²⁶⁸ Farmers had their own experiences of the ineptitude that Paine admitted made some supervisors unsatisfactory.²⁶⁹ Farmers needed to protect themselves against the incompetence that showed in the Supervisors' work, as when one wrote a hostile report about a farm without having been within half a mile of it.²⁷⁰ In order to gain some protection from injustice

263 See footnote 215, supra.

264 Advertiser, 3 February 1930, Letter to Editor concerning Department of Agriculture Instructors. Advertiser, 12 February 1930.

265 H.K. Paine, Interview, said 670 applications received.

266 Wheatgrower, 15 June 1934, (H.K. Paine)

267 *ibid.*

268 The West Coast in particular. GRG-6/1/43.

269 Wheatgrower, 15 September 1938. (H.K. Paine).

270 Pioneer, 5 July 1934.

the farmers demanded access to the Supervisors' reports.²⁷¹

The Board refused to open its files to the public, but promised that if matters of fact were in dispute, and the applicant wrote in to contradict a wrong statement, the matter could be investigated.²⁷² A pointless concession - the farmer would not know what the comments were that he might want to contradict.

He could try for justice by complaining to his Member of Parliament. The Board answered the politicians' queries very fully, tracing the decisions and comments on particular cases back over a long period.²⁷³ The Board's willingness to do this was commendable, but it effectively consolidated the Board's position. The farmer had no opportunity to expand his original brief complaint to his Member, or to dispute any of the comments made. His often ill-expressed complaint was swamped by the detail and volume of the Board's report, which quite naturally made the Board's views sound respectable, rational, and unassailable.

Incompetence, real or imagined, accounted for only part of the farmers hostility to the first Supervisors. To the oppressed, discontented man on the land he represented a personification and extension of the over-bearing Board and, as such was the most obvious target for abuse. Appearing from nowhere to investigate, to pry, and question, he was an

271 Wheatgrower, 15 March 1935.

272 ibid., (H.K. Paine).

273 For a published example of the Board's detailed reply see Advertiser, 18 May 1934, p.28.

anathema to the farmer. He was secure in a full-time salaried job, he had much that the farmer did not. His very transience in a shining, wireless equipped, automobile²⁷⁴ symbolised to the farmer the luxurating, uncaring city dweller²⁷⁵ and the suffocating burden of a bloated "Snivel Service".²⁷⁶

The ex-farmers who were appointed as Supervisors were unaware that the farmer might regard them as less than farmers, and more as a Government employee living in relative comfort.²⁷⁷ Unthinking, but nevertheless, inflammatory actions further alienated the farmer. Careless and inaccurate public comments on a farmer's business betrayed the supposed confidentiality of the farmer's affairs, deeply annoying them.²⁷⁸ The Board contributed to the obvious material disparity between farmer and ex-farmer by allowing supervisors to continue their own businesses; trading in sheep,²⁷⁹ or farming, and thus further elevating the Government man above the farmer. Supervisors tended to forget their common origin with the farmer, and took to elevating themselves, claiming to be a personal friend, or even a relative of Judge Paine²⁸⁰ and boasting of doubled and

274 Wheatgrower, 15 October 1938.

275 Pioneer, 25 September 1931, "gaiety in the cities is ... on the increase".

276 Wheatgrower, 16 October 1933.

277 Pioneer, 27 December 1934.

278 Wheatgrower, 15 May 1935.

279 S.A.P.D. 16 November 1938, p.2505.

280 GRG-6/1/43. 13 April 1939.

redoubled salaries.²⁸¹ For a multiplicity of reasons then, the early supervisors were not readily assimilated into the rural areas, and the farmers complained bitterly about the new breed of parasite visited upon them.

The Board claimed that applicants were at liberty to, and very often did submit proposals,²⁸² implying that opposition was really unnecessary, that mutual understanding could be reached on a rational basis. The Board's assumption that conservative, unsophisticated farmers were going to question, i.e. challenge, the Board was unrealistic. It took no cognizance of the farmers' pervasive fear that any challenge to the Board's authority would lead to victimisation.²⁸³ At the worst that would mean that their application would be refused. At best it meant a swift investigation of their affairs, as had occurred when farmers openly challenged the Dairy Act.²⁸⁴ Was it likely that farmers who had succumbed to the Depression would be able suddenly to acquire the managerial skills whose absence had contributed to their present unhealthy position? The Board found for itself that farmers could not be trusted to manage their own affairs when given the chance. Under the Primary Producers' Debts Act farmers who were not also under

281 *ibid.* 28 January 1939.

282 GRG-6/1/160.

283 S.A.P.D. 8 October 1941, p.915.

284 Director, commenting on a letter of protest: "Ten of the signatures have been supplying factories with dairy produce but have apparently failed to register". GRG-10, M.A. 165/29.

FAA were instructed to administer their own seasonal income and expenditure. The Board felt that adequate control of their finances would be assured by the simple process of requiring the payment of all income into a bank account and the payment of all expenses by cheque²⁸⁵ because all transactions would be recorded. The experiment failed after two seasons due to "certain difficulties".²⁸⁶

The Board's claim of openness survived because it would not be challenged by the small requests and suggestions that farmers felt they could safely make. The facade of liberal toleration hid a conservative Board which rejected strongly any ideas contrary to its view of the way in which the Act should operate. A suggestion from a Committee of the Methodist Synod that the sustenance allowance be granted in cash and the petty cash allowance increased, received a crisp response:

The Farmers Assistance Board is always prepared to consider and profit by any constructive suggestions ... however ... very little appreciable assistance can be gained from this report.²⁸⁷

A request for a communally owned wheat grader was refused,²⁸⁸ as too was the suggestion that the Board sell its wheat through the Wheat Pool to obtain a better average price²⁸⁹ and avoid the

285 F.A.B. Circular Letter No.8A. Allocation of Seasonal Income 1936-37 (Undated). GRG-6/3/13.

286 *ibid.* F.A.B. Circular Letter No. 18. Seasonal Revenue 1938-9 (14 January 1939).

287 GRG-6/1/160.

288 GRG-6/1/41.

289 GRG-6/17. Board Minute No. 3524, 22 August 1935.

usual vicissitudes of the wheat market that brought low returns to the assisted farmers.²⁹⁰ Complaints were dismissed by the Board on the grounds that they came from a small minority,²⁹¹ and their good work defended by the assertion that "a number of cases"²⁹² had expressed approval of the Board. There was no hint that perhaps a dissatisfied minority could perhaps have just as valid bases for their views as the satisfied minority. It is true that some suggestions were adopted. After complaints were made about the late arrival of superphosphate, farmers in areas where the season opened early were able to obtain it earlier.²⁹³ The telegraphic address of the Board was shortened to save the farmers' money. However, more often genuine complaints were deflected and infamatory actions excused. The charge that Supervisors were demonstrably unacquainted with the realities of farming was dismissed as the vindictive reaction of a failed applicant for the position of Supervisor.²⁹⁴ The Chairman of the Board, as a lawyer, required proof, not bald charges. 'Sam's' complaint that one Supervisor went out

with a bottle of wine in his pocket to make them drunk .. he lead (sic) farmers into a trap and at the same time he is spying ... If you are a just man of justice you will sack him ... such a supervisor is no good²⁹⁵

290 S.A.P.D. 31 May 1938, p.157.

291 GRG-6/1/43, 19 December 1938.

292 *ibid.*

293 D.A. 323/32, 23 February 1932; Wheatgrower, 15 May 1935.

294 GRG-6/1/85, 27 June 1934.

295 GRG-6/1/28.

was filed with no action taken. In two cases where the farmers offered evidence the Board investigated, and found the charges "absolutely without foundation".²⁹⁶ The only surviving record concerning the dismissal of a Supervisor reveals that he was asked to resign for committing the cardinal sin against the Board, the State, and the Taxpayer: he retained money illegally.²⁹⁷

The Board did not display the same concern for evidence when it heard vague rumours about farmers. It treated suspicions, however ill-founded, as sufficient reason to send Supervisors to investigate. Anonymous letters²⁹⁸ to the Board provided the opportunity for enquiries about farmers who might be selling wheat outside the district,²⁹⁹ they raised a suspicion³⁰⁰ that the Board felt bound to follow up.

The Board's differing responses to vague statements about supervisors and about farmers indicated that its claim that it could only investigate concrete complaints³⁰¹ was applied in a most discriminatory manner, and to its advantage. When there was no investigation of farmers' complaints there could exist no

296 GRG-6/1/43, 20 February 1939.

297 GRG-6/17, Board Minute No. 6228, 23 September 1937.

298 GRG-6/1/28.

299 *ibid.* Letter concerning "dagoes in Terowie".

300 Comment on above letter.

301 GRG-6/1/43, 20 February 1939.

injustices which needed to be corrected. This helped to bolster the official view that farmers generally accepted the Board's rule and did not try to evade their responsibilities. The Premier pointed out that convictions averaged only twelve per year,³⁰² explaining that it was only natural that where there were so many farmers concerned, an appreciable minority might not agree with the Board, but, in fact, its general policies were accepted by those under it.³⁰³

Farmers did not react openly for many reasons. Some did not know how,³⁰⁴ others found that resentment of incomprehensible directions and commands could be worked off by evasion or simply ignoring petty details. Part of the possible discontent was allayed by the presence of a farmers' representative on the various Boards of Administration. The Chamber of Commerce had very early recommended some farmer representation on any Board of control for farmers,³⁰⁵ and the State Bank Board was assisted in its work by a committee which included them.³⁰⁶ The Farmers Assistance Board comprised appointed representatives of

302 S.A.P.D. 30 November 1938, p.2824.

303 *ibid.*

304 E.g. "I would like to say something in strong language to someone. I do not know whom exactly or where", Wheatgrower, 15 December 1934.

305 Advertiser, 21 January 1931, p.9.

306 Advertiser, 24 February 1931, p.9.

interested parties. The farmers' representative, J.C. Venning, a dairy farmer,³⁰⁷ was consulted on all decisions about individual cases.³⁰⁸ Attempts to expand this representation at different times failed, Parliament rejected an odd proposal that there should be two farmers on the Board with one vote between them.³⁰⁹ A later move to have "a woman, the mother of children"³¹⁰ placed on the Board also failed, as did an attempt to have the farmers representative elected by ballot,³¹¹ and/or the representation increased.³¹²

The farmers were not blind to the possibility of getting better treatment from the Board by legal means. Some demanded, realistically in the Board's view, that they be given more freedom within the Board's overall control. Requests coinciding with the Board's policy, such as for an increase in sidelines,³¹³ had a greater chance of success. Nor were all placed under strict supervision,

some of the applicants, efficient men who had been forced to seek relief because of temporary adversity, would require perhaps one or two visits a year.³¹⁴

307 See Chapter II footnote 210, supra.

308 GRG-6, Series 13, passim.

309 S.A.P.D. 17 October 1933, p.1636.

310 Pioneer, 11 April 1935.

311 Wheatgrower, 15 November 1934.

312 S.A.J.A. XXXVII, (1933), p.320.

313 Pioneer, 11 April 1935.

314 Wheatgrower, 15 June 1934 (H.K. Paine).

The Board, in the person of Judge Paine, did not hesitate to offer sympathetic comment or commiseration about personal mishaps and seasonal disasters, or to explain the need of the Board for clear statements of requirements from the farmers.³¹⁵ In their letters the farmers distinguished between the Board on the one hand, and its Director on the other. Judge Paine was accepted as a fatherly advisor, an understanding, if remote, mediator, not a

sterm and beetle-browed ogre enthroned in awful (sic) state somewhere in the fastness of a gloomy fortress.³¹⁶

There was "something human about him"³¹⁷ which brought contrite apologies from errant farmers, who promised to "be as careful as possible and ... not ... to break any of the rules".³¹⁸

In public statements at meetings, and in print, the farmers were more pugnacious and discriminated less between the Board and its Chairman, criticizing both interchangeably. Paine was a dictator,³¹⁹ the Board was saturated with its own sanctity and righteousness,³²⁰ and the Act itself a "Farmers Persecution Act".³²¹

315 GRG-6/9/708

316 Wheatgrower, 15 October 1935.

317 Wheatgrower, 15 August 1935.

318 GRG-6/13/179.

319 Dispatch, 9 March 1934.

320 Wheatgrower, 15 May 1937.

321 Pioneer, 31 May 1934.

The farmers might write to Paine himself but the replies from the Board were in less understanding tones. A backslider got one chance to adjust to the Board's terms before he was rejected,³²² and in many instances the Board was very insensitive or impatient. Three brothers who started farming at the very beginning of the Depression wrote to the Premier explaining the difficulty they were having in applying to the Board for the Commonwealth Wheat bounty hardship grant. The Police and the Bank in Strathalbyn had told them that all three would have to make a declaration and this was impossible. They had only unshod working horses unable to travel on the unsurfaced road, and only one bicycle to convey them the thirty-two miles to and from the town. The Board's minute on this plausible story offered no suggestions but was content to remark that the farmer "was forwarded a form and informed that he should return it immediately ... No application has been returned".³²³ Perhaps the Board would have been more sympathetic had they been courageously facing their difficulties, as was expected of them,³²⁴ rather than taking the easy way out by attempting to sabotage the Board by complaining to the Premier.

322 E.g. The Board "reserve the right to cancel should he ... disregard ... instructions in the future". GRG-6/2/669.

323 Board to Premier, 28 March 1939. GRG-6/1/43.

324 S.A.P.P. 4, in 1936 and 1937 stressed, respectively, the wonderful courage, and great courage, of the applicants.

The Board did help farmers whom they thought warranted assistance by protecting them from their creditors, assisting them to diversify their holdings, and adjusting their debts, as well as assuring them of an income, however low.³²⁵ But it is difficult to believe that the farmers forgot the initial shock of inquisitive application forms, the demeaning demand that their private and family affairs be subject to the prying of outsiders. The violations of feelings and decency which came with the Board's policy of checking, listing, docketing, and curtailing even the women's clothing orders were insufferable indignities.³²⁶ The farmer's despair at losing his bounty money, of being denied the discounts the Board obtained by virtue of its large orders,³²⁷ and the loss of the right to conduct his business in the way he thought fit, all called into question the desirability of the Board. Since the effectiveness of the Act depended on the Board,³²⁹ this questioned the desirability of the Act itself. While it is difficult to quantify discontent, the extant illustrations of evasion and collusion indicate that the farmers diverted their ill-will rather than express it. If protests might cause them to be rejected by the Board then it

325 Table 27.

326 Letter from Women of Chandada to Premier, 1 August 1934. GRG-6/1/160. Also GRG-6/1/43.

327 GRG-6/1/160.

328 S.A.P.D. 2 November 1933, p.2017.

329 S.A.P.D. 1933, pp.248, 1502, 1954, 2047, etc.

was prudent to stifle them - after all the farmer was probably better off on the land than roaming the country homeless and unemployed. The farmers had little choice but acquiescence, the FAA was the only legislation that offered protection and assistance. In their selection of deserving farmers the Board was less than fair. It allowed the private lives of the farmers to influence decisions when they need not have, and a farmer whose morality differed from the Board's received less sympathetic treatment. The administration was also biased against those farmers whose morale was so weakened by drought and depressed prices that they could no longer see their condition as a challenge. The Board was not equipped to help such people; its role was to assist, not to encourage. With a more positive approach more deserving farmers could have been assisted more effectively.

CHAPTER IV

POSITIVE ASSISTANCE

Creditors accepted the DAA in 1929 because it was voluntary and weak, but its enactment had indicated an early recognition that adjustment of debts was necessary for rural stability¹ and economic recovery.² If the prices for agricultural products remained at the low level of 1931/32, the only way in which farmers would be able to carry on was under some scheme that ameliorated the burden of debts.

The Government Committee on Agricultural Settlement reported on the farmers' debt position in 1931, suggesting ideas to eliminate the necessity of frequent farming loans. They put forward various self-help schemes which depended for their success on the farmers themselves, and which were consequently unrealistic. Insurance for crops or voluntary savings schemes could not solve immediate problems because they could not be applied retrospectively. At a time when returns from farming were low, they had no chance of being made to work, because finance was not available. The Committee mentioned that farmers were, in fact, generally unable to repay their debts in good seasons.³ They offered no solution for this "great burden of debt"⁴ which was part of the farmers "great disabilities".⁵ Their omission is hardly surprising, since

1 S.A.P.D. 19 November 1929, p.2297.

2 Advertiser, 2 October 1930. Editorial comment on Government's decision not to demand full repayment of some Crown debts.

3 Report of the Agricultural Settlement Committee, S.A.P.P. 71, 1931, p.37.

4 *ibid.*

5 *ibid.*

the Committee had been set up to outline future agricultural policy; and to equate debts with the future of agriculture, and to incorporate that equation in policy recommendations, was politically unthinkable.

Later the same year a special Government inquiry into the Disabilities of Wheatgrowers did explicitly investigate the problem of debts. Three members of a Committee drawn from the Department of Agriculture reported to the Minister of Agriculture that probably more than half of the State's wheat farmers were heavily in debt after a series of bad seasons. The heavy expenditure in the years immediately after the First World War had created debts considerably beyond the farms producing capacity.⁶ The Committee's experience of the failings of the Soldier Settlement Schemes had made them aware that heavily indebted settlers would struggle on for a time, but the burden eventually destroyed all incentive to persevere.⁷ By 1931 over one quarter of the original Soldier Settlers had abandoned their holdings and over one third of those remaining required Government assistance in addition to that which had put them on the land.⁸ Inevitably the report dealt with the problem of debts in forceful terms.

6 Disabilities of Wheatgrowers - Committee (21 August 1931). Committee: W.J. Colebatch, A.J. Perkins, Dr A.E.V. Richardson. D.A. 762/31.

7 D.A. 247/31.

8 Application for Relief under Soldier Settlers Relief Act, 1920. Settlers still on land 2398; Original Number settled, 3250. 40% of the 75% surviving needed assistance, i.e. 28% of original settlers. S.A.P.P. 10, 1924 and 1931. A certain percentage of settlers were on the land to make as much from the Government as possible, not to become landholders. Commonwealth of Australia. Parliamentary Paper No.46, 1929, p.24.

In view of the crippling commitments of many farmers the Committee recommends consideration of adjustment of their debts in the basis of the merits of individual cases ... in many cases creditors will have to forgo a portion of their advances in order to secure repayment of the balance of them.⁹

Like the Agricultural Settlement Committee Report, this too was unrealistic, but for different reasons. It neglected the stigma attached to the very idea of writing down or writing off legally incurred liabilities. In 1931 there were two ways in which financial commitments could be dealt with. The first, acceptable alternative, was to meet them. The second, repudiation, was not acceptable,¹⁰ creditors saw it as a "distinct menace".¹¹ Farmers too were wary of such radical suggestions.¹² Caution prevailed -- before the report was published, and probably before it was used at the Premiers' Conference,¹³ the dangerous idea of debt adjustment was emasculated.¹⁴ The published version read:

In view of the heavy liabilities of many farmers the Committee recommends that the question of adjustment of farmers debts be made the subject of immediate investigation towards ascertaining the extent to which it might be necessary to bring these debts within reasonable relationship of the productive capacity of the holdings.¹⁵

Following upon this report, and after a farmers' deputation to the

- 9 D.A. 762/31 (Emphasis in Original).
- 10 Schedvin, op. cit. p.253.
- 11 Dalgety-London, 16/4/31.
- 12 Pioneer, 30 October 1931; Advertiser, 11 December 1931, Letter to Editor.
- 13 Advertiser, 19 August 1931, p.15.
- 14 D.A. 762/31 separate typewritten, undated, sheet contains the passage as published. See footnote 15.
- 15 Advertiser, 27 August 1931, p.10.

Premier in September 1931,¹⁶ and early 1932¹⁷ Judge Paine was appointed to investigate schemes¹⁸ for the amelioration of the farmers' financial difficulties.¹⁹

His report in March 1932²⁰ reminded the farming community of the substantial relief already given them "in the way of supplies [and] a moratorium preventing action by creditors"²¹ as well as the benefits from other acts, such as the Financial Emergency Act, the Mortgagees Relief Act, and others. He acknowledged the difficulties faced by the farmers, but stressed that they were not alone, and that their financial weakness placed additional burdens on other industries of the State.²² Consequently, any adjustment of only their debts would

work considerable hardship all round ... unless that hardship [was] distributed as widely as possible an inadequate result would frequently accrue.²³

Paine offered no solution to the problem, it was, he felt, essentially one for financiers and economists, but he did recommend

16 Advertiser, 23 September 1931, p.10.

17 Advertiser, 10 March 1932, p.9.

18 *ibid.* (Including a scheme from the Wheat Growers' Protection Association).

19 *ibid.*

20 *ibid.* "Debt Adjustment for the Whole Community".

21 *ibid.*

22 *ibid.*

23 *ibid.*

that any scheme that might be arranged in the future should apply to the whole Commonwealth and should spread any hardship "as proportionate as practicable"²⁴ between the creditor and debtor.

Adelaide Conservatives were horrified. Dalgety's Manager thought the idea of adjusting debts was the foolish attitude of a "short sighted section of the people"²⁵ misled by the smooth working of the DAA. To the Advertiser it seemed that the farmers had lost sight of the temporary nature of the crisis²⁶ and were trying to "revolutionise the principles governing, from time immemorial, the relations of debtor and creditor".²⁷ Conservatives argued for reliance on the operation of natural processes,²⁸ through the normal channels,²⁹ neglecting to observe that for one and all their present problems had come from those self-same "natural processes".

"Normal Channels" forced the farmers and the financial interests to see the problem as one to be solved at the expense of the other, preventing the recognition of mutual needs. Thus, as the Premier's Wheat Committee³⁰ was reporting that the State needed an equitable scheme to provide for the inevitable adjustment of

24 *ibid.*

25 Dalgety-London, 16/3/32.

26 Advertiser, 11 March 1932, p.18: Editorial Debt Adjustment.

27 *ibid.*

28 *ibid.*

29 Dalgety-London, 16/3/32.

30 Consisting of M.s.P.M. McIntosh & T. Butterfield and three members of the Wheat Protection Association. S.A.P.D. 8 November 1932, p.1708.

excess liabilities,³¹ the Auditor General was advising that there should be no attempt to cancel debts through legislation. He thought that the faint hope that debts would be written off tended to encourage farmers "to become as heavily involved as possible".³²

Farmers also foresaw an increase in their commitments, arising from the lack of Government action. To them it appeared that inaction in Adelaide would allow their debts to become so impossibly large that they would be forced off the land.³³

The dilemma was again faced by appointing yet another Committee, this time with powers to call evidence, and so actually investigate the farmers' problems. The establishment of such a Committee had been recommended by the Premier's Wheat Committee,³⁴ the Government's motive in setting it up was to enable it to have on hand an expert assessment showing, it hoped, that further Government initiatives were unnecessary.³⁵ The report from the Committee, again under Judge Paine, reiterated the undesirability of writing down debts other than by mutual agreement.³⁶ In view of the fact that between one fifth and one quarter of the wheat growers were in a critical state financially,³⁷ this recommendation

31 Pioneer, 15 April 1932.

32 Farm, 1 November 1932, p.23

33 Farm, 1 May 1933, p.17.

34 Pioneer, 15 April 1932, Debt Adjustment Committee's Report to Premier.

35 Dalgety-London, 22/12/32, quoting a member of the Committee. See Chapter II, footnote 189.

36 Report of the Committee to Investigate the Question of Debt Adjustment in respect of the Agricultural and Pastoral Industries. S.A.P.F. 51, 1933, p.8.

37 ibid.

was surprising, especially when Judge Paine himself had found voluntary arrangements ineffective under the DAA. The apparent success of the Act he saw as more illusory than real. The fact that so many certificate holders under DAA had been able to continue on their farms unmolested was not, he felt due so much to any special merit of the DAA as to "the fact that the creditors as a whole realise[d] that pressure ... [would] produce no tangible result,"³⁸ in 1931 farming properties were virtually impossible to sell.³⁹

The farmer was still at the lowest level of the State's economy and had to suffer the consequences of any actions further up. When a farmer's creditor was placed under pressure by his creditors⁴⁰ his only recourse was to institute proceedings against the farmer.⁴¹ Official interference between debtors and creditors had prevented landholders from being compelled to sell,⁴² but at the same time had restricted credit to wheatgrowers⁴³ to such an extent that Paine had refused applications under DAA, because the farmer would be financially better off without protection.⁴⁴

38 Paine, written statement to Select Committee on Mortgagees Relief Bill, 10 September 1931. loc. cit.

39 Dalgety-London, 21/5/31.

40 S.A.P.P. 51, 1931, p.11.

41 S.A.P.D. 30 August 1932, p.576.

42 Dalgety-London (Manager's-Accountant's Report) 30 June 1932.

43 S.A.P.P. 51, 1933, p.10.

44 Letter to farmer from Paine. GRG-6/2/685.

Hence the overriding consideration if there was to be any further legislation had to be whether the

inevitable effect would be a further contraction of credit to wheatgrowers, quite possibly amounting to complete cessation.⁴⁵

The farmers' representatives on the Committee⁴⁶ dissented from the pragmatism of the majority report which supported informal unforced adjustment⁴⁷ and thus favoured creditors. Instead they wanted more positive action; at least a freezing of debts.⁴⁸

Once the Committee had reported, Parliament was able to proceed with new, long range, legislation which incorporated the ideas put forward in the Report to make debt adjustment more attractive. The Government undertook to finance the farmers under its protection and to try and arrange a scheme of adjustment within defined limits.⁴⁹ The creditors saw this as another deplorable example of

ill-advised legislation designed to help borrowers ... which seem[ed] to have been born of the idea that the wish and practice of the banks is to sell up their clients at the first opportunity.⁵⁰

45 S.A.P.P. 51, 1933, p.8.

46 The appointees, J. Nairne, (President of S.A.W.G.A.) and F.H. Lock, (Chairman of that organisation's N.E. Division) were not the Association's first choice who were Messrs. Maycock and Bedford. Wheatgrower, 15 December 1932.

47 S.A.P.P. 51, 1933, p.11 (5th recommendation).

48 *ibid.*, p.12 (Minority Report).

49 FAA 33, Para. 44 sets out details.

50 Elder Smith & Co. Annual General Meeting, August 1933. A.N.U. 104/1/51.

As the 'thirties continued the old arguments about debt adjustment encouraging recklessness, and the fear of Government interference, became more and more separated from reality. The Federal Government was paying Bounties to the farmers,⁵¹ the State Government was offering them additional finance, but they were still suffering and business was suffering too. The creditors were inclined to look for signs that all would be well, for example a decline in bad and doubtful debts from £6949 to £4066 was seen as an indicator of Dalgety's "more healthy position".⁵² But they probably had to be optimistic because three years previously they had told their London office that they anticipated "ultimately collecting the bulk of the debts",⁵³ and that the vast majority of debtors were anxious to pay.⁵⁴ They therefore had to appear pleased that they had suspended interest on only three thousand pounds in overburdened accounts, rather than five thousand pounds.⁵⁵ Much more indicative of the real situation was the financial state of the Stock Companies' rural branches, whose fates were closely inter-twined with the farmers'. In 1931 Goldsbrough-Mort closed ten of their thirty-eight country agencies to reduce nett losses.⁵⁶ By 1933 over half of the remaining, and

51 See Chapter V, Footnote 32.

52 Dalgety-London, (Manager's/Accountant's Report) 30 June 1933.

53 Dalgety-London, 2/6/30.

54 Dalgety-London, 21/6/32.

55 DALgety-London (Manager's/Accountant's Report) 30 June 1933.

56 Goldsbrough-Mort, Profit and Loss to March 31st, A.N.U. 2B/1. Table 8.

therefore presumably most viable, branches had not made a profit in any year since 1930. In toto, between 1930 and 1933, Goldsborough Mort agencies lost over fifty thousand pounds,⁵⁷ By 1933 creditors may have begun to realise that waiting for economic improvement was not necessarily going to solve the farmers' financial problems, nor theirs.

The suspicion that sound business methods of the past were not about to solve present problems, could lead business to seek other solutions. In turn this could lead to a more rational discussion of debt adjustment, but it did not lead inexorably to the writing down of debts, nor to any recognition of a need for legislative action.

After three years of Farm Relief, the Government and the creditors were looking for some repayment of their financial assistance, and they were willing now to sacrifice some of their previously rigid ideals to get it. The provision in the FAA for closer supervision of farmers helped the creditors to accept the more formal provision for the voluntary writing down of unsecured debts. Their change in attitude from previous abhorrence of any writing down to acceptance of an Act which they admitted incorporated "fairly drastic clauses ... [which] might do an immense amount of harm"⁵⁸ was not due simply to impatience for some return on debts owing. Neither did the fact that repayment of the debt that remained after adjustment was almost guaranteed

57 *ibid.* (compared with an average annual profit 1925-29 of £12,000).

58 Dalgety-London, 13/7/33.

by the continuation of the farmers' operations under the supervision of the Board constitute an adequate reason for allowing some debt to be written off. The key to creditors' changed attitude lies in the political changes manifested during the 1933 State elections. Rural voters, whom the creditors could not completely ignore, were turning away from established Political Parties. The electors in Murray Mallee returned an Independent candidate, Tom Stott, secretary of the Wheatgrowers' Protection Association. The farmers' realisation that the established Parties and the financial interests which backed them were not working for the farmers' welfare, was beginning to find expression. They saw now that the creditors' assurances of good faith and sympathy were hollow. They saw that the business claims that Farm Relief legislation had been unnecessary because "borrowers would have received precisely the same treatment"⁵⁹ as they had in fact been given, were untrue. Farmers remembered their seizure of harvest machinery just before harvest in 1930,⁶⁰ they had experienced the veritable "crusades" of creditors when farmers were left without Government protection for short periods.⁶¹ They knew that creditors who provided stock for the farm would insist that their stock mortgage encompassed horses and farming plant as well as the stock supplied.⁶²

59 Elder, Smith & Co., Annual General Meeting, August 1933. A.N.U. 104/1/51.

60 A.J. Perkins to Premier, 9 December 1930. D.A. 1209/30.

61 Wheatgrower, 15 July 1933.

62 Goldsborough-Mort. Assistant General Manager, 9 March 1931. A.N.U. 2A/36.

Their doubts about the creditors' real concern for farmers were well founded. By the middle of 1932 a confidential "master list" of debtors had been drawn up by the four major stock firms to protect themselves from bad debtors.⁶³ Credit was "considerably curtailed owing to a better understanding ... between the ... companies."⁶⁴ All in all, the farmer felt that the co-operation required of him by his financial mentors was "similar to that which the butcher, rather than the shearer requires from his sheep".⁶⁵ Since the creditors held this view of each other⁶⁶ they were unlikely, privately, to dismiss the farmers charges as sheer emotional clap-trap. Yet it was not the rural election results that appear to have made the creditors more amenable to the institution of some form of debt adjustment. Rather, it was the success of the Lang Labor candidates in the City. The evidence suggests that the unexpected successes of a splinter party allegedly "out of favour"⁶⁷ in the State, and a long way from its spiritual home in Sydney, was sufficient to cause serious reconsideration of policy in financial circles. The Advertiser had scorned candidates campaigning for the writing down of debts

63 Dalgety-London, (Manager's Report), 30 June 1932, (probably Elder Smith, Goldsborough-Mort, Dalgety, Bennet and Fisher, were the companies concerned).

64 *ibid.*

65 Advertiser, 9 June 1934.

66 Dalgety-London, 25/7/30, re "Elder Smith's past policy of keeping clients in debt".

67 Dalgety-London, 16/3/33.

in 1933⁶⁸ and yet three of the seven candidates of a repudiationist party had been seated in Parliament.⁶⁹ Although outnumbered in a House of Assembly of 47 members, their presence seemed to business a precursor of even worse political influences that could only be thwarted by a public display of benevolence towards their creditors. As the General Manager of Dalgety reported:

It is becoming increasingly evident that the reticence of financial houses ... as to what they are doing ... to assist the countryman ... is having a bad effect on the electorate ... It is of course very difficult for the institutions to make any public statement, but we consider that unless something of the kind is done, later elections will introduce very undesirable persons to our Parliaments.⁷⁰

Lang Labor may have had no real impact on the established Parties⁷¹ as Hopgood maintains, but its unique success outside New South Wales⁷² certainly appears to have caused the L.C.L. to make concessions it abhorred at least once.

An unofficial group, the Producers and Businessmens Committee asked the new Liberal Premier, Butler, to confer with the Chambers of Commerce, and of Manufacturers, the Stockowners, and the Taxpayers' Association before drafting new Legislation.⁷³ Once this had been

68 Advertiser, 12 April 1933, p.18, Editorial.

69 Dalgety-London, 16/3/33.

70 Dalgety-London, 13/4/33.

71 D. Hopgood, "Lang Labor in South Australia" in R. Cooksey (Ed.) The Great Depression in Australia, (Canberra, 1970), p.173.

72 *ibid.*, p.161.

73 Dalgety-London, 1/7/33.

done there was little opposition when the Bill was presented to Parliament. Debate on the section dealing with Debt Adjustment was couched in terms of the unfortunate restriction of this provision to only Farmers, instead of including other deserving sections of the community.⁷⁴ The contentious issues that led to divisions in the House were those that sought to extend the farmers' rights, not those that set out the creditors' rights. Publicly, even the Legislative Council agreed that the question of whether the writing down of debts was a threat to sound finance was no longer an issue. The degree to which fear, and possibly impatience, had changed attitudes was revealed by the amazing statement in the Legislative Council,

that there is no need to open the question of whether the principle of the Bill is right, as we have agreed that it is necessary.⁷⁵

Their acceptance was also encouraged by the knowledge that Judge Paine was going to administer the Act. The creditors respect for his ability to make the legislation work led them to make concessions⁷⁶ that they knew would not be abused. All the parties concerned had agreed to the vital Paragraph 44 which set out the way in which the various types of debt were to be treated.⁷⁷

74 S.A.P.D. 4 October 1933, p.1499; 17 November 1936, p.2548.

75 S.A.P.D. 15 November 1933, p.2155.

76 Pioneer, 18 January 1934.

77 S.A.P.D. 25 October 1933, p.1846.

However, some doubted the viability of any form of adjustment that relied on the voluntary writing down of debts, too much depended on the benevolence of creditors without whose assistance the scheme would not work.⁷⁸

Once the Farmers Assistance Board started work under Judge Paine, and the creditors were satisfied about its composition⁷⁹ they accepted the old bogey of debt adjustment with the reservation that interference of that kind was "not ultimately for the benefit of the parties concerned".⁸⁰ They remained cautious in their dealings with applicants, or likely applicants, owing to the wide powers vested in the administrators,⁸¹ and because of the restrictions placed on their ability to advance money in order to retain the custom of a client.⁸² Under the FAA, any unsecured cash advance was likely to be written down by a meeting of creditors⁸³ called to adjust debts, and that prospect was not attractive to finance houses. On the other hand, if they refused to give the advance requested, the farmer would take his business elsewhere.⁸⁴

78 S.A.P.D. 4 October 1933, p.1500.

79 "The Board ... has been satisfactorily composed", Dalgety-London, 21/12/33.

80 Dalgety-London, 22/2/34.

81 Dalgety-London, (Manager's Report), 31 December 1934.

82 Dalgety-London, 22/2/34.

83 FAA 33, Para. 50 provides for the adjustment of unsecured debts to be made if the majority in value of unsecured creditors agree.

84 *ibid.*

Creditors' quibbles could not disguise the fact that a precedent, however weak, had been established: the creditors had finally admitted that assistance for the farmers had to come from them because the farmer had done all he could to meet his responsibilities.⁸⁵

The farmers' attitude to the debt adjustment provisions of Part IV of FAA is difficult to gauge. The Board treated all applications as though prima facie for Part III⁸⁶ which was intended for the farmer who was only "temporarily embarrassed", or who merely required finance for a season or two.⁸⁷ If the Board considered Part III inappropriate to the farmer, it asked him if he would mind⁸⁸ being placed under the stronger protection, and more intimate control, of Part IV. All the farmer's plant, not just that which was used for cropping, was protected from the creditors under that Part. In return the Board was entitled to reimbursement for advances from any of his income, not just that from the crop, as was provided under Part III.⁸⁹

Since most of the applicants had been assisted previously⁹⁰ and probably one third had needed assistance since 1931/2,⁹¹ it

85 Managing Director of Horwood-Bagshaw, Advertiser, 28 April 1934.

86 Advertiser, 27 January 1934, p.18 (H.K. Paine).

87 Pioneer, 25 January 1934, (H.K. Paine).

88 *ibid.*

89 FAA Paras.25 (IV) and 31(I) and Paras. 31(I)d and 41.

90 S.A.P.D. 3 September 1935, pp.487-8, 68 of 2055 applicants approved not previously assisted.

91 Analysis of GRG-6 Series 9, 11, 12, 13, 14.

was not likely that any who were not new applicants would feel themselves "temporarily embarrassed". Most applicants came under the Board's control under Part IV.⁹² The farmers did not have a free choice of the section of the Act under which they wished to apply. The back-log of applications held up the rate of approvals and created an hiatus between the end of the issue of sustenance orders under the previous Act (RA) and the start of supplies under the new.

The Director suggested that shopkeepers might assist farmers in this unhappy position by continuing to supply them with goods as before, in the hope that their clients' applications would be approved, and the Board would therefore reimburse them. If the applications were rejected they could attempt to recoup their losses from the farmers' wheat bounty cheques.⁹³ Neither action would appeal to shopkeepers who were attempting to run a business, not a charity, and who were becoming increasingly wary of the "trust to luck" attitude of country residents.⁹⁴ Since 1930 the shopkeepers had watched their business fall away as the farmers became more dilatory debtors. To preserve themselves they restricted farmers' credit "as much as ... possible"⁹⁵ and dealt mostly in cash. Gone were the informal agreements to settle up after the

92 S.A.P.D. 24 July 1934, p.124. Acceptances: Part III, 371, Part IV, 1860.

93 Advertiser, 3 March 1934, p.21.

94 Advertiser, 25 November, 1931, p.12, letter to editor.

95 Evidence of West Coast storekeeper to Royal Commission on the Wheat Industry. Advertiser, 9 May 1934.

annual wheat or wool cheques arrived, gone were the easy-going days when the customer was a treasured asset who might be given a new hat as a bonus for paying the bill the storekeeper had held for twelve months.⁹⁶

The Board's idea was unappealing to the creditor who was carrying his own mortgage and other people's debts. The farmers, faced with reluctant shopkeepers, needed more useful suggestions to tide them over the lean period at the beginning of FAA. The Board advised farmers that to "minimise the delay which is more or less inevitable"⁹⁷ they should give the Board the power to place them under Part IV of the Act if it "thought it best to do so".⁹⁸ Many farmers, whatever they thought of the provisions of Part IV would have had no choice. The immediate welfare of their families would be the only consideration. So, in the midst of proposals to refrain from signing any application forms because they wanted too much information,⁹⁹ came the pragmatic decision to sign in order to get early supplies.¹⁰⁰

Essentially, applications under Part IV of FAA were made for reasons other than the adjustment of debts and the neither the

96 Hunt, interview.

97 Pioneer, 31 May 1934.

98 *ibid.*

99 Wheatgrower, 15 February 1934, record attendances at five country centres to discuss this issue.

100 Wheatgrower, 15 February 1934, (View of the majority of farmers at meeting at Peake).

need for, nor the effectiveness of, the legislation can be determined from the volume of applications. In practice the Board used Part III to administer farmers who appeared to need assistance for only a year or two.¹⁰¹ If the imbalance of numbers between the two Parts, means anything at all, it indicates the necessity for the long term assistance provided under FAA.

The real utility of the Act remained undetermined because the provisions for Debt Adjustment were never used. Creditors did not take any initiative, instead they tried to ensure that any necessary readjustments would be made when conditions became "more normal".¹⁰² The Board's debt adjustment activities were firstly forestalled, and then superceded by the Commonwealth Government's Royal Commission on the Wheat, Flour and Bread Industries. Unofficially, the inquiry was expected to show that the general position of the farmers was worse than anticipated,¹⁰³ and the Board refrained from considering any adjustment schemes until the Commonwealth's response to the Commission's findings were clear.¹⁰⁴ The Commission's First Report, issued three weeks after it had finished gathering evidence, announced that

the industry of growing wheat is in a serious financial position ... the growing of wheat has been unprofitable at the average of the prices which have ruled since 1930¹⁰⁵

101 GRG-6/3/88.

102 Wheatgrower, 15 June 1934.

103 Dalgety-London, 31/12/34.

104 Advertiser, 30 July 1934.

105 R.C.W.I., First Report, 30 June 1934, p.35.

and that their debts constituted a political problem.¹⁰⁶ Their findings were not the heavy indictment of the industry that might have been expected, but were a much milder appraisal than the earliest State Government Report, which had found debts

considerably beyond ... producing capacity ...
at what may be taken to be mean prices of
decennial periods.¹⁰⁷

The Second Report, in March 1935, indicated that less than forty percent of wheat farmers could make ends meet.¹⁰⁸ They had many problems, but the largest, overshadowing all others, was the debt structure. The Commission recommended that the Commonwealth take some action to facilitate the unavoidable adjustment.¹⁰⁹ Prior to the publication of the Second Report the Commonwealth had submitted draft proposals for further relief legislation to the States. In South Australia the Treasurer called on the Board to appraise the scheme, as it was the group best fitted to understand what the farmers needed. The Farmers Assistance Board and Judge Paine stressed in their report that two factors were essential for the success of any scheme. Firstly,

either a further substantial reduction in the rate of interest or a drastic reduction of ... interest bearing debts, or both would be needed.¹¹⁰

106 *ibid.*, p.7.

107 D.A. 762/31.

108 R.C.W.I., Second Report, p.113.

109 *ibid.*, p.254.

110 H.K. Paine to Treasurer, 14 November 1934. D.A. 206/35.

Secondly it would require full and sustained co-operation on the part of the wheatgrowers. Both prerequisites could be secured by threatening farmers with removal of protection, and by threatening creditors with compulsory adjustment of all their debts which were in excess of the farmers' securities. In addition, the Board reported, administration of any scheme could be best served by a tribunal with full discretionary powers and free of all political control.¹¹¹

The report also drew the Treasurer's attention to the initial difficulty involved in setting up a Debt Adjustment Scheme, the problem of estimating the amount of finance necessary.¹¹² There was widespread ignorance of the scale of farm debts in the State, and therefore no reliable estimate of the demands that would be made on any debt adjustment legislation. The only investigations that appear to have collected any concrete evidence were the Debt Adjustment Inquiry Committee and the Royal Commission on the Wheat Industry. Both experienced difficulty in obtaining evidence of liabilities,¹¹³ partly because the business firms who had the most immediately available information were not as useful as they might have been. Their interests lay not in general over-views of debts, or in the rural economy, but in the individual debtor.¹¹⁴ Clients

111 *ibid.*

112 *ibid.*

113 D.A. 206/35.

114 E.g. the existence of a 'Black' list. See footnote 63 *supra*.

whose prospects caused no alarm aroused no interest; only those with large accounts or debts, or both, caught the managements' attention. Once investigated they were watched until they became economically sound, after which the firm appeared to lose interest.¹¹⁵ These records, however fragmentary, were the basis of Judge Paine's report of 1933¹¹⁶ because, as he frankly admitted, the Government had no means of obtaining the required information except from the Companies.¹¹⁷

The Royal Commission was able to interview farmers, and send them questionnaires. The high proportion of useable returns¹¹⁸ indicated that while farmers might not grasp the concepts of "liability" and "asset",¹¹⁹ they understood their situation well enough to explain it.

Both surveys examined the debt problem, but they made little attempts to put it into perspective, because there was little or no evidence about wheat-growers' assets.¹²⁰ The State inquiry into debts ignored the complementary aspect of farmers'

115 Extant Records examined indicate the following: Elder Smith: concerned with bad debts written off; Dalgety: Reports on accounts between £1,000 and £2,500 after 1929 only; Goldsborough Mort: Accounts overdrawn and in credit, bad and doubtful debts written off.

116 S.A.P.P. 51, 1933, see footnote 36, supra.

117 Dalgety-London, 22/12/32.

118 R.C.W.I., Second Report, p.114. 78% of forms B2 used.

119 See Chapter II, footnote 6.

120 D.A. 206/35.

assets on the grounds that, in the short time available, it was impracticable to attempt any such assessment.¹²¹ The Royal Commission survey did calculate assets on a nation-wide scale, and by diligent mathematics a measure of the South Australian assets can be extracted.¹²² On a national basis, substantial assets backed-up a considerable proportion of the apparently large debt figures.¹²³ Probably the Commission was too optimistic; its valuation of farm stock was closer to maximum rather than average values in South Australia.¹²⁴ The surviving data from the Farm Relief files also supports a more pessimistic view. Farmers on relief had on the average less sufficient assets to counterbalance their debts.¹²⁵ The true position was uncertain, as often the Board was unable to obtain any valuation of farmers' assets at all. If the surveys failed to describe adequately the financial status of the ~~Wheat~~ industry, and thereby failed to give an idea of the practicability of attempting to adjust debts, they did at least provide an analysis of the types of creditors who would have to be

121 S.A.P.P. 51, 1933, p.5.

122 £3064 per farm. R.C.W.I., Second Report, p.109.

123 *ibid.*

124 *ibid.* - Valuations: sheep 12/6; Horses £16, Cows £5. Dalgety-London, (Managers' Report) 30 June 1934, gives valuations as follows: Sheep in wool 12/6 down to 7/6; Horses from £1 to £10, Cows from £2 to £5.

125 Ratio of Liabilities to Assets. R.C.W.I., Second Report, p.9. 10:9; GRG-6, Series 13, 14 for FAA 10: 8.5, for primary Producers' Debts Act applicants 10:7.5.

accommodated in any scheme.

In addition to the published figures the Government had access to another analysis of debt data prepared by the Farmers Assistance Board, for the Royal Commission on the Wheat Industry. These figures provided a more useful illustration of the situation than the Commission's because they were drawn not from the average farm, but from the files of assisted farmers, those who were probably going to need help with their debts.¹²⁶

By December of 1934, the extent to which the Commonwealth was prepared to assist was known. Basing its apportionment on the proportion of losses suffered as a result of falling prices,¹²⁷ it was to provide nearly two million pounds to the State from a total Federal grant of twelve million pounds¹²⁸ to enable farmers to carry on.¹²⁹ South Australia's share was thought too small in comparison to its needs. Because the State held thirty percent of the total rural debt of the nation, Parliament argued, it should receive that proportion of the grant,¹³⁰ i.e. over three

126 GRG-6/1/30. See also Graph VIII.

127 Dunsdorfs, Australian Wheat-Growing, p.287.

128 S.A.P.D. 19 February 1935, p.243. The first grant to S.A. was 225,000 (Advertiser, 5 December 1934, p.21).

129 R.C.C. IV, p.27.

130 Shedvin, op.cit. p.344, states "The Commonwealth insisted that the money be used in the form of loans rather than grants". Yet the Commonwealth's lettergram to all States quoted in S.A.P.D. 13 February 1935, p.145 nowhere requires this, and the Auditor General reports continually refer to it as a "Gift Fund". (S.A.P.P. 4, 1936-39).

million pounds.¹³¹ Nevertheless it was publicly welcomed as "a move in the right direction",¹³² and the Primary Producers' Debts Bill was introduced to make use of the money. The success of the Bill depended less on the size of the grant than on the fact that it existed.¹³³

In Parliament the urban Labor representatives attacked the very idea of adjusting the debts of only Primary Producers. It was totally inequitable that other people in the society, such as the workers buying homes, should not be given the same consideration.¹³⁴ Criticism of this sort, which revived Judge Paine's earlier conclusion that debt adjustment should be for the whole community,¹³⁵ was quashed by reiteration of the prime importance of primary industry to the State's economy. No alleviation of the economic position could be expected until labour could be used in profitable production. That goal was unobtainable while so many farmers were in difficulties.¹³⁶ The time had come, the politicians

- 131 S.A.P.D. 19 February 1935, p.243 (£ 3.4 million, not £ 1.8 million).
- 132 The general opinion of representatives of Dalgety, Drefus & Co., S.A. Farmers Co-op. Union, Wheat-growers Association, etc. Advertiser, 6 December 1934, p.10.
- 133 "Brief Explanation of the Farmers Relief Acts" (n.d.) indicates the necessity of cash in Debt Adjustment (Photocopy from Victoria: Premier's Department, 17 June 1973).
- 134 S.A.P.D. 19 February 1935, pp.242-3; S.A.P.D. 27 February 1935, p.462.
- 135 Advertiser, 10 March 1932, p.10. See footnote 20.
- 136 S.A.P.D. 27 February 1935, p.462.

said, to reject aggravating palliatives, to square up, and to take effective action.¹³⁷ The new attitude was mirrored in the Advertiser which modified its stand for immutable laws to one of expediency. Debts now had to be adjusted to give farmers relief.¹³⁸

The high debts which necessitated the Act,¹³⁹ pointed to a drawn out resurrection for the farmers. After adjustment any surplus income to the farmer was going to be absorbed by the pre-existing commitments to his creditors. Adjustment, therefore, would increase financial liquidity, but would not necessarily create effective demand.¹⁴⁰ The immediate prospects were not, of themselves, particularly attractive to the creditor, but the promise of an artificially enhanced reimbursement was, especially since it was increasingly evident that the boom conditions of the early 'twenties would not soon return. The International Wheat Agreement was tottering to collapse,¹⁴¹ its demise threatened to create another catastrophic glut of wheat in the world's market places,¹⁴² with a consequent worsening of the Australian

137 S.A.P.D. 19 February 1935, p.275.

138 Compare the unfavourable editorial in Advertiser, 11 March 1932, with that of Advertiser, 6 December 1934.

139 25° Georgi V, No.2200. "Primary Producers' Debts Act, 1935". Hereafter PPDA.

140 Schedvin, op. cit. p.294.

141 It lapsed 31 July 1935, after disagreement between the four main exporting countries at a meeting in December 1934. R.R.C. X, p.318.

142 Table 2. World stocks totalled about three times Australia's annual production in 1934/5.

wheat farmers' position. The proposed new legislation offered some insurance against complete disaster. Firms, whose real interest in the Relief Acts since they began had been to determine how they could be used to their best advantage,¹⁴³ were now happy to embrace any scheme offering more than the annual payment of 2½ pence in the pound that could be expected from Farmers Assistance Board.¹⁴⁴

During the Bills' second reading there were few contentious issues raised. Comment was passed that the small amount of money available for adjustment was a sure indication that this would not be the last peice of debt legislation tabled, but generally the proceedings remained calm. The lack of controversy reflects the acceptability of the Bill to both sides of the House. It did not, after all, provide for compulsory writing down of secured debts, and it was going to be administered by Judge Paine. There were less calls for divisions when voting on the clauses than had been necessary with FAA.¹⁴⁵ The creditors' rights had been fought over and resolved then, and there was no need to rake over old arguments. The divisions that did occur were concerned with maintaining as much protection for the creditors as possible, and each time the Liberal Government's majority view prevailed

143 Goldsborough Mort, Manager to Adelaide, 29 January 1931. A.N.U. 2A/36.

144 Wheatgrower, 15 January 1935, J. Shearer and Sons to Editor.

145 FAA: 5 Divisions in House of Assembly, PPDA: 3.

against the fragmented Labor opposition.¹⁴⁶

No-one on the L.C.L. benches, even if they believed that secured creditors should make some sacrifices, was willing to suggest that it should be forced upon them. The Opposition saw no reason why all creditors should not assist the farmers; was Parliament

to bribe off the unsecured creditor at a dividend of five shillings in the pound out of the public purse in order that the secured creditor should have added security?¹⁴⁷

The answer was that indeed they should. The creditors' fear of compulsory powers had been reiterated at the Royal Commission on the Wheat Industry hearings. Compulsory interference with debts or interest was "a grave and disasterous"¹⁴⁸ act that would "break peoples' confidence in the Banks of Australia".¹⁴⁹

Proponents of compulsion dismally predicted the failure of PPDA because, without compulsion, it depended in the end on the fond hope that creditors would magnanimously write down some of their debts.¹⁵⁰ Once again, as with FAA, it was certain that the success or failure of the Act would depend on Judge Paine and the

146 20 of the 30 Liberals were present for all divisions, and voted with the Government. Of the remaining 10, all but 3 voted with the Government when they voted.

147 S.A.P.D. 20 February 1935, p.307.

148 Manager of State Bank of South Australia. Advertiser, 2 May 1934.

149 *ibid.*

150 S.A.P.D. 19 February 1935, p.280.

Farmers Assistance Board. Paine might have been willing to consider compulsion of creditors in the abstract,¹⁵¹ but he did realise that co-operation was the only way of ensuring success. As with FAA, the creditors' uneasiness was quelled by his presence in the Administration.

Whatever their views on compulsion, both sides agreed that not all farmers were to be assisted, only those who deserved consideration. The idea of limiting the benefits of legislation to only meritorious cases had been implicit in the Acts passed since 1929, when the Treasurer made it clear that the duty of the State under DAA was "to protect the experienced land holder".¹⁵² The limitation of protection and/or assistance to the 'deserving' cases, rather than universal aid had continued throughout the Depression, involving the disbursers of relief in assessments of a farmer's character. The Management of Elder Smith and Co. outlined the firm's attitude in 1931. Their policy was

to give every possible aid to those in the great difficulties they are up against and especially to those who are putting their shoulders to the wheel and making every effort to extricate themselves from the position in which a succession of low prices and bad seasons had engulfed them.¹⁵³

Four years later the same sentiments still prevailed, the character of the man was "one of the fundamental things"¹⁵⁴ which

151 See Footnote 110, supra.

152 S.A.P.D. 19 November 1929, p.2071. (Emphasis added).

153 Elder Smith & Co., Annual General Meeting: August 1931, A.N.U. 104/1/46,

154 S.A.P.D. 19 February 1935, p.267.

determined whether credit would be made available to him.

The Board had to decide which farmer's claims were more meritorious than others. In this decision the Board had to use its discretion, at this point the personal factor became the paramount deciding issue. From its City office the Board could quickly check its opinion against those of other creditors, which provided a larger cross-section of information on which to base its decision. However, this informality also allowed devastating personal assessments to be made on the spur of the moment, with little opportunity for mature correction.¹⁵⁵ When deciding on the most deserving cases the Board was more prepared to assist farmers who had co-operated with the Board in the past. Paine stated publicly that farmers who had previously refused to co-operate with the controlling body had been denied assistance,¹⁵⁶ i.e. the farmer whose attitudes corresponded closely to the Board's could expect assistance. The importance of conformity is seen in the case of one farmer, who, having been assisted consistently since 1929 under DAA and FAA, sent in an application for renewed assistance for the 1939/40 season. The Board's Approving officers perused it and all, in their turn, stamped it Recommended for Assistance. The Secretary of the Board then received the application with its attached correspondence file and read it

155 For example: The Board's Executive Officer's comments that one applicant was "a pest to him". Secretary, Goldsborough-Mort, 12 August 1936. A.N.U. 2A/36.

156 Advertiser, 9 June 1934, p.21.

through. He discovered a letter from the farmer's wife, complaining that her husband kept the sustenance cheques for himself and gave her a miserly pittance on which to keep her family. The Supervisor had reported on the complaint, the Assessors had noted it, and recommended that in future the cheque be paid direct to a local storekeeper. The Secretary thought otherwise and minuted the file:

The treatment of his family is a disgrace ... I do not think the Act was ever intended to protect a man of his type.¹⁵⁷

The Director and the Farmers representative both agreed and the man was refused assistance.

The Board did not see this as any form of victimisation, a charge it always emphatically denied.¹⁵⁸ Rather it was a justifiable elimination of an undesirable farmer as allowed in the Act. Paragraph 15 said that if

the Board is of the opinion that it is desirable to cancel an application it may, in its descretion ... cancel.¹⁵⁹

The power was reinforced by Paragraph 17 which stated

The Board shall have unfettered discretion to grant or refuse any application.¹⁶⁰

One transgression of its rules would bring a first and final warning, unequivocally pointing out that

157 GRG-6/14/1614.

158 GRG-6/1/43, 19 December 1938.

159 FAA Para. 15.

160 *ibid.* Para. 17.

should you again disobey the directions given you the matter will be referred to the Board for the purpose of cancelling your certificate.¹⁶¹

The Board believed it was best rid of troublesome farmers or storekeepers, and by the end of the 1930's, one Supervisor said all the "unreasonable chappies"¹⁶² had been removed.

The Board's attitude was revealed when it inquired of the Crown Solicitor whether infringement of its rules was sufficient justification for the refusal of further assistance.¹⁶³ That, and the Board's curtailment of the sustenance grant,¹⁶⁴ went against the spirit and interpretation of the Relief Acts that farmers merited assistance if they had reasonable prospects of being able to carry on farming without loss within a reasonable time.¹⁶⁵ Yet it appears unlikely that the Parliament or the public would have disapproved of the arbitrary excuses for refusing relief. Farmers who were not "playing the game"¹⁶⁶ could not expect to benefit. The idea of merit before assistance was widespread throughout the farming community, it not an alien idea imposed by ruthless financial interests wishing to cut their losses.

161 GRG-6/13/179,

162 "V. Sarne", interview.

163 See Chapter III, footnote 198, supra.

164 See Chapter III, footnotes 99 and 112. supra.

165 FAA Para. 66, PPDA Para. 13. This test was also applied to applicants under DAA Dalgety-London, 11/6/30.

166 Advertiser, 22 August 1934, p.9 (Premier Butler).

The farmers' evidence to the Agricultural Settlement Committee made it abundantly clear that they believed that relief should be given only to those who deserved it, not to all those who thought they needed it, or who wanted it.¹⁶⁷ Even in areas of the State where more than half the local farmers had needed Drought Relief in 1929, the firm opinion was that "every application for relief should be judged on its merits".¹⁶⁸

By 1935, when farmers should have been well aware of their needs¹⁶⁹ and merits where assistance was concerned, surprisingly few applied for the benefits of cash payments and bargaining under the Act created "to make further and better provision for the adjustment of the debts of primary producers".¹⁷⁰ In spite of the extensions made to the application period for PPDA to give farmers a chance to re-assess their prospects after a poor season,¹⁷¹ and in spite of the Premier's warning in September of 1936 that the final extension of time had been made,¹⁷² only 2707 primary producers had applied.¹⁷³ Most of the applications

167 Question: "Should farmers receive financial help ... everytime there is a drought"? Answer: Murray Mallee (where 45% farmers assisted in 1929) - "those applying ... should prove their case" S.A.P.P. 71, 1931, p.43.

168 *ibid*, West Coast reply (61% farmers assisted under Drought Relief).

169 Mortgagors foreclosures for example were increasing. From Pioneer, 1931, 0; 1932, 1; 1933-2; 1934, 6.

170 PPDA preamble.

171 GRC-6/3/88.

172 S.A.P.D. 25 September 1936, p.1541 - following extension in August to 30 September 1936. (Advertiser, 21 August 1936, p.26).

173 S.A.P.P. 4, 1939, p.63.

were from pastoralists and agriculturalists¹⁷⁴ and probably most were in fact farmers.¹⁷⁵ Pastoralists commonly maintained large and steady accounts exclusively with one firm, so were more likely to be able to arrange private accommodation.¹⁷⁶

The Royal Commission on the Wheat industry had disclosed that about one fifth of the State's wheatgrowers¹⁷⁷ could benefit from some form of debt adjustment under an Act which assumed an average price for wheat of three shillings per bushel.¹⁷⁸ In simple numerical terms it appeared that about as many as predicted from the Royal Commission's data applied for adjustment. The figures are misleading. The Commission's findings are based on "a fair range of cases typical of each district"¹⁷⁹ and candidates for debt adjustment were worse off than the "typical" farmer. Their calculations were further distorted by the addition of an arbitrary wage, or farmer's management fee, of one hundred and twenty five pounds to the overall cost of production,¹⁸⁰ an idea that seldom

- 174 First 2271 applications: Pastoral/Agricultural 2151; Viticultural/Fruitgrowing 42; Dairy/Pig Farming 69; Misc. 9.
- 175 276 of 291 applicants for DAA were farmers, the rest graziers. S.A.P.P. 51, 1933, p.5.
- 176 S.A.P.P. 51, 1933, p.11.
- 177 R.C.W.I., Second Report, Table XXII, adjusted for a wheat price of 3/- bushel. p.92 gives total number of wheatgrowers in the State between 10870 - 14248.
- 178 Stipulated in PPDA Para. 14(2).
- 179 R.C.W.I. Second Report, p.44.
- 180 R.C.W.I., Second Report, p.79.

occurred to the farmer.¹⁸¹ Artificial inflation of the real costs involved in production in this way placed farmers who could in fact benefit from debt adjustment, in the "hopeless" category of farmers who would (theoretically) be unable to survive even if their debts were adjusted. The Commissions calculations thus under-estimated the probable proportion of farmers who could benefit. Also, since well over five percent of the applicants for debt adjustment were not wheat-farmers the discrepancy between real needs and the actual demand must have been large. At the time both the Farmers Assistance Board and the Premier thought so, and expressed surprise that only thirteen percent of the State's wheatgrowers had applied.¹⁸² The Government investigation in 1931 had estimated that half the State's farmers needed relief.¹⁸³ The Wheat Growers' Association, not always a favourable commentator on the Board and its policies, actually encouraged its members to examine their affairs and apply for adjustment.¹⁸⁴

The Act did not attract farmers who felt crushed by events,¹⁸⁵ or those who had seen the improvement in economic prospects as the prices of wheat and wool rose after the Bill passed

181 See Chapter II, footnote 9, supra.

182 Advertiser, 21 August 1936, p.26.

183 See footnote 6, supra.

184 Wheatgrower, 15 August 1936.

185 Paine, interview.

parliament in February 1935. Each extension of the application period was followed by further rises in the wheat prices.¹⁸⁶ Fewer farmers, therefore, felt any need to seek State sponsored debt adjustment and so submit to the draconian control they erroneously believed that it entailed.¹⁸⁷ The continued increase in prices enabled most farmers to survive without Government aid¹⁸⁸ and assisted the less effective farmers who needed protection to break free.¹⁸⁹ The farmers under assistance paid off more of their debts as the values of farm produce advanced, and fewer failed to repay the money advanced to them.¹⁹⁰ As the Premier himself said, the Farmers Assistance Act statistics showed that the general position had improved.¹⁹¹ A rising market meant that farmers who felt compelled to seek refuge with the Government were more likely to get it because of their financial prospects. The creditor who wished to continue exclusive control of his client had therefore

186	Prices (pence)	
	Wheat/Bush.	Wool/lb.
Act opens Feb./35	32	8
1st closing date Feb/36	41	12
Extended dates		
Sept./36	55	12
Jan./37	60	12

187 Advertiser, 21 August 1936, p.26, (H.K. Paine).

188 Table 16.

189 From 1935-37 144 farmers did not reapply for FAA, and 166 applications were withdrawn or cancelled. Of all these 96 assigned their estates, the majority continued farming.
GRG-6/3/88.

190 Table 19.

191 S.A.P.D. 15 September 1936, p.1383.

to be more wary in his demands lest the client turn to the State for assistance. For many farmers improved prices meant more understanding treatment by their creditors.

The number of unofficial arrangements outside the Board's direct influence was large,¹⁹² but the creditors' records disclose that the clients' economic prospects were, on occasion, a very minor reason for lenient treatment. The characteristics of a client which warranted special consideration might include a long standing or exclusive account with the creditor.¹⁹³ Or the creditor could consider a client worth assisting because of the business he might eventually divert to the company, either personally or as a leader of local opinion.¹⁹⁴ Occasionally the debtor might be in a position to coerce the company, like the man who kept his account open by threatening to revoke his will.¹⁹⁵ The selection of clients for private assistance was more arbitrary than any Government scheme, and probably more significant numerically, although the exact number affected is not known. Another alternative to State Relief was the Commonwealth Bankruptcy Act, which appeared to be the last resort for farmers and creditors, only about half of the proceedings initiated under that Act culminated in schemes

192 Table 31 (Compositions without Bankruptcy).

193 "We do not wish to endanger the family business connection", Goldsborough Mort, Adelaide Office: General Manager, Private Letters, 29 March 1939. A.N.U. 2A/41.

194 *ibid.* The Company also advances the same reasoning for continuing accounts in A.N.U. 2/132.

195 This client had assets of £7,223, liabilities of £6,550 and an overdraft of £7,100. A.N.U. 2/132

to carry on.¹⁹⁶ Perhaps the lack of applications from the "large proportion"¹⁹⁷ of the wheatgrowers of the State who had little chance of fully discharging their accumulated liabilities was due to the fact that over two thousand farmers had been forced to make arrangements under the Bankruptcy Act since the collapse of wheat prices in 1930.¹⁹⁸

Less disinterested contemporary observers offered a different interpretation of the lack of applications; this they said was

evidence that the Banks and others were alive to their duty and that no reasonable credit was withheld from a debtor to enable him to carry on during the period of depression.¹⁹⁹

For this to be true the speaker's definition of "reasonable" must have included qualities other than economic. Had financial expectations alone been the basis of judgement, then over one thousand seven hundred farmers who had repaid some of their debts under the Relief Acts, should not have had to apply to the Government for assistance at all.²⁰⁰

196 Table 31 (Compositions without Bankruptcy).

197 GRG-6/3/88.

198 Table 31 (Total: 2963).

199 Elder Smith, Annual General Meeting, 31 August 1936.
A.N.U. 104/1/58.

200 Table 19 (to June 1936).

The slow rate of formulation of debt adjustment schemes²⁰¹ until PPDA was reopened in 1939²⁰² was a natural consequence, in the early years, of the lack of information about how great the demand for adjustment would be. Until the Act came into force there was no means of accurately ascertaining the volume of the debts,²⁰³ and thereafter there was continuous uncertainty about how much money the Commonwealth was going to provide.²⁰⁴ The Board's desire to use the Grant as effectively as possible, necessitated detailed investigation of each applicant to discover what chance he had of becoming a successful farmer.²⁰⁵ Basically, this was an assessment of how well he could be expected to respond to the "stimulative effect"²⁰⁶ of debt adjustment. If an initial survey revealed any likelihood of rehabilitation, the whole of the applicant's assets were valued and a report on his undertakings made by one of the Board's valuers, technically capable, and practically experienced men.²⁰⁷ Whether or not the

-
- 201 1040 schemes completed out of 2707 applications. S.A.P.P. 4, 1939, p.63. This is less than the 50% that Paine would have been satisfied with. GRG-6/3/88, 28 October 1936.
- 202 To use up remainder of the Commonwealth Grant and to assist newly necessitous farmers. S.A.P.D. 15 August 1939, p.512.
- 203 See footnote 113, supra.
- 204 S.A.P.D. 1 September 1938, p.1100.
- 205 8% applicants in a sound position and prevailed upon to withdraw, 25% had no reasonable hope of recovery. GRG-6/3/70.
- 206 *ibid.*
- 207 GRG-6/3/88.

small number of valuers²⁰⁸ ensured consistent assessment, it did create the first administrative bottle-neck and hindered speedy adjustment. Processing was slowed further by the assessors, who looked into the actual and potential productive capacity of the farm, and passed on recommendations to another officer who devised a Scheme of Debt Adjustment for submission to the Board.²⁰⁹ The Board then informally talked over the Scheme with the main creditors to get their approval before an official meeting of creditors was called to confirm it.²¹⁰ All of this took time, to the end of the financial year 1938-39 a staff of nearly fifty people had processed and placed in operation one thousand and forty Schemes of Adjustment.²¹¹ This was a poor record since over sixty percent of the applicants had been assisted by the Board in previous years,²¹² and their prospects were therefore not totally unknown. The slow and careful assessment did, however, do much to ensure the success of the final scheme by winning the confidence of the creditors. By 1938 they had rejected outright only two schemes out of over seven hundred submitted to them.²¹³

208 4 valuers in 1937-8, S.A.P.D. 29 August 1939, p.699.

209 GRG-6/3/88.

210 This part of the process was "almost essential" according to the Director. GRG-6/3/88.

211 48 Staff in 1937, 38 in 1939. S.A.P.D. 29 August 1939, p.699. (S.A.P.P. 4, 1939 p.63, gives number of schemes in operation.)

212 Of over 1900 applicants, 1202 were already under FAA. S.A.P.D. 9 June 1936, p.53.

213 18 July 1938, 756 schemes approved. GRG-6/3/14.

Board policy, too, contributed to delays, applications were allowed to remain in limbo because the improving prices might enable the applicants to meet their liabilities without adjustment.²¹⁴ As with other Board policies, the main beneficiaries were the creditors. They were prevented from proceeding against the farmers while the Board watched the market prices, but in return they could expect to get a full repayment without any of the sacrifice entailed in debt adjustment. In theory the more frequently economic conditions were allowed to do the Board's work, the less call would be made on the Grant money, and consequently more farmers could be assisted to adjust their debts. The theory was attractive but did not always work. Farmers were carried on under protection for as long as three years awaiting a final decision and naturally, as the Board realised,²¹⁵ continued to acquire debts. When the Board at last contacted them to inform that

even if your debts were adjusted you would not have a reasonable prospect of being able within a reasonable time to carry on ... operations as a primary producer without loss. In view of this ... the Board has dismissed your application²¹⁶

they naturally felt cheated, having been led on in hope for years. Worse, they could not re-apply for consideration, the Board had no power to allow any applications once the application period had expired.²¹⁷ Paine maintained this restriction was good and

214 S.A.P.D. 4 August 1937, p.133.

215 GRG-6/3/70.

216 S.A.P.D. 29 August 1939, p.703 (quoting a Board letter).

217 Memo from H.K. Paine to Chief Secretary, quoted in S.A.P.D. 31 August 1939, p.760.

was hostile to any suggestion that applications be reopened.²¹⁸ He believed the Board would be overwhelmed by applications from tenacious farmers seeking reconsideration and re-reconsideration, ad infinitum.²¹⁹ Inconsistently, he also claimed that "the Board has never refused to give full and due consideration to any requests to lodge fresh applications".²²⁰ His opposition to a measure designed to assist any farmers adversely affected by falling prices,²²¹ and to use up the surplus Commonwealth Grant seems inconsistent with his earlier willingness to make better use of the same money by calling on Parliament to change the Act.²²² It appears that the needs of the farmers were not of paramount importance to him. The need to have the confidence of the creditors, without which no schemes would be approved, was more important. His unwillingness to extend the time for application or re-application in new economic circumstances was needlessly strict, especially since the Board did have discretionary power to refuse applications.²²³

Under the Act the Board first attempted to bring about

218 *ibid.*

219 *ibid.*

220 *ibid.*

221 Graphs III, V.

222 The PPDA Amendment Bill was "recommended to the Government by the Board". S.A.P.D., 11 December 1935, p.2188.

223 PPDA, Para. 13.

informal arrangements between debtors and creditors, but usually formal scheme was necessary.²²⁴ This was submitted to a meeting of the Unsecured and Secured creditors, the latter group including the Crown. The fact that the Crown was the largest individual secured creditor eventually facilitated the arrangement debt adjustment schemes.

The State Government, debarred from sharing in the Commonwealth grant,²²⁵ under a moral obligation, and pressure from the Board²²⁶ to set an example to other secured creditors, wrote off completely over one third of the debts owing to it.²²⁷ The majority of debts treated in this way were owed to the Government for Drought Relief, to the Farmers Assistance Board,²²⁸ and to the Department of Lands as a legacy of the Government's previous ventures into land settlement. The debts involved were so large, and the adjustment so generous, that private creditors were not only treated to an encouraging display of Government generosity, but were able, as a result, to secure a better return on their own claims.

224 GRG 6/19. Schemes 1-1000 contain 4 informal schemes.

225 Condition of Grant. See S.A.P.D. 13 February 1935, p.144, for full text of Commonwealth conditions.

226 PFDA Para 24 gave power to write down Crown debts.

227 Table 33.

228 Table 34.

The seeming willingness of the State Government to countenance outright loss stemmed from its experience under the Farm Relief Acts. After 1933 no further payments had been made under the earlier Acts, but interest on the sums outstanding continued to accrue. Between 1934/35 and 1938/39 the total owing to the State increased by £26,329, while over the same period repayments totalled only £14,055.²²⁹ The same happened under FAA, and the State was faced with increasing expenses as advances and interest mounted and the probability that a generous proportion would have to be written off.²³⁰ By accepting sacrifices under PPDA the State's expenditure, while large,²³¹ was final.

The Government's gesture was not as generous as it first appeared, in addition to prevailing on the least needy to withdraw their applications,²³² it refused applications from those with large Government debts. In giving evidence to the Commonwealth Grants Commission, the Superintendent of the Primary Producers' Debts Department revealed that, up to September 1938, it had refused one quarter of the applications for debt adjustment,

229 Table 18. (Advances include capitalised interest.)

230 Under the pre-1933 Relief Acts 19% of advances had been written off by 1938/39. (Table 18).

231 Average written off: £630 per farm. (Table 33.)

232 i.e. those with the lowest overall debts - c.f. below (234)

made by applicants who held 46% of the debts owed to the State.²³³ Those it refused also generally had lower overall debts than those accepted, but they had a larger proportional and absolute debt owing to the Crown.²³⁴ By doing this the Government risked having to write off more of its debts if the farmers refused assistance were declared bankrupt by their other creditors. But it was probably a well-considered gamble, those refused owed smaller sums to private creditors than those accepted,²³⁵ debts that creditors would probably have been willing to carry until such time as the farmer repaid all his debts, including the money owed to the Government.

The non-Government creditors, the other Secured Creditors, constituted the most formidable barrier to any successful organisation of schemes of adjustment, they held most of the debt and it was they who had to be wooed successfully if a scheme was to work at all.²³⁶ (Unsecured creditors would have to be content with what they were offered.) These diverse bodies had to be persuaded to voluntarily forego their legal rights to at

233 GRG-6/3/70.

234	ibid.	Average Debts owed to: (£)		
	Applications	Crown	Private	Total
	Original	1707	3646	5353
	Rejected	1906	2237	4143
	First 1040 Schemes	1831	3602	5433

235 ibid.

236 Graph VIII.

least part of their debts. The Board had first to convince them that the farmer's security did not cover his liabilities, and that this position was not going to improve in the near future - a task the Board found "by no means easy".²³⁷ In order to make the Debt Adjustment procedure attractive to the secured creditor, the Board had to offer him the same potential return on his debts as he would expect from taking Bankruptcy proceedings. In the late 'thirties compositions between creditor and debtor in the Federal Bankruptcy Court returned three quarters of the amount owing to the creditor.²³⁸ The Board could not exactly match this, for in the Court the creditor actually received the 75% repayment. The Board could only offer the creditor who wrote down one quarter of his debt a promise that it considered the debtor capable of "becoming able within a reasonable time to carry on his operations without loss"²³⁹ and so eventually repay the remaining three quarters of his liabilities.

An Act based on promises and predictions could only work if the creditors trusted the administration and believed its judgements. Comments made during the passage of FAA and PPDA²⁴⁰ indicate that the necessary trust existed, creditors believed that "provided Judge Paine has the administration of the new Act, we feel sure that it will be helpful".²⁴¹ Having gained the creditors'

237 GRG-6/3/88.

238 Table 31.

239 PPDA, Para. 13.

240 See Chapter II, footnote 205; Chapter IV, footnote 76, supra.

241 Dalgety-London, 11/2/35.

confidence the Board next had to try to arrange a scheme that reduced the farmer's debts as much as possible to give him the best possible chance of paying the remainder. Attempts to do this could easily have resulted in an impasse in which the Board could not assure creditors of eventual repayment by the farmer because his debts were too great, because the creditors lacked the confidence to write down a sufficient portion, because the Board could not assure repayment, because ... ad infinitum.

Two factors prevented the formation of such a vicious circle, the confidence in Judge Paine, and Commonwealth Money. Under a scheme of adjustment that promised an immediate payment of five shillings in the pound on any debt to which a creditor had waived his legal rights,²⁴² the creditor could allow up to one third of his secured debt to rank as unsecured and still effectively obtain an overall repayment of 75% of all his total debt.²⁴³ In addition, the farmer could immediately pay off an average of 7.6 pence in the pound from his own funds. Obviously the more the Board could encourage the creditors to reduce the value of the debt remaining secured, the better chance the farmers would have of paying off all their debts within a reasonable time. Equally obviously it could not expect the creditors to settle for less than bankruptcy proceedings would have brought them, so the reduction it could sensibly urge was limited. The Board managed to achieve a

242 i.e. rank them as "unsecured".

243 See Mathematical Appendix I.

greater reduction than would have been possible using the five shillings in the pound limit imposed by the Commonwealth on its grant by an amendment to the provisions of PPDA at the end of 1935.²⁴⁴ Instead of using all the Commonwealth Grant as a cash gift to the creditors, the Board appropriated some of it to use as a loan to the farmers, with the proviso that all the loan so made was to be used in payments to the creditors, "to obtain a more effective clearance of the producers debts".²⁴⁵ The original Act had specified that the money paid out of the Commonwealth Grant by the Board on behalf of the farmer could not be used to pay off more of the debt than sixty pence in the pound.²⁴⁶ The Board used most of the Commonwealth Grant to do just that.²⁴⁷ The remainder of the grant it used as a loan fund from which it advanced the farmers enough to pay off a further thirty pence in the pound in addition to the repayment from his own assets. The creditor therefore immediately received a total payment of 90.7 pence in the pound on the debt he had ranked as unsecured, made up of 7.6 pence from the farmer's own funds, 52.4 pence from the

244 "Primary Producers' Debts Act, Amendment Act", S.A.P.D. 11 December 1935, pp.2188-9.

245 GRG-6/3/88.

246 PPDA Para. 24(1)a, and Para. 26. (£ = 240 pence)

247 63% of Grant used as a grant, 37% as loans.

Commonwealth Grant as a gift²⁴⁸ and 30.7 pence from the farmer's loan from the Commonwealth Grant.²⁴⁹ The diversion of the Grant to stretch the available financial resources meant that the secured creditor could afford to abandon any legal claim to 40% of the secured debt, and still confidently expect an effective repayment of 75% of it.²⁵⁰ The farmer benefitted from this financial slight of hand because although he still owed secured creditors 37 pence in the pound,²⁵¹ most of it was due to the Board at a lower rate of interest than the debt in its original form.²⁵² The Board was sure of repayment because it had a secure hold over the farmer's finances through its policy of maintaining control under the provisions of FAA after debt adjustment,²⁵³ until he was genuinely self-supporting. The average payments illustrated were the result of many different arrangements, not all of which conformed to the above pattern, but overall the important fact was that the creditors could expect as much reimbursement as under Bankruptcy proceedings.

248 The Board could not reduce the gift payment too much below 60 pence because the unsecured creditors would get no other return and had reason to expect that they should get the maximum allowed - 60 pence. It was they, after all who voted on the adoption of the scheme, as well as secured creditors who allowed some of their debt to rank as unsecured. (Voting was in proportion to the value of unsecured debts). PPDA. Paras. 21 and 22.

249 Table 33.

250 See Mathematical Appendix II.

251 See diagram overleaf.

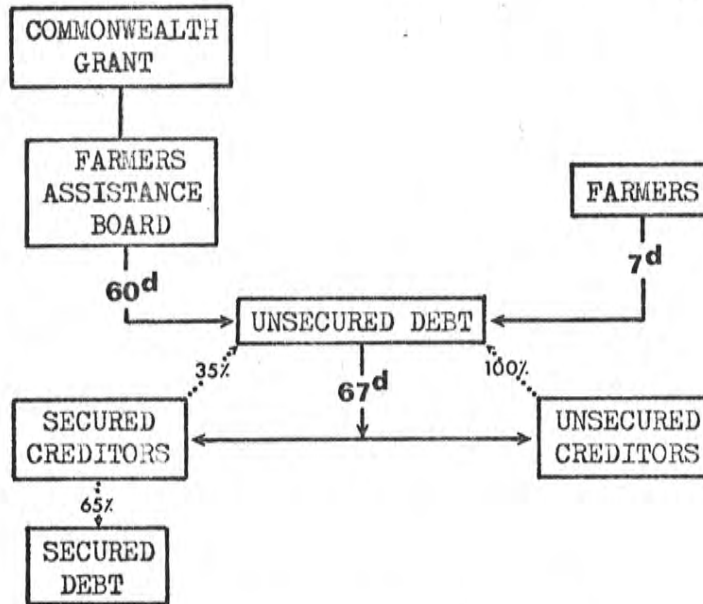
252 GRG-6/1/126. 3.75% interest.

253 See Chapter II, footnote 237.

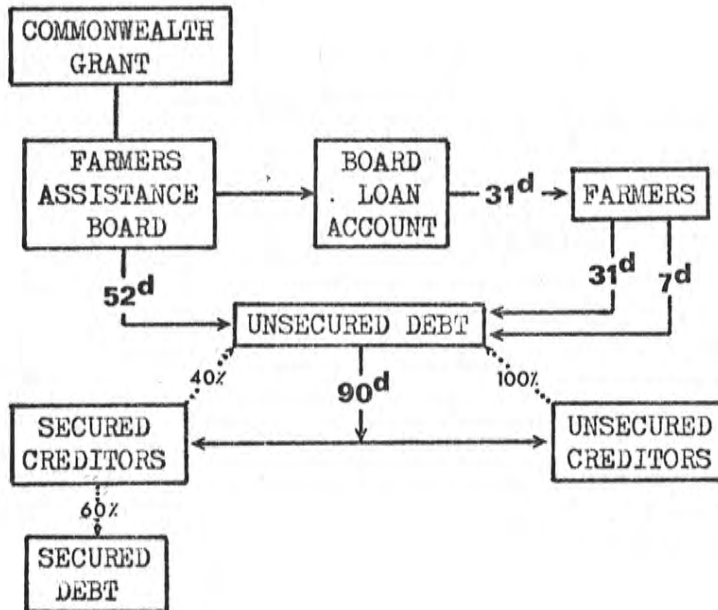
DEBT ADJUSTMENT
(Disposal of Funds)

— 2d —→ Payments in pence per £
 20%→ Proportion of Debt disbursed

THEORY



PRACTICE



The creditors most unwilling to convert any of their debt to rank as unsecured were those whose security was vested in some physically redeemable object which could be repossessed if not paid for. These creditors, holding large stock mortgages and hire purchase agreements, would gain no real advantage by waiving their rights to any of the debts outstanding. The District Councils, when placed in a formal situation, were also unwilling to write down any of the amounts owing to them²⁵⁴ since the annual rates payments produced over one third of their revenue.²⁵⁵ Such creditors made only a token adjustment and awaited a future settling of the remaining 95% of their debts.²⁵⁶ They did not benefit from the Commonwealth grant because it was reserved for adjustment of debts, and not for repayment.

Examination of the schemes of adjustment²⁵⁷ entered into in 1936-37 when wheat prices were at their highest since 1929 reveals that most of the secured creditors who did make adjustments, generally machinery firms and agents, were owed less than three hundred pounds.²⁵⁸ Of these one third allowed all their debt to

254 Examination of GRG-6/19. See Chapter I, footnotes 197-8 for Councils' voluntary actions.

255 Table 8.

256 Table 33.

257 The material which follows comes from an analysis of two samples, each of 100 schemes, arranged under PPDA. GRG-6/19, 101-200 and 901-1000. Table 35 selectively illustrates some results.

258 56% Secured creditors allowing adjustment were owed £ 300 or less.

rank as unsecured. Creditors holding larger secured debts were more often prepared to re-rank some portion of them, but generally the larger the amount owing the smaller the proportion sacrificed. Creditors owed individual debts of thousands of pounds allowed some 10% to 40% of each to rank as unsecured, but since the large individual creditors were mostly private mortgagors they may have in fact been forced to that sacrifice. The Board was empowered to release or reduce arrears of interest on all debts,²⁵⁹ and this involved a real sacrifice, because the interest owed was often one fifth of the face value of the mortgage. So, while in general the mortgagors were co-operative, they balked at losing any more of their legal claim than necessary and kept a firm grasp on the invested capital. In earlier debates in Parliament the Legislative Council had insisted that the rights of mortgagors should be protected.²⁶⁰ As late as 1938 they were still seeking 'justice' for people who had hopefully invested their savings in farm mortgages and who had not been repayed in the manner expected,²⁶¹ an echo of similar demands made in 1931 for protection under a Mortgagors Relief Bill.²⁶² The attitude

259 FPDA Para. 24.

260 In 13 Legislative Council divisions on Assistance Acts, (1929-1933) 7 were over assistance to Mortgagors, e.g. S.A.P.D. 2 November 1933, pp.2014,6.

261 S.A.P.D. 6 December 1938, p.2863.

262 "Certain protection should be afforded to other people [besides farmers]" Select Committee on the Mortgagors Relief Bill, 17 September 1931. (loc. cit.)

represented was less a naive wish to eliminate chance from speculative investment in land, than a simple-minded extension of the idea that available assistance should be shared among as many as possible, and not restricted to the farming class. Second and Third Mortgagors insisted upon their legal rights less frequently, they realised that there was only marginal equity in their investment and allowed half of it to rank as unsecured. The behaviour of private and corporate mortgagors was as indistinguishable as it had been at the beginning of the Depression.²⁶³

In 1937 the Premier had been worried that "owing to the rises in prices of produce the creditors will not accept the valuations."²⁶⁴ In 1939 the same fear of creditor intransigence existed, but for different reasons. The rising prices of the latter 'thirties had given way abruptly in early 1938. By mid 1939 wheat was worth two shillings per bushel at the waterfront, the lowest price since 1931, and median repayments in Schemes of Adjustment had slumped from eighty to sixty pence in the pound. Adjustment proceedings were further complicated by the increasing size of debts being dealt with, a result of the Board's early practice of bringing forward the smaller debts for adjustment first.²⁶⁵ Fewer than one in three creditors willing to participate in debt

263 H.K. Paine, Evidence to Select Committee on Mortgagors Relief Bill, 14 September 1931. (loc. cit.)

264 S.A.P.D. 8 September 1937, p.655.

265 Table 36.

adjustment had secured debts under three hundred pounds, most had debts ranging up to nine hundred pounds.²⁶⁶ Despite their large holdings these creditors did not cling to the legal title to their claims. Similarly creditors owed thousands of pounds by individual farmers were more willing to write down the debt than they had been in 1936-37. Most of the private mortgagors were willing to let their claims lapse on all of their secured debts.

By 1939 mortgagors had abandoned all hope of getting any equity and were content to get what they could under the Act. Their sacrifices probably accounted for over half of the total secured debts written down,²⁶⁷ for instead of, as in 1936, writing off the interest charges and hoping for a return on capital, they now accepted that the capital had vanished forever and abandoned their claims. The farmer at least benefitted from the mortgagors' plight, he was able to expect that a larger proportion of his secured debt would be written down than in 1936. Creditors generally were more generous, writing down half of their secured debt in contrast to one third in 1936-37.²⁶⁸ The losers were those who advanced money in prosperous times and who, failing to get the return they expected, wrote down their claims. The majority of Pastoral and Commercial Debts were allowed to rank

266 55% secured creditors allowing adjustment had debts of £900 or less.

267 Table 35.

268 Table 36.

as unsecured in 1939, abandoning the caution of earlier years. Banks, on the other hand had kept a much firm grip of their secured debts.²⁶⁹

Part of the easing of financial orthodoxy was a result of the desire to recoup as much as possible in the face of another depression in the Wheat industry, signposted by plummeting prices. Probably equally important was the Board's increased willingness to part with its cash.²⁷⁰ Their unprecedented generosity was probably spurred by the inability of the farmers to pay more than one halfpenny in the pound and the consequent need to keep Schemes of Adjustment attractive with the massive injections of Commonwealth money in loans to producers.²⁷¹ Creditors wrote down more of their debt and received a higher return in the pound. The farmer, as a result owed more to creditors and to the State after adjustment than his counterpart in 1936-37.²⁷²

After adjustment some farmers found their reduced burden was still too great and had to apply for further adjustment, and by 1949 some seven percent of the adjustment schemes had been resubmitted. Less than one quarter of the residual debt required adjustment²⁷³ and, if the Government's experience is typical of

269 Table 35.

270 Table 36.

271 *ibid.*

272 *ibid.*

273 S.A.P.P. 4, 1949, p.97.

that of the secured creditors, the actual loss through this failure was less than one halfpenny in the pound.²⁷⁴

As its inception the PPDA was described as a measure to help people who were in difficulties, because of their importance to the State.²⁷⁵ The passing of the legislation ensured that the stated end was established. The fears of repudiation through compulsory writing down had next to be allayed, and the business houses wooed and seduced to treat their debtors leniently. At all times the actual means of adjustment depended on the creditors. The Act was formulated in such a way that only as an end result would the farmers benefit, its internal workings to achieve that end had to aim at making the creditor feel as secure as possible, even at the expense of the farmer.

The creditors remained suspicious and quick to assert their power, resisting attempts by the Board to instruct them rather than co-operate with them.²⁷⁶ Their objections to the idea of adjustment faded, and increasingly their concern was to minimise hinderance to legitimate trade.²⁷⁷

As the earlier report of the Wehat Committee had predicted, Debt Adjustment schemes attempted to share their rewards and benefits.²⁷⁸ The secured creditors got renewed hope, and in the

274 *ibid.*

275 S.A.P.D. 27 February 1935, p.459.

276 Dalgety-London, (Manager's Report), 31 December 1936.

277 Dalgety-London, (Manager's Report), 30 June 1935.

278 S.A.P.D. 8 November 1932, p.1708.

end received a better payment than the bankruptcy courts could offer. The unsecured creditors were also able to recoup more of their potential losses. The farmers were bought out of trouble with only a small contribution from themselves. If an application was successful the applicant and his creditors benefitted, if unsuccessful he, and the private creditors suffered most. His liabilities were only a part of the total debts held by corporate bodies, but they were all of the investment of a private mortgagor.

Judge Paine's assessment only months after beginning was:

The Primary Producers Debts Act is succeeding fairly well in cleaning up either by way of rehabilitation or the knocking on the head of farmers who were in difficulties²⁷⁹

and in retrospect it appears to have been accurate. Over half the applicants were knocked on the head and disappeared. Presumably some at least of these took heed of the oft-tendered advice to try Bankruptcy proceedings.²⁸⁰ Of the successful applicants only one hundred and twenty-two received any re-adjustment of their schemes,²⁸¹ the remainder probably survived the return to economic realities.²⁸² Judge Paine's optimistic prediction that the Grant of £1,800,000 would liquidate four

279 H.K. Paine at Supervisors Conference, 9 September 1936. GRG-6/1/122.

280 e.g. S.A.P.D. 15 August 1939, p.501.

281 S.A.P.P. 4 1949, p.97.

282 S.A.P.D. 11 July 1939, p.71.

and one half times that value of debts²⁸³ was not fulfilled.

However, under his guidance and control the Commonwealth funds had, by 1939, adjusted debts worth three times the face value of the Grant.²⁸⁴

Possibly the results would have been more heartening, and certainly more useful, had the Commonwealth made its money available at the beginning of the 'thirties, when the first debt adjustment Act was formulated. However, the slow change of creditors' attitudes was the dominant factor in the adoption and success of Debt Adjustment. Without their co-operation Grants and Acts would have been useless. Without their co-operation no farmer could have gained any relief, but without PPDA he would have been unlikely to obtain such generous terms.

283 S.A.P.D. 13 February 1935, p.145.

284 S.A.P.P. 4, 1939, p.63.

CHAPTER V

THE BALANCE SHEET

For a decade after 1927¹ wheat-farmers were faced with expenses in excess of their incomes and were forced to draw on their capital to continue on the land.² When that was used up the farmer was more dependent than ever on the good-will of his creditors. After a series of poor seasons had curtailed repayment of outstanding accounts, creditors could not share the farmers' sanguine belief in better times "just around the corner".³ Bankruptcy proceedings increased in number, and from 1931 the Primary Producers made up the majority of cases before the Bankruptcy Court.⁴

Credit did not completely disappear, but business chose its clients with more care. Humanitarian considerations were second to the needs of business, creditors' professions of magnanimity⁵ were scarcely believable without considerable qualification because limitations were placed on business finance by the firms' managers.⁶ Lengthy credit was curtailed to promote "healthier

1 Graph IX.

2 Pioneer, 2 February 1933.

3 "I consider the Seasons are going to change", Letter to Premier from farmer in an area of 60% Drought frequency. 11 December 1939, GRG-6/1/43.

4 Table 31.

5 Elder Smith, Annual General Meeting, August 1936. A.N.U. 104/1/58.

6 Goldsborough-Mort's Adelaide Branch had overdraft limits: 1926/7-8/9 £45,000; 1929/30-32/33, £100,000; 1933/4, £75,000; 1934/36, £55,000, A.N.U. 2/146/C.

business",⁷ and credit was administered more strictly. Business firms involved in rural credit realised now the "undesirability of giving credit to farmers in unproductive country".⁸ However, possible risk and Company policy would only create guidelines, for creditors considered other factors when making decisions about their clients. They were concerned with what was loosely termed the "personal equation", they liked "to know whether a man was married or single ... a married man was more likely to stand up to his obligations".⁹ They wished to be sure that the farmer could be trusted to keep faith with them, and not take their assistance and renege by retreating into the protection of the Farm Relief Acts, leaving them no easy redress. Strictly economic evaluation was impossible, sometimes risks had to be taken to maintain the custom of influential clients. The threat to resort to the refuge of Farm Relief would most likely gain helpful consideration from businesses anxious to "keep the family connection".¹⁰ Business exercised more caution, but did not really change its attitudes during the Depression. When relative prosperity

7 Dalgety-London, 30/11/38.

8 Meeting of Stock, Machinery, Superphosphate, Firms; Bank; Merchants; Trustee Coys; and Farmers Union Co-op. Dalgety-London, 3/12/30.

9 Evidence of Assistant Manager of H.V. McKay, Massey-Harris to Select Committee on the Money Lenders Bill, 1939, 6 March 1940. [tense altered] In House of Assembly Archives, Parliament House, Adelaide.

10 Comment in A.N.U. 2/132.

returned the risky practices that had financially embarrassed firms in the past were revived¹¹ as competition swept caution away,¹² and made the lessons of the past irrelevant. Once again Companies financed growers into new or expanded properties at a low margin of security to

retain old clients and gain new ones and at the same time gain a certain amount of Kudos for their liberal financing.¹³

The creditors' view about the personal equation was shared by others in their approval of courageous self-help in the face of adversity. The Adelaide Press contributed to the climate, by its admiration for strength of character in stories like

Where Farmers Ignore Relief.¹⁴
Town of Industry and Thrift.

The corollary was widespread hostility to primary producers "loafing on the public"¹⁵ by accepting bounties and subsidies. Farmers steered a middle course, accepting bounties but loth to accept any charity.¹⁶ Work, the farmers said, and prudent economy, had killed every previous depression,¹⁷ any job was better

11 A. Barnard, Unpublished Seminar Paper, 27 November 1970. A.N.U.

12 A.N.U. 2/145/2(B).

13 Dalgety-London, (Manager's Report) 31 December 1936.

14 Advertiser, 31 March 1933, p.16.

15 Labor Call (Melbourne), 5 April 1934, (enclosure in Dalgety-London 12/6/34.)

16 Dispatch, 3 July 1931.

17 S.A.J.A. XXXVII (1934), p.996.

than having to accept unemployment relief, or "get rations".¹⁸

The idea of self-improvement was used by business to defend its restriction of assistance, when it argued that "the great need in Australia today is economy, a determination to face facts, and courage"¹⁹ and seventeen years later the Government was still using the same argument.²⁰ Farmers who demonstrated the correct attitude by working on the roads, or selling fire-wood, in preference to taking Government Relief, were publicly praised by the Premier for the way in which they had helped themselves, and the State. "You have set an admirable example at not very remunerative prices".²¹ The Premier's admiration and encouragement of independence must be seen in the light of the assistance that the State and Federal Governments had given to the farmers more frequently than to any other section of the community. The farming community probably did share the Premier's views. Some of course were scornful of their fellow farmers who sought State assistance,²² but the outcry in 1939 against the large number of refusals by the Board²³ indicates that their attitude generally was not one of scorn and derision. The common attitude appears to have been

18 Airy, loc. cit.

19 Elder Smith Annual General Meeting, August 1930, A.N.U. 104/1/44.

20 S.A.P.P. 52, 1947, p.8 (Pastoral and Marginal Agricultural Areas Inquiry Committee).

21 Advertiser, 16 December 1933, p.17.

22 Mrs N. Robinson, [Jamestown] interview, January 1973.

23 Wheatgrower, 22 March 1939, Meeting at Karoonda.

phlegmatic recognition that their neighbours could not survive without outside assistance.

Private organisations had attempted to assist the battlers in the outlying districts. The Country Womens' Association, at the instigation of the Advertiser,²⁴ collected nearly three thousand pounds²⁵ in cash donations, as well as thousands of parcels of clothing, and assisted one and a half thousand families in 1931.²⁶ The Rural Reconstruction Commission saw in public appeals such as this evidence that the People of Australia were not prepared to stand by and see the farmers suffer.²⁷ In South Australia, at least, the results of the appeal did not substantiate that claim. People could be periodically inspired to give money on a similar scale to any well-publicised deserving cause. Over the two previous years the annual appeal for donations to the Lord Mayor's Fund for the destitute collected in excess of eleven thousand pounds.²⁸ In 1932 an emotional appeal for assistance for the families of five victims of a boating tragedy raised over one thousand pounds in two weeks,²⁹ which was the same amount

24 C.W.A. written communication, 10 June 1971.

25 Advertiser, 10 September 1931, p.8.

26 Approximately 10,000 people, C.W.A. loc. cit.

27 R.R.C.I., p.42.

28 W.T. Zweck, Unemployment in South Australia during the Depression, 1929-32. B.A. Hons. Thesis (University of Adelaide, 1964), pp.14, 27-28.

29 Advertiser, 9 April 1932, p.15. (£1,062).

subscribed for farmers in two weeks in 1931.³⁰ Short-lived selective sympathy from voluntary finance could not hope to solve the farmers' plight, or even effectively ameliorate it.

At the other end of the scale the Commonwealth Government contributed wheat bounty payments from loan funds and from flour tax³¹ revenue. These grants were made annually from 1931/32 to 1935/36, generally on the basis of the acreage cropped and occasionally as a bounty on actual production.³² The aim was to assist farmers to continue on the land, rather than to grow more wheat, so there was no grant for seeding purposes or for fertilizer for wheat.³³ The methods used by the State to distribute bounties were open to abuse, for example the acreage grant could be claimed by farmers who had only scratched in some seed and done nothing more. Farmers who ran livestock on their crop qualified for an additional "Hardship" grant because of the resulting low 'yield'. Distribution based on any form of actual production favoured farmers with good crops, but any assistance at all was welcome, "a Godsend".³⁴ Most of the States' wheatgrowers applied for, and received, the Commonwealth grants which brought them

30 Advertiser, 12 May 1932, p.7. (£ 1,060).

31 D.B. Copland and C.V. James, Australian Marketing Problems: A Book of Documents 1932-7, (Sydney, 1938) pp.302-3.

32 R.R.C. X, pp.311-319. Table 30.

33 S.A.J.A., XXXVI (1933), p.1238.

34 Wheatgrower, 15 September 1932.

about thirty pounds per year³⁵ in addition to their income from the sale of wheat. By the end of the 'thirties, South Australian Farmers had received about four million pounds, about one quarter of the total Commonwealth Grant.³⁶

The State Government did initiate some local measures of additional relief, but they were usually legislative devices like DAA, which cost the Government nothing. They granted concessions on rail freights,³⁷ and waived their prior claims on farmers' crops to enable them to get wheat bags on credit.³⁸ Overall, the State's actions were aimed at extending the credit available to farmers, not at direct assistance. The Government sought to avoid expenditure, preferring to postpone action, even if it was at the expense of other groups in the community. The Mortgagees Relief Act postponed the repayment of principal, and interfered with private finance for the benefit of the State without involving the Government in any expenditure.³⁹ Obviously "when it came to real assistance to the wheat industry it was beyond the finances of the State Government".⁴⁰ In areas where

35 Table 30.

36 R.R.C. X pp.286-9. For slightly different figures S.A.P.P., 52, 1947, p.103.

37 R.C.W.I. Second Report, p.134.

38 Cornsacks Act, 1931, 32, 33, 34, 35, 38, 39.

39 Dalgety-London, (Manager's Report), 31 December 1931.

40 Wheatgrower, 22 March 1939, Premier T. Playford.

the State Bank had been actively assisting farmers by advancing money for clearing, for fencing and for water pipes, the amount of finance made available was restricted and advances tailed off as arrears of payment and out-right losses soared in the early 'thirties.⁴¹

The farmers, meanwhile, were most insistent that they needed more assistance, demanding

the cost of production and fair profit for the coming harvest and [leaving] it to the legislators to find ways and means of paying them.⁴²

Their concern was for more cash in hand, not for the intricacies of long-term budgeting, or other accountants' tricks. This desire for hard cash was epitomised in the discussions about bulk handling in the early 'thirties. For many farmers 'bulk handling' meant delivering bagged wheat to bulk containers at the railway siding and retaining the bags to be re-used. The wheat bag was an essential part of transporting and marketing the crop⁴³ and each one cost the farmer about ten pence. When bought by the wheat merchants, as part of the total weight of wheat, the return on each bag was about two pence.⁴⁴ The attraction of bulk

41 Graph X.

42 Advertiser, 3 June 1932, p.19. (S.A. Wheatgrowers Protection Association motion).

43 To the extent that the yield of crops was spoken of as "bags per acre", not bushels per acre.

44 D.A. 610/33.

handling was really the saving in outlay on cornsacks,⁴⁵ because the farmer needed fewer and retained them longer. They argued not for convenience, or speed, or efficiency, but for the cash savings.

In essence this approach typified the restricted and conservative attitude of farmers to their problems in the 'thirties. When they thought of co-operatives they meant a form of marketing, rather than co-operative or communal ownership of plant. They thought of restriction of acreage as a weapon to drag concessions from an unheeding government and force a price rise. They did not ask for a subsidy to refrain from growing wheat.

The farmers assisted under the Farm Relief Acts were, almost by definition,⁴⁶ wheatgrowers. At the nadir of the Depression about one wheat farmer in five sought assistance, and between 1931 and 1939 probably one third of the States' wheat farmers had been given assistance under the Acts.⁴⁷ In 1940 ten percent of the farmers were still applying for financial assistance.⁴⁸ More importantly, in the long term, the Boards maintained over fourteen

45 S.A.J.A. XXXV, (1932), pp.925-6.

46 The farmer was defined in the Relief Acts as follows:
 FRA. Para. 4(1), Board is to supply materials for ... seeding and harvesting.
 EA. Para 5(1), for any farmer who intends to put land under crop.
 RA. Para 7(1), similar to above.
 FAA. Para 11, defines a farmer as a person engaged in the cultivation of land.

47 Based on continuity revealed in GRG-6, Series 2, 9, 11, 12, 13, 14.

48 S.A.P.P. 4, 1944, p.34.

percent of the State's farmers on their land with intermittent or continual assistance until they were given the opportunity to adjust their debts,⁴⁹ more than sixty percent of those applying for debt adjustment had been assisted at one time or another by the Board.⁵⁰ In a wider context the Board kept about three percent of the State's primary producers on the land long enough to apply for debt adjustment.⁵¹ A poor record when it is remembered that the Royal Commission on the Wheat Industry had discovered that about one fifth of the wheat-farmers alone would have benefitted from adjustment of their debts.⁵²

The Relief legislation could only give positive help to those who applied for assistance, and the evidence suggests that the farmers in South Australia were no different to their counterparts in Victoria who "although hopelessly involved financially, never asked for protection".⁵³ Their reticence serves to indicate that many farmers thought the Depression was a lesser evil than "Socialistic Government control" and its attendant army of non-productive officials.⁵⁴ They legitimately doubted the

49 Approximately 65% of 2707 applicants under PPDA were assisted previously (Chapter IV, footnote 212).

50 *ibid.*

51 Number of primary producers 53,000. *Census*, pp.404-5, 410-11.

52 *R.C.W.I.*, Second Report, Fig. XXII. Chapter IV, footnote 177, *supra.*

53 *R.R.C.* IV, p.4.

54 *Advertiser*, 13 January 1931, p.10. Letter to Editor.

ability of a Government scheme to assist them because of past Government inefficiency. Any Government scheme had to overcome the considerable prejudice created by the "Grow More Wheat" campaign and the inept management of the War-time Wheat Pool.⁵⁵ These examples were hardly encouraging to farmers who believed that in such matters "experience is the only trustworthy test".⁵⁶ The prevalent distrust of Government management was most conspicuously demonstrated (and used⁵⁷), in 1936-37 when the Commonwealth asked for powers to legislate for marketing. A National Referendum was necessary to amend the Constitution so that Section 92 governing interstate trade could be waived in certain instances without the Commonwealth Government's intentions being subjected to Court test, as had occurred in the James Case.⁵⁸ The "Vote No" campaign simply, and to all appearances, successfully articulated their fear and suspicion in its newspaper publicity about

RESTRICTIONS ON PRODUCTION AND ON TRADE - MONOPOLY
VALUES ON LAND - frauds and evasion - these and other
EVILS are inevitable when there is marketing control
NEW OFFENCES will be created with PENALTIES UP TO £500
for "Failure to observe any directions given by the Boards."⁵⁹

55 See Chapter I, footnote 236, and 237.

56 Advertiser, 8 July 1930, Editorial.

57 For example: Goldsborough Mort, an interested party, continued its support for organisations opposed to controlled marketing first seen 24 October 1930. A.N.U. 2A/32. Donations of £224 to the Vote No Campaign mentioned, 10 March, 23 June 1937. A.N.U. 2A/41.

58 Dunsdorfs, Australian Wheat-Growing, p.284.

59 Wheatgrower, 15 February 1937.

The fear of interference was sufficient to stop farmers grasping for assistance⁶⁰ that might have kept them on their farms. Debt and liberty were preferable to security and what they perceived as slavery. The farmer saw the Board's strictures as willful interference. He saw, for example, that under FAA he had no choice between Part III and Part IV of the Act,⁶¹ and one farmer, in his evidence to the Royal Commission on the Wheat Industry, expressed the feelings of many about the Board: "I have been under it but I would go through the Bankruptcy Court before going back".⁶² The close supervision was based on the premise that some farmers could not be trusted, so none would be. The Board felt that it had to have direct and certain control of farmers if its negotiations with creditors were to have any credibility. It therefore placed "strong emphasis on the necessity for a full and sustained measure of co-operation on the part of the wheat-grower".⁶³ Without that, schemes of rehabilitation would have stood but a slender chance of success. Farmers, even if they understood the reasoning that demanded firm control did not accept it, and its memory still rankles in the countryside.⁶⁴

60 "Farmers do not require Parliamentary influence in marketing", Letter to Minister of Agriculture, 24 April 1930. GRG-10, M.A. 36/30.

61 See Chapter IV, footnotes 97-8.

62 Advertiser, 14 May 1934.

63 H.K. Paine to Treasurer, D.A. 206/35.

64 Schiller, "S. Tate", loc. cit.

Any body that attempted to decide the merit of particular farmers was open to criticism because the idea of "merit" is so subject to personal bias and inconsistency,⁶⁵ However, the Boards' actions cannot be dismissed as unthinking oppression. Judge Paine recognised that hard times had a depressing effect on many of the applicants for relief,⁶⁶ that downtrodden people tended to behave as if all hope was lost, and would not make great efforts to improve their lot.⁶⁷ The Board, however, had to consider other realities - its limited finances, and the threat of political attack. It could not, in the real world, afford to support a family which had become so disheartened that the father was "usually in bed at 10 o'clock ... and the son ... at the siding receiving wheat",⁶⁸ instead of running the farm. The Board thought that farmer's drinking and gambling habits were relevant to his prospects, and were sufficiently concerned to direct inquiries to their Supervisors, although there was no obvious connection between farming ability and these forms of recreation.⁶⁹ "Merit", then, was a shorthand

65 See Chapter III, especially footnotes 323-25.

66 GRG-6/1/160.

67 For summaries of sociological studies on the role acceptance see Psychological Abstracts, W.A. Anderson "Family Social participation and Social Status", (1946), No.4205. E.J. Brown, "The Self as Related to Formal Participation in Three Pennsylvania Rural Communities". (1954), No.7413.

68 GRG-6/12/209.

69 The Supervisors 1935 Conference in 1935 reported no "specific cases of excessive drinking", GRG-6/1/122.

description of a farmers potential that incorporated his social as well as his economic status.

"Merit" as a criterion of selection, instead of "need", was abused by private enterprise as well as the Board. But the Board had stronger control over its clients than most creditors, so any subjective bias in its judgement of applicants' viability had much more immediate and lasting effects. And since the farmers saw the Board as a last resort, only to be appealed to in extremis, the decision of Board was likely to be the one that determined their ultimate fate - for after the Board there was no assistance.

Despite the deprivation and hardship attendant on any refusal to become a bonded serf of the Government, few farmers appealed to the Board unless all other avenues of relief were exhausted. So while some two thirds of the State's wheatgrowers were unlikely to make ends meet by growing wheat in the 'thirties⁷⁰ less than one third of the total applied for assistance⁷¹ and at least one in ten of the applicants for Debt Adjustment had never been assisted by the Government.⁷² Probably few of the graziers eligible under PPDA applied for relief, because they had better access to credit. As a result of the tradition of keeping an account with only one firm which supplied all the pastoralists requirements, the stock company

70 Graph IX.

71 See footnote 47, supra.

72 Analysis GRG-6, Series 13, 14 for continuity.

was well informed about its client, had complete control over him and, to a certain extent, was bound to help him lest he take his, and his descendants' business elsewhere.

Most of the applications for Government assistance during the 'thirties were successful,⁷³ and the successful applicants were generally helped for a long time. By the end of the decade, almost all of those still on relief had been receiving assistance annually since the beginning of FAA in 1933⁷⁴ and possibly one quarter had been under Government supervision since 1931.⁷⁵ Those who failed to get assistance possibly did not even indirectly benefit from the legislation, but refusal did not automatically mean bankruptcy. Between 1931 and 1939 nearly three thousand primary producers went bankrupt⁷⁶ while, at the same time over three thousand farmers were refused State assistance.⁷⁷ Not all who failed to please the Board, therefore, were destroyed by their creditors. The survey of farmers refused assistance in 1934 indicates that about one sixth of those refused assistance would have been carried on by their creditors,⁷⁸ who had refused to help

73 More than 80% - 1931-39. Applications 20589, Acceptances 16982. Table 16.

74 Carryover from season to season in excess of 97%. Over 90% overall since 1934. Table 21.

75 Analysis of continuity GRG-6, Series 2, 9, 11, 12, 13, 14.

76 Table 31.

77 See footnote 73, supra.

78 Table 20.

in the past in the hope that some other organisation would shoulder the responsibility and the risk. Other farmers would simply have settled down in enforced poverty to attempt to outlast the bad times.

The farmers who were maintained by the Board for a while, then refused more assistance, were enabled to continue their chosen occupation for a time. They were therefore better off socially and economically than the unemployed who survived in the city on fourteen shillings a week.⁷⁹ The farmer at least had the self-respect that employment engendered, and was not faced with a constant threat of eviction. The farmer's sustenance ration was probably too meagre for someone expected to work, unlike the unemployed on rations; but the farmer had more opportunities than the suburban metropolitan resident to supplement his allowance with his own eggs, milk, and firewood.

The farmers who were under almost continual protection lived in regions that had suffered droughts for the three years prior to 1930.⁸⁰ Their need for assistance arose because their credit had been whittled away by low returns from poor crops in the late 'twenties, and the worse returns due to poor prices in 1930-31. The latter event prevented any recovery; one firm lamented

79 Table 43.

80 Over 80% applicants for FRA had been receiving Drought Relief assistance at least once in the preceding four years. Analysis GRG-6, Series, 9, 11, 12, 13, 14.

ninety percent of our clients would have recovered from the effects of the drought, had prices for primary products kept at or about the average ruling in the previous five years.⁸¹

From the first, the concentration of needy applicants for Farm Relief (as opposed to Drought Relief) in the Murray Mallee and Western Divisions of the State was most noticeable. These areas, while supporting just over one third of the State's wheat-growers,⁸² contained about seventy percent of the applicants for assistance for all the Acts from 1929 to 1939 for which data are available.⁸³ The crop returns of the assisted farmers showed that they were less successful than the typical farmer in the worst districts, especially during the early years of the Farm Relief Acts.⁸⁴ After the 1934/35 season their average performance began to improve. Their wheat yields were generally better than the worst areas of the State,⁸⁵ possibly because of the stricter culling and oversight by the new Board under Judge Paine.

It is not possible to determine whether the assisted farmers were any less efficient than their neighbours. Statistics of yields, incomes, etc. are so complexly related to the climatic and regional characteristics of the land that they are not useful

81 Dalgety-London, (Manager's Report), 31 December 1930.

82 Table 37.

83 *ibid.*

84 Tables 17 and 38.

85 *ibid.*

bases from which to judge farmers' competence. For example, farmers who failed to pay their way under the Board's control during the 1932/33 season had higher yields per acre than those who did pay their way under the Board that year.⁸⁶ Farmers who were refused assistance could be assumed to be inefficient, but whether simply as farmers, or as executors of the Board's instructions, can only be guessed at. By 1944 the answer was no clearer, all that the Rural Reconstruction Committee would say was that farmers in difficulty were either inefficient, unorganised, or badly located.⁸⁷

The farmers under assistance had, overall, a much higher debt load than the average farmer. Some were legacies of the 'twenties' droughts, others were the nett result of the misguided settlement of soldiers after the Great War.⁸⁸ Although generally larger land-holders, the assisted farmers had higher debts per acre than average. Since they were productively using a smaller proportion of the farm than the average farmer who put in the same acreage of crop, their debts per acre cropped were also larger. The low level of utilization of the property was not a result of laziness, but occurred because the farmer was frequently a new

86 S.A.P.P. 4, 1932 and 1933.

87 R.R.C. III, p.99.

88 37% of debts adjusted by the Department of Lands and the Board belonged to Soldier Settlers. S.A.P.P. 10, 1937, p.3.

resident⁸⁹ farming a newly opened area⁹⁰ which was incompletely cleared. The only advantage the farmer here was likely to have was a smaller per-acre servicing charge on his smaller capital investment. The low level of investment was reflected in the farmers plant which was generally less modern than on other farms.⁹¹ Seed was put in with a drill, rather than a combine, and taken off with a stripper, not the later development, the header.⁹² The farm also had fewer horses, and was less likely to have either a winnower, or an engine to drive it. Tractors were less common, as the great post-war movement to mechanisation⁹³ had occurred in the older areas of the State and the policy of the Board "to insist upon horses being used in preference to tractors in every possible case"⁹⁴ kept the proportion of assisted farmers with tractors to a minimum. Likewise, few of the Board's wards owned cars.⁹⁵

89 Table 39.

90 R.C.W.I. Second Report, p.48.

91 Table 14.

92 F. Wheelhouse, Digging Stick to Rotary Hoe: Men and Machines in Rural Australia, (Adelaide, 1972), p.11.

93 Table 28.

94 GRG-6/1/43.

95 Table 28.

As in the United States,⁹⁶ and in the Commonwealth⁹⁷ the farmers who needed assistance typically had scantier resources than the average farmer, and earned less. The obviously and continuously low yields of the assisted farmers indicated the first aid nature of the Acts. They were supportive and holding, rather than remedial, legislation, but the Government felt compelled to assist these farmers, despite their precarious position and their risky geographic locations.

The wheat-farmer was too important to the State's economy to abandon to his obvious fate. It was of paramount importance that farmers should not only be encouraged to, but enabled to remain on their farms⁹⁸ when it appeared that "the only sensible thing to do was walk off and leave the place to the creditors".⁹⁹ The Government feared that thousands of dispossessed farmers would flock to the city to swell the multitude of unemployed and consequently destroy the agrarian base of the State's prosperity. There was no exodus, and to the Government it appeared that the Relief Acts had, as planned,¹⁰⁰ succeeded in keeping thousands of

96 T.C. McCormick "Rural Families on Relief", Rural Sociology, I (1936), p.432.

97 R.R.C. IV, p.14.

98 Advertiser, 3 December 1930, Editorial.

99 M. Burrows, Riverton, Heart of the Gilbert Valley, (Netley, 1965), p.110.

100 Advertiser, 27 August 1934, p.9, quoting Premier Butler.

farmers in production on the land. The Government did not inquire whether the farmers actually intended to leave the land for the spartan existence in the city. While perhaps as many as one third of the farmers in the sandy Murray Mallee walked off their holdings, most of them remained in the rural areas.¹⁰¹

In addition to these economic and social effects which might have followed any refusal of assistance, the political impact of refusal also had to be recognised. There was always the possibility that an enraged and united rural vote could change the Government,¹⁰² just as they had changed the composition of the House of Assembly in 1933 by voting for Independent candidates. All these forces pushed Parliament into continuous legislation for the farmer. But, despite the early enactment of DAA, the first relief act in Australia to attempt to cope with one of the farmers' underlying problems,¹⁰³ legislation was confined to annual acts for several years.

On the surface the short term approach was entirely rational, for in 1931 the Government had accepted the report of the Premiers' Conference that a rise in prices for Australian exports could

101 J.P. Blencowe, "Provisional Allotment in the Murray Mallee", S.A.J.A. LXIV (1960), p.176.

102 Rural electorates contained about one third of the states electors and until 1935 returned about 26 of the 46 House of Assembly members. The exact influence is difficult to estimate because of urban centres in some electorates.

103 Dumsdorfs, Australian Wheat-Growing, p.276.

"reasonably be expected within the next two years."¹⁰⁴ It was therefore consistent to legislate from season to season if it believed that report, but its own Agricultural Settlement Committee had, that same year, warned that the chance of a return to high prices was small.¹⁰⁵

The real reason for short term legislation was economy. By advancing money for one season and requiring that the advances be repaid at the end of that season, the State kept its nett outlay to a minimum and its finances under strict control. By making only loans to the obviously needy the State also stretched to the utmost its financial capability to assist the farmers. Had it used all the finance it made available through Farm Relief as outright grants to all farmers instead, each would have received about three pence per acre each year.¹⁰⁶

Once the object of keeping farmers active "to enable the volume of production to be maintained"¹⁰⁷ had been achieved by the passage of legislation, the main objective of the Acts was re-defined. By their existence the Acts demonstrated the State's concern for the farmer, in operation they could now serve another

104 "Report of the Premiers' Conference, 10 June 1931" in E.O.G. Shann, D.B. Copland, Battle of the Plans: May 25-June 11 1931 (Sydney, 1931), p.132.

105 S.A.P.P. 71, 1931, p.37.

106 Table 18: State advances approximate £ 4 million over 9 years. Wheat acreage for period approximately 32 million acres. Commonwealth Grants averaged 2.3 pence/acre.

107 H.K. Paine to Board, July/August 1934, GRG-6/1/95.

end as well, that of keeping the State's expenditure to a minimum. Thus the economic viability of the farmers assumed more importance and the periodic revision of legislation, while showing some accommodation of criticism, was aimed at making the administration of the Acts more effective or, in the farmers' view, stricter.

From the first act in 1931, when it was thought good for "the State to lose £50,000 a year and gain the revenue from all the farmers under relief",¹⁰⁸ the attitudes to Relief changed. By 1933 the State's task was to bring about "a state of affairs with the farmer which will enable him to produce sufficient income ... to pay working expenses".¹⁰⁹ Even under the long term arrangements of FAA the State's finances determined the form of administration. The Act implicitly recognised that a rural revival was not an immediate prospect, but the farmers still had to accept annual loans. The financial year still dominated the administration, and assistance remained a short term loan, with minor exceptions for necessary capital investment.

The changing expectations of the State Government can be read in the titles of the Acts. Prior to 1931 it passed annual Drought Relief Acts. After 1931 came the first Farmers Relief Act which, when it became obvious that recovery was not going to occur within one season, was quickly extended as the Farmers Relief Act Extension Act. The following year more temporary relief was required, the

108 Dalgety-London, 23/2/33.

109 H.K. Paine to Board, July/August 1934, GRG-6/1/95.

Farmers Relief Act of 1932. By 1933 the need for long term assistance was apparent, the Act in that year was for Farmers Assistance. No effective action to strike at the underlying debt problem came until the Debts Act of 1935, the end of a progression from temporary relief to positive assistance.

Paradoxically, in order to ensure effective control of the State's finances, the State itself had to relinquish any direct control of the people it chose to administer the Acts. Under the State Bank Board, it was alleged, political interference had made effective, economic, administration difficult,¹¹⁰ as was often the case where assessment of merit and need were subject to overt or covert political control.¹¹¹ Under DAA Paine had put up with a toothless and "in some respects ... futile Act",¹¹² and was anxious that his decisions would be respected in any future legislation with which he might be concerned. As Chairman of the Debt Adjustment Inquiry Committee he had submitted a report which recommended that future Relief administration be independent of Government influence.¹¹³ This had been incorporated in FAA by a Parliament who were certain that Judge Paine was the person for the task.

110 S.A.P.P. 51, 1933, p.9. See also, letter to Premier, 7 March 1939, GRG-6/1/43.

111 R.R.C. III, pp.124-5.

112 Paine, interview.

113 S.A.P.P. 51, 1933, p.9.

Under Judge Paine independence was real, he refused to be directed by the Premier,¹¹⁴ He refused a Cabinet request to reconsider the treatment of storekeepers convicted of receiving wheat,¹¹⁵ and bowed only to a demand from Parliament for an investigation of farmers refused assistance. The meagre results of this, the scathing criticism levelled at its methods by him¹¹⁶ demonstrated his concern for law, not the permutations that political expediency could force it to perform. Individual Members of Parliament could successfully intervene for a constituent only if they had a detailed and accurate case to set against the Boards files and the Judge's memory.

Independence gave the Board effective control over the farmers, which it maintained from a central office in Adelaide where all information was collected and assessed. From this strong base the twin aims of the legislation, assistance and economy, could be carried out. Some economies were readily made, farmers were actively discouraged from using tractors,¹¹⁷ and stock firms were encouraged to provide sheep.¹¹⁸ Both cost the Board nothing, but did promote a reduction of farm costs on the one hand, and diversified the farm economy on the other. Diversification was

114 See Chapter II, footnotes 222, 228, supra.

115 GRC-6/17, Board Minute Nos. 7446, 7485.

116 See Chapter II, footnotes 234, 236, supra.

117 See footnote 94, supra.

118 See Chapter III, footnotes 77-81, supra.

also encouraged by the Board's assurance to farmers that it would not appropriate any sideline income.¹¹⁹

The Board had to use all the powers of control given to it by Parliament, the powers to extract information, to inspect, and to instruct, to ensure that the farmers did not waste the State's resources. The farmers, however, demanded assistance without any interference, an attitude that was common across the nation. In New South Wales the Farm Relief Board noted their "reluctance to voluntarily subject their affairs to the rigid form of supervision imposed".¹²⁰ Farmers were eventually to admit that the Board was performing "essentially good work"¹²¹ but it did so only in the interests of the farm, and neglected "the human beings on the farm".¹²² The Board, in their eyes, was a sanctimonious unfeeling agency that forgot the virtue of charity.¹²³

The clash of individuality and authority appeared as a conflict over rights and concessions, aggravated by long standing scepticism of Government efficiency, and by suspicion of the Board's intentions. The most widespread conflict came when the farmer realised that he had to give up some of his precious freedom to

119 See Chapter III, footnotes 28-9, supra.

120 N.S.W. P.P. Farm Relief Board Report, year ended June 30 1939, p.3, (via. Rural Assistance Board, N.S.W. personal communication, 5 April 1973).

121 Letter to Premier, 4 December 1938, GRG-6/1/43.

122 *ibid.*

123 Wheatgrower, 15 May 1937, Editorial.

get something he thought Parliament had given to him as a right. All farmers who applied for Commonwealth bounties experienced the Board's strict control and its inquisitive methods. All farmers had to complete the same forms as applicants for Farm Relief before the Board would part with any Commonwealth money because it considered it necessary,

in order to establish 'adverse financial circumstances', that applicants should at least supply full particulars of their assets and liabilities.¹²⁴

Farmers who did not care to supply the information were precluded from participation in the Bounty payment.¹²⁵ The Commonwealth's gift, it seemed, was not theirs by right either.¹²⁶ The core of the hostility to the Board's actions arose from the manner in which the seemingly arbitrary actions of a non-responsible body could prevent the farmer from receiving what was his by intention and by 'right'. Finical cross-checking accountants' methods were completely foreign to the farmer whose life was regulated by the informal ebb and flow of seasonal payments.

Like all bureaucracies, the Board was scorned for its stupidities, the most obvious and rather satisfying means of easing resentment against its overshadowing power.¹²⁷ Not all of the derision was undeserved, or to be dismissed as the exaggerated

124 Wheatgrower, 15 July 1935, (Paine).

125 *ibid.*

126 Farmers supervised by the Board had tighter restrictions of bounty payments. See Chapter III, footnotes 99-103.

127 Blau, *op.cit.*, p.103.

delusions of seething farmers. The Board was slow: of all the States involved in debt adjustment, South Australia demonstrated the most caution. By 1939 it had finished processing only half the applications for adjustment.¹²⁸ Possibly the Board thought it could take time, since few farmers had applied for adjustment even after the closing date had been extended.

The Board's demand for accuracy and efficiency in every farming operation further aggravated farmers and, as displays of the Board's inefficiency multiplied, they were less inclined to heed those demands. The Board itself was, on occasion, surprisingly ill-informed and inept in agricultural matters. It prosecuted a farmer for driving his sheep through his crop to water, only to discover at the court hearing that the man was not maliciously incompetent. He had been forced to keep his flock inside his fences as much as possible because his sheep dog had been poisoned.¹²⁹ A body that could launch such an unfeeling prosecution based on weak evidence could not command absolute obedience. A body so stupid that to be kept from interfering too much. Evasion was sometimes thought to be essential, especially if delays or poor administration seemed to threaten farming operations. The frequency of warnings from Judge Paine, following infringements of the Board's ruling, that "should you in future do anything of a like nature I

128 S.A.P.P. 4, 1939, p.63.

129 Wheatgrower, 15 September 1934.

will cancel your certificate",¹³⁰ and the number of prosecutions for detected evasions, indicate that disobedience was widespread. The fact that proportionally more farmers than unemployed were prosecuted reinforces this conclusion.¹³¹ The Board, after all, was dealing with more widely scattered clients than the Unemployment Relief Commission and detection was correspondingly more difficult. The recollections of people who were under the Board also confirm that almost inevitably something was kept from the Board. One farmer claimed his treatment of the Board was entirely fair - he let them have everything that he did not want.¹³² Another recollected that a friend "made a trip to Port Lincoln ... to transfer money from her own account ... to that of her ten year old son".¹³³ Actions such as that could be rationalised by arguing that a farmer was only prosecuted or investigated "because he has been endeavouring to retain for his own use something which he has created by his own labour".¹³⁴ In the early years of the Board, before there was a guarantee that relief would be available each season, cheating and illegal dealing seemed to be essential. Farmers were anxious to make sure that they could survive another year if a new Relief Act was not forthcoming. After 1933 there was certainly a promise of prolonged assistance, although no

130 GRG-6/2/708.

131 Table 32.

132 Russell, Interview.

133 Rowley, loc. cit.

134 Dispatch, 1 November 1935.

guarantee, but the strict conditions imposed by the Board encouraged farmers to hide earnings from it for vengeance.

Disappointment and frustration were also vented more conservatively. One exasperated farmer wrote to the Superintendent of the Soldier Settlement "I am not going to take it lying down either, I will show them up in the press".¹³⁵ However, the press and letter writers do not give a true indication of the strength of feeling in the country. Complaints and counter-complaints were the very stuff of Editorials and correspondence columns at any time. The change in attitudes expressed at Agricultural Bureau meetings constitute a better guide to the farmers' response to the Board. Traditionally, and by their constitution, the Bureaus were non-political, which meant that criticism of Government policy was taboo. Yet these bodies denounced the Farmers Assistance Board as unconstitutional,¹³⁶ and the legislation as destructive of a farmers "individuality, initiative, and sense of responsibility".¹³⁷ By 1939, long after the machinery of the Board had been allowed to 'run in' as Judge Paine had requested,¹³⁸ the Bureau meetings and conferences were calling for "the repeal of the Farmers Assistance

135 Filed in GRC-6/1/43.

136 S.A.J.A., XXXVII (1933), p.320.

137 S.A.J.A. XLIII (1939), p.189.

138 Wheatgrower, 15 June 1934.

Act, and the substitution of a one-year's moratorium for applicants debts".¹³⁹ Strong words for a 'non-political' body.

That motion, as well as indicating the depth of farmers' feelings, also typifies much that was common in rural protest. A desire to destroy the existing situation and apply a temporary remedy, not seek a long term alternative. Protest was loud but unorganised, militant action was specific and localised, not a radical challenge to the status quo.¹⁴⁰ Farmers being assisted by the Board were probably more oppressed by administration than their neighbours were by economics, and so too demoralised to strike out against their foe. Overt action was, in any case, rare: the farmers appear to have relieved their feelings at public meetings, where the threats of 'drastic action' remained threats.¹⁴¹ The press in fact drew attention to the "steadiness, the perseverance, the high standard of citizenship, in Australian farmers",¹⁴² and their attachment to law and order¹⁴³ in contrast to the desperate actions elsewhere in the world.¹⁴⁴ The farmer in the end, did accept his fate, although not quite with the extreme equanimity

139 S.A.J.A. XLIII (1939), p.58.

140 e.g. The intimidation at sales.

141 The threat to prevent farmers being put off their holdings, (Advertiser, 21 February 1933), does not seem to have led to action.

142 S.A.J.A., XXXVII (1934), p.1104.

143 Advertiser, 19 November 1930. Pioneer, 2 November 1933.

144 e.g. The Farmers' Holiday Association in U.S.A.

of the Loxton farmer who said

I have experienced a dreadful loss and this last season sold 7,900 bags of wheat for 2/- a bushel. My endeavours have all been for nothing. My machinery is wearing out and each year I go back. But still we must be thankful. It is as well to stress that I think.¹⁴⁵

That attitude contributed to the lack of attacks on the Board. In addition, as even the critics pointed out, the Board was not totally evil, it did make provision for the farmer to enter into mixed farming and thus enable him to escape from the trap of monocultural wheatgrowing.¹⁴⁶

In this field the Board made positive use of its freedom to go beyond the stated provisions of the Acts. Nowhere did they require that farming be improved, or made less vulnerable to the market variations. The Board's efforts did not keep abreast of the general trends of the State in sheep flocks,¹⁴⁷ partly because few of the farmers they assisted carried many sheep at the beginning¹⁴⁸ of the Depression and also because skilled wheat farmers were "far from expert"¹⁴⁹ livestock managers. Nevertheless, the Board's policy did discourage excessive reliance on wheat,¹⁵⁰

145 Farm, 1 September 1933.

146 Dispatch, 23 March 1934.

147 Tables 6 and 29.

148 S.A.P.P. 71, 1931, p.51.

149 *ibid*, p.52.

150 Table 29.

and assisted the farmers in the risky areas of the State to get the best production they could by requiring them to plant on only new or fallow land,¹⁵¹ By forcing change which previously had not been considered, or that would have been dangerous without firm financial backing, the Board began to divert the farmers' energies from harmful practices like "the yearly cropping gamble, the so-called mortgage lifter"¹⁵² which threatened to destroy the fertility and structure of the soil through over-cropping. The general trend towards increased yield per acre,¹⁵³ and the relatively swift decline of the proportion of the State's wheat acreage administered by the Board¹⁵⁴ indicate the effectiveness of this policy. The Board demonstrated that there was more to successful farming than blind reliance on good prices, that farming was, as the farmers claimed, a skilled occupation. But it must have been galling to have the truth of their claim demonstrated by the Board's Adelaide accountants who never saw the farms they managed.

Overt and annoyingly effective administration could not hope to please farmers who, at best were "suspicious, unbusinesslike and intolerant of supervision".¹⁵⁵ They preferred to run their

151 GRG-6/17, Board Minute No. 3920, 28 November 1935.

152 S.A.P.P. 52, 1947, p.10.

153 Table 38.

154 *ibid.*

155 Dalgety-London, 29/1/31.

farms as they saw fit, not necessarily to please others, which boded ill for the acceptability of the Acts. The Board, and specifically Judge Paine, thought that the State's and the farmers' needs would be best served by centralising all operations in Adelaide. Paine's past experience had pushed him to this solution, but the farmers felt that he could have achieved the same ends by using the powers in FAA to decentralise¹⁵⁶ administration and thereby remove the alienation implicit in inaccessible control. The farmers advocated tribunals, or councils, or local advisory committees.¹⁵⁷ The administrators there would at least be su fait with the farmers' immediate problems and able to examine them more speedily than the interchange of letters between Board and farmer allowed. The Board saw the possibilities of local control in a different light. The committee-men would have lived in the community they were judging, and therefore would have been under too much pressure to look sympathetically at the purely local circumstances. The central Board was more dispassionate, less likely to be swayed by local pressure or vindictiveness.

In fact the experience of Farm Relief legislation in other States suggests that decentralised control would have worked. In Victoria rural lawyers administered farms,¹⁵⁸ the New South Wales Board achieved satisfactory results by paying accountants and

156 FAA Para. 8, 9.

157 Pioneer, 7 June 1934.

158 R.B. Lemmon, Farmers' Relief and Debts' Adjustment. (Typescript n.d.) via Victorian Premier's Department, personal communication, 21 June 1973.

others¹⁵⁹ in country areas a retainer of five guineas per year for each farmer and giving them three percent of the gross proceeds.¹⁶⁰ The New South Wales scheme appears to have been successful, for although the central administration was adamant that if satisfactory service was not rendered they would take whatever steps were necessary to obtain it¹⁶¹ only just over one quarter of their supervisors left, or were removed, between 1934 and 1939.¹⁶² In South Australia, where the local Supervisors had less responsibility, and no financial interest, only about one half of the original appointees remained by 1939.¹⁶³

A better indication of the relative efficiency of each method is seen in the amount of advances repaid. On a seasonal basis the repayments in New South Wales constituted a smaller proportion of the seasonal advances than in South Australia. However, by the end of the 'thirties the New South Wales administration had reduced the proportion of advances still outstanding to a lower level.¹⁶⁴ In South Australia it was obviously thought desirable

159 N.S.W. P.P. Farmers Relief Board, Report on Operations of, for Year ended 30 June 1935, p.8.

160 Dunsdorfs, Australian Wheat-Growing, p.276.

161 N.S.W. P.P. Farmers Relief Board, Report on Operations of, for Year ended 30 June 1936, p.3.

162 N.S.W. P.P. Farmers Relief Board Reports ... 1936 to 1939.

163 GRG-6/1/122, 1935-1938.

164 Table 40.

to retrieve the advances as quickly as possible, despite the stated long-term aims.

In addition, it is arguable that local administrators, as distinct from the appointed supervisors, would have lessened the number of infringements of the Acts by gaining toleration and respect for the Board through being immediately available to explain its actions. The farmers were frequently frustrated by obscure missives from Adelaide and often at a loss to understand precisely what the Board's instructions meant. Many farmers, burdened with a less intimate knowledge of the law than the administration, and often unable to comprehend what they dimly grasped, honestly believed their actions to be legally, as well as morally, correct. The Board, unlike its Victorian counterpart,¹⁶⁵ did not appear to recognise the cultural disparity between the literate and non literate and therefore treated honest mistakes as malicious law breaking. A permanent local administrator could have determined quickly whether the Board was being used, or simply misunderstood. It is also possible that the mere presence of an official would have reduced the frauds perpetrated against the Board because the low risk of discovery that encourages crimes against bureaucracies,¹⁶⁶ would have been removed.

165 Brief Explanation of the Operation of the FRA's (6/2/35). Discloses amendments beneficial to farmers unacquainted with the ways of the Court (via Victorian Premiers Department, personal communication, 21 June 1973).

166 C.O. Smigel, H.L. Ross, Crimes against Bureaucracy, (New York, 1970), p.8.

In addition, a decentralised administration cultivating personal relationships might have relieved the Board of its policeman's role by making evasion distasteful. Any dishonest act by the farmer would be a negation of his personal relation to a local identity, a betrayal of friendship rather than a gesture of contempt towards Adelaide. Certainly, a resident administrator close to the farmers would have given them more liberal assistance, for the evidence demonstrates that the itinerant Supervisors were sympathetic to their fellow farmers' needs¹⁶⁷ but they did not sacrifice the Board's interests to the farmers'. The supervisor who arranged clearing sales was not prepared to allow a farmer to blatantly flout the Board's regulations by trading in sheep under cover of his son's name.¹⁶⁸ There is little doubt that the small amount of decentralisation that did occur made the Acts more tolerable, and more justly enforced. With more widespread representation in the rural areas the administration would probably have been more humane and the Board and State unlikely to have suffered from the swift informal decisions that would have been made.

The Board felt its impositions on the farmers were necessary. There was a genuine need to examine and record the farmers assets

167 See Chapter III, footnote 170. Also - "W.A. Salter", interviewed in 1971 described the elaborate lack of thoroughness when checking farms for the Marginal Lands Board. "We didn't look in the scrub ... we didn't want to look in the scrub".

168 "V. Sarne", interview.

and transactions simply because they had become State wards through some degree of financial incompetence, and protection from their creditors would not change that. Paradoxically, just as Paine was adopting centralised control to promote the farmers initiative by making him immediately answerable to one authority, other State Boards were adopting less direct control to promote the same end.¹⁶⁹ Paine believed that strict accountability would instil in the farmer the certain knowledge that he, himself, was responsible for his own welfare and would not therefore "rely upon ... relief as his natural right".¹⁷⁰ Later, politicians were to charge that this method of supervision had in fact been "undermining the settlers sense of responsibility".¹⁷¹ The Board had not ignored criticism of its rigidity, but it had not been encouraged by the results which followed some relaxation of its demands.¹⁷²

The accountant's mind of the State Bank Board, and the legal mind of the Farmers Assistance Board, both required an order and consistency quite foreign to the farmer. Accountants were disturbed by the transition from the ordered behaviour of accounts to which they were accustomed, to the constant and sometimes violent

169 Maclaurin, op. cit., p.217.

170 H.K. Paine, Evidence to Select Committee on Mortgagees Relief Bill, 1931, 10 September 1931, loc. cit.

171 S.A.P.D. 1 October 1941, p.813.

172 See Chapter III, footnotes 284-6.

changes which agricultural conditions created.¹⁷³ Fluctuations were unavoidable, the desire to watch them closely and consistently necessitated a centralized administration which collated all available information.

A further centralizing influence was the outside demand for efficiency. A central office was able to create the necessary impression by answering Parliamentary inquiries with alacrity and apparent accuracy. It could convincingly rebut charges that the Act had been "taken advantage of by people for whom it was not intended"¹⁷⁴ because all the information it needed was immediately to hand. In the past, complaints had been made that administration of relief, especially Drought Relief,¹⁷⁵ had been too lax and that Government money had found its way into "undesirable channels".¹⁷⁶ Under strict supervision the Board could claim better financial success, since more of its advances were repaid, by more of the farmers. By 1939 only fourteen percent of advances had not been repaid, and only 8.6% had been written off.¹⁷⁷ The competence of the Board's administration in the face of evasion and lack of

173 R.R.C. V, p.43.

174 Dalgety-London, (Manager's Report), 30 June 1930.

175 Auditor General: "Vouchers are the most unsatisfactory that have ever come to my notice". S.A.P.P. 4, 1931, p.4.

176 Manager of State Bank. D.A. 819/32.

177 Table 18.

co-operation from farmers is beyond question. The proportion of total failures among assisted farmers was less than it had been under the State Bank Board.¹⁷⁸ The skill and effectiveness of the Board was also revealed in the proportion of farmers assisted who paid their way in any one season.¹⁷⁹ This is perhaps a better guide to the Board's ability to choose and administer basically sound farmers since, after 1935, this proportion included a growing number of farmers whose debts had been adjusted in the expectation that they would be able to carry on without loss.¹⁸⁰ Had they been indifferent choices, it would have been revealed in a low proportion repaying advances and a higher proportion of total failures. The Board felt that its 1934/35 results showed an improvement on the previous year, despite the poor season,

due largely to the fact that the Board was now able to control the whole of the income of applicants under its protection.¹⁸¹

Again, in 1938/39 when wheat prices collapsed, there was only a small proportion of farmers who failed to repay anything at all to the Board.¹⁸²

Most of the farmers assisted were repaying their advances,¹⁸³

178 Table 19.

179 *ibid.*

180 PPDA. Para. 13.

181 GRG-6/3/88.

182 Table 19.

183 Table 19.

and the remainder were failing to do so by only small sums. This, together with the fact that the low proportion of total failures was about the same as for the whole farming community,¹⁸⁴ indicated that the Board's long term policy, that farmers should make good in reasonable time, was being conservatively administered to the State's advantage. Because the State's claims on farmers' earnings took priority over the other creditors' claims¹⁸⁵ its seasonal advances were repaid promptly, and frequently in full.

The desire for economy for the State's advantage was, however, contrary to the spirit of the Act, which was to keep farmers in production. Despite the Board's claims that its allocation of assistance was based on the individual's prospects, it is evident that the amount of money available was the dominant factor.¹⁸⁶ The interesting, and less than coincidental, parallelism between wheat prices and the proportion of applicants refused assistance tends to confirm that the Board saw its task as essentially short term.¹⁸⁷

By keeping strict oversight of farmers' affairs the Board

184 Graph IX.

185 Order of payment: 1) Commission and Crop Insurance
2) Payment to Labour
3) Repay Board
4) Creditors
GRG-6/17, Board Minute No. 1717.

186 Table 23.

187 See Chapter II, footnote 278, supra.

was able to demonstrate to the farmers' creditors that Government intervention in business was not going to ruin them, or destroy their financial claims. The businessmen still had reservations about the genuine utility of Government control which, even under the "well managed system in South Australia",¹⁸⁸ tended to restrict enterprise and promote inefficiency. They also thought it unnecessary anyway, because

lenders of money would for their own sakes, as well as from humanitarian considerations, be compelled to show all lenience¹⁸⁹

to their clients, as debtors were euphemistically known. The farmers knew at first hand just how lenient creditors were, an experience shared by Judge Paine who had seen the humanitarian side of business as Director of the DAA. "I am confident", he said "that if times were good the DAA would be like Mrs. Partington's Mop trying to keep back the Atlantic".¹⁹⁰ The Banks and credit institutions were indeed alive to their duty, but it lay with their shareholders, not their clients.

The fear that the Government's prior claim on all the farmers earnings would leave no surplus to repay creditors, restricted

188 Dalgety-London, 6/12/34.

189 Elder Smith, Annual General Meeting, August 1936. A.N.U. 104/1/58.

190 Evidence to Select Committee on Mortgagors Relief Bill, 1931, 14 September 1931. loc. cit.

credit available to farmers under the Act who were "practically compelled to pay cash for everything".¹⁹¹ But at the same time the Relief Acts provided a refuge for the farmer who could use them as a basis for bargaining for better treatment¹⁹² from his creditors. Any threat of foreclosure served not to make the farmer more compliant to the companies' needs, but more likely to seek the active protection of the State. This fact gave creditors pause when considering repossession, but it is not certain that it actually stopped them. The key to their inactivity was, as Paine claimed, a fear of the chaos¹⁹³ that would result. But it is likely that had one creditor decided to act systematically the rest would have followed to protect their investments.¹⁹⁴ Government interference was a less unpalatable event than an uncontrolled commercial crisis, so there was no precipitate reaction.

Business distrusted Government Boards and their socialistic works on principle, but admitted that, in the case of farm relief, the administration had been "admirable and wise".¹⁹⁵ The Farm Relief Acts became part of the recognised operations of the

191 S.A.P.P. 51, 1933, p.10.

192 R.R.C. IV, p.25.

193 Evidence to Select Committee on Mortgagors Relief Bill, 1931, 14 September 1931. loc. cit.

194 R.R.C. IV, p.25.

195 Elder Smith, Annual General Meeting, August 1936. A.N.U. 104/1/58.

rural economy because they were a product of a co-operative venture between Government and business. They brought the creditors cash payments for essential new purchases, while the State took the risks and bore the losses. Creditors were virtually assured of customers by the Board's policy of maintaining "as far as possible those established channels of trade existing at the time the farmer receives assistance".¹⁹⁶ Under those circumstances business was only given to other firms when there were no existing creditors in that particular line of trade.¹⁹⁷ In this way the Act fulfilled one of its purposes which was "to hold the balance as evenly as possible between the debtor and the creditor".¹⁹⁸

The fulcrum of that balance was one man, Judge Paine. At the beginning of the Depression he had reassured creditors with his pragmatic appreciation that no moratorium was possible because it would "bring the whole house crashing".¹⁹⁹ The installation of such a man in charge of what, in 1933, appeared to be radical legislation helped the business sector to accept it. Just as the Commission on Debt Adjustment had been "Judge Paine's Committee" to the public,²⁰⁰ so in the newly created position of Chairman, he

196 GRG-6/1/38.

197 *ibid.*

198 H.K. Paine to Premier, 4 April 1939, GRG-6/1/43.

199 Evidence to Select Committee on Mortgagees Relief Bill, 1931, 14 September 1931. *loc. cit.*

200 Advertiser, 12 April 1933, p.18. Editorial.

was the Farmers Assistance Board to outsiders. This is evident from the candid letters to London from the General Manager of Dalgetys, which gave a consistent impression that Judge Paine was the only individual concerned with the Farm Relief Administration.²⁰¹

As Chairman, Paine's subsequent private and public dealings set the tone of the Act. It was his Board, he was the key to its operation, and he made it work as it did. From his actions it was obvious that he was in control of that policy and decision making body, having brought the style, if not the title, of Director with him from the DAA. His firm guidance was evident from the first, unwittingly preserved by a secretary unused to the conventions of recording conference decisions. At the end of the Board's first month of operation the minutes record:

The Chairman reported to the Board that he had chosen the ... candidates to fill the position of Supervisors.²⁰²

The following meeting changed the passage to show the Director submitting a recommendation, not announcing a fait accompli - but the stamp of decisive action is there. Paine publicly insisted that he could not speak for the Board,²⁰³ but in reality, as Chairman, he was in full control.

To outsiders he consistently asserted the Board's paramount expertise in the adjustment of debts and pointed out the skill and

201 See Bibliography.

202 GRG-6/17, Board Minute No. 116 A, 30 January 1934.

203 Wheatgrower, 15 March 1935.

depth of knowledge among his staff that put the Board "in a far better position to come to valid decisions ... than any meeting of creditors".²⁰⁴ His confidence was less in evidence at the annual meetings with those same Supervisors whose assessments he said he valued so much. From their initial form of reports on local conditions, the meetings quickly changed to become a forum discussion of the Chairman's summary of the rural position.²⁰⁵

In all probability his domination assisted the acceptance of the whole system of farm relief after 1933. The Farmers Assistance Act of that year had seemed to business to set a bad precedent, but they consoled themselves,

it will ... be administered by Judge Paine and a Board who can be trusted to utilise the provisions of the Act in a reasonable spirit.²⁰⁶

In Parliament, too, great emphasis was laid on the need for Judge Paine to preside.²⁰⁷

Thus the strengths and flaws in the Act were, to a large degree, those of Paine's personality and training. He was equally firm, and abrupt, with farmers and creditors alike.²⁰⁸ He did

204 Letter to A.W. Christian, M.P., 22 April 1938, GRG-6/3/17. See also his attack on the Committee Appointed to Investigate ... Farmers Refused Assistance in 1934, Chapter II, footnote 234.

205 GRG-6/1/122, 1934-39.

206 Dalgety-London, 13/6/33.

207 See Chapter IV, footnote 76.

208 "Board has been showing a disposition to instruct ... Stock Agents" Dalgety-London, (Manager's Report), 31 December 1936.

not hesitate to channel farmer's custom away from un-cooperative creditors²⁰⁹ so those who saw him as a lackey of city interests, or charged that business was his God,²¹⁰ were mistaken. He could appreciate the needs of farmers and of the city capitalists. As a boy he had experienced the 1890's depression on his father's farm, and later had mixed with the sons of pastoralists and Adelaide businessmen at school and university.²¹¹ Paine's 'God' was not business, not finance, nor organisation: if anything it was the law, the judicial work in which he found "ample interest and no small degree of pleasure".²¹² Strict legality and precision, but not mere sentiment, allowed some concessions to temper justice, however much farmers wanted sympathy rather than inquiry.²¹³

The Government demonstrated its trust in his ability to make just decisions by allowing the Board to decide how much would be written off Crown debts under schemes of debt adjustment.²¹⁴ By 1935 the creditors had accepted Paine because they had been

209 Goldsborough Mort, Comment on Account. A.N.U. 2/132.

210 Wheatgrower, 15 December 1935.

211 Paine, interview, Advertiser, 8 November 1972.

212 Evidence to Select Committee on Mortgagors Relief Bill, 1931, 10 September 1931. loc. cit.

213 CP 656 S.31. General Comments by Farmers.

214 PFDA, Para. 24(1) (c) - S.A.P.D. 26 February 1935, pp.420-1.

working with him from 1929 as Director of DAA, and from 1933 as Chairman of the Board. In these roles he had negotiated with creditors, and ensured that only worthy farmers were protected by his administration. Thus the creditor could be almost certain that the concessions he made in a scheme of debt adjustment would be the only ones, and that the remainder of the debt owing would be repaid. In addition, Paine recognised that co-operation was essential if farm relief was to work, so the interests of the farmer demanded that occasional concessions be made to business. Business houses, for example, were allowed to transact urgent business without prior reference to the Board,²¹⁵ whereas farmers were never given this balnket approval for individual initiative.

There was in fact no attempt to abandon the traditional relation of creditor and debtor. The Acts were but attempts to adjust the relationship so that it would work properly in unnatural circumstances. The PPDA created a stable system for bargaining, and provided for legal protection in the case of failure. Paine had then to haggle, and balance the claims and priorities of creditors against the farmers' imperative need for effective adjustment. Although he arranged few informal schemes based on mutual goodwill²¹⁶ he seldom failed to reach agreement on a formal debt adjustment.²¹⁷ The caution with which farmers were

215 Dalgety-London, 3/5/34.

216 4 informal agreements in first 1000 schemes. GRG-6/19.

217 To 18 July 1938, 22 schemes out of 350 had been rejected, but only 2 were rejected again when resubmitted. GRG-6/3/14.

selected for their potential ability to succeed, and the established "fairness" of Judge Paine, assisted in the bargaining that preceded the formal announcement of the scheme.²¹⁸

The result was that farmers in South Australia who had their debts adjusted were able to get the biggest proportional reduction of any of the farmers in Australia.²¹⁹ Every pound granted by the Commonwealth was stretched in South Australia to write off nearly three pounds of debt without compulsion.²²⁰ Victoria attempted the same feat²²¹ but could only manage to write twenty six shillings for each pound of the Commonwealth Grant.²²² Western Australia equalled Paine's achievement, but it was assisted by a clause in its Act which allowed some compulsion by way of appeals by any interested persons against any scheme which was "manifestly unjust to the farmer or any creditor".²²³ The material examined suggests that by 1939 in South Australia, more of the secured creditors generally were willing to rank all of their debts as unsecured. The banks however, were less inclined to do so,²²⁴ but overall the proportion of the debt ranked as

218 See Chapter IV, footnote 224.

219 Table 41.

220 *ibid.*

221 MacLaurin, *op. cit.* p.222.

222 Table 41.

223 "Farmers' Debt Adjustment Act", W.A. No. 46 of 1934, Para 11.

224 Table 35.

unsecured increased from one third in the first one hundred schemes to over half in the last three hundred.²²⁵ Creditors were encouraged to do this by the offer of immediate payment, enhanced by the Board's manipulation of the Commonwealth Grant. Instead of writing off nearly two thirds of the debt, as they appeared to, they wrote off only fifty six percent, and the farmer had his debt to private creditors reduced through the loan by a further ten percent, to produce an apparent reduction of two thirds.²²⁶ So although the figures indicate that Government and creditors wrote off nearly eight hundred pounds per farmer, the creditors sacrificed less than that.²²⁷ Only Victoria secured larger absolute concessions from the creditors, but it had a compulsory clause in the Act²²⁸ which was used to expedite negotiations rather than as a direct measure of compulsion.²²⁹

The Board's achievement is illustrated by the final ranking of per caput debts after adjustment. After having the second highest debt per farmer of any State prior to Debt Adjustment,

225 Table 36.

226 See Chapter IV, footnote 251.

227 Table 33.

228 "The Board may ... suspend all rights and remedies of ... such secured creditors" ... as have not agreed to the plan". Farmers' Debts Adjustment Act, 26^o Geo. V, No.4326. (Victoria).

229 S.A.P.D. 27 August 1940, p.482, quoting letter from Victorian Farmers' Debts Adjustment Board.

South Australia stood fourth after adjustment.²³⁰ That this was achieved without any real compulsive power,²³¹ demonstrated the importance of Parliament's decision to appoint Judge Paine to administer the Act. Perhaps the farmers would have been better served had the Board attempted to stretch the Commonwealth Grant further, and reduce the debts of more farmers by smaller amounts. This would have fulfilled the Federal Government's desire to set farmers on their feet, but it would have failed to rehabilitate them. The Western Australian attempt to adjust the debts of the largest proportion of primary producers²³² appears to have failed to restore them to productivity by the early 'forties.²³³

Paine was concerned with restoring farmers to safe productivity, he sought out fundamentally sound farmers who were in difficulty and helped them. The farmers who were unlikely to succeed after debt adjustment were refused help, to convince them that if they "were dead they had to lie down".²³⁴ Rather than assume, like the Western Australian Board, that debt adjustment automatically meant

230 Table 41.

231 A majority in number and value of unsecured creditors could vote a scheme into operation, but that scheme did not affect the rights, or debts of secured creditors. PPDA Paras. 22 and 25.

232 Table 41.

233 R.R.C. IV, p.35.

234 Paine, interview.

viability, Paine, like his counterparts in New South Wales and Victoria,²³⁵ made use of State funds to encourage diversification and ensure that farmers were economically sound before leaving the Board's protection.²³⁶ In addition, the scheme of debt adjustment was conditional upon the farmer agreeing

not to apply for cancellation of his certificate under the Farmers Assistance Act, 1933 but ... remain under the Act for so long as the Farmers Assistance Board is agreeable to assist him.²³⁷

The Board maintained legal protection after debt adjustment so that farmers were protected from precipitate action by creditors anxious to foreclose on a newly solvent client.

The Rural Reconstruction Commission claimed that the effectiveness of debt adjustment could not be assessed by counting up the number of farmers assisted nor by the debts written off. The only real indicator was the number of farmers dealt with who were able to continue farming.²³⁸ In South Australia only about eight percent of the successful applicants for debt adjustment had any further adjustment after their schemes had come into operation.²³⁹ This can only be an approximate guide to the real success, because once the farmers were released from the

235 R.R.C. IV, p.29.

236 R.R.C. IV, p.33.

237 Wheatgrower, 15 October 1937.

238 R.R.C. IV, p.30.

239 S.A.P.P. 4, 1947, p.79.

Board it took no further interest in them, and was unconcerned with their eventual success or failure. Certainly the low wheat prices of 1939 caused some farmers who had been set on their feet by the Board to assign their estates.²⁴⁰ In addition, the low proportion applying for re-adjustment would have been influenced by the outbreak of the Second World War when stable prices²⁴¹ helped those who might otherwise have been in dire need.

In spite of its creative use of the powers and funds available, the Board had no real power to change the agricultural practices of the State. It could only encourage diversification among the few farmers under its control, and only for so long as they remained there. Furthermore its agricultural policies appear to have been decided without any formal consultation with the Department of Agriculture. The correspondence files of the Department reveal almost no communication between the two bodies who could have influenced the States farmers.²⁴² The farmers themselves wanted them to co-operate in the re-development of marginal lands,²⁴³ and the Department's Instructors did have ideas about how the farms could be made more viable. The Chief

240 Wheatgrower, 22 April 1939.

241 Graph III.

242 Files complete for at least the years 1925-1939. Possibly there was antagonism between them: The willingness of the S.A.J.A. to publish 'political' anti-Board motions mentioned earlier might indicate a certain coolness between the Board and Department.

243 S.A.J.A. XL (1936), p.259.

Dairy Instructor recommended that a farmer's debt adjustment should be conditional upon him improving the milk production of his herd by culling those cows unacceptable to the Herd Testing Association.²⁴⁴ The farmers would have benefitted, since the Association's cows produced, on average, more than twice the amount of milk than the ordinary farm cow.²⁴⁵ However, nothing came of this idea, because the file was mislaid until 1957.²⁴⁶

In its early years the State Bank Board could not attempt to rationalise the farms under its protection, as redistribution of land was not within the province of the Board.²⁴⁷ The Farmers Assistance Board had some influence, albeit only negative: it encouraged farmers to abandon holdings in the least profitable areas of the State by refusing assistance.²⁴⁸ The F.A.B. could openly initiate the process of forcing people off the land because an effectively autonomous Board could put economy before politics. Of the two Boards in Australia with power to defy Parliamentary interference it appears that South Australian one was able to initiate more evictions than Victorian.²⁴⁹ The farm

244 D.A. 328/37.

245 D.A. 885/26, D.A. 66/25.

246 D.A. 328/37.

247 Paine to Attorney General, 24 July 1935. GRG-6/1/210.

248 Maclaurin, *op. cit.* p.218. *ibid.*, p.220.

249 *ibid.*, p.220.

land thus vacated could then be offered to neighbouring properties²⁵⁰ to bring them up to a viable acreage.²⁵¹

According to Judge Paine the PPDA, in lowering the theoretical value of wheat, which governed the farmers' prospects of making good, left "the Board no option but to refuse all cases that present difficulties".²⁵² Examination of the Debt Adjustment schemes however, indicates that twice as many farmers from marginal areas as would be expected qualified for debt adjustment and proportionately less than would have been expected were in the Upper North.²⁵³ Because the Board held strictly to what it saw as its duty in other matters, it is most likely that this apparent imbalance came after a rigorous rejection of farmers whose position was doubtful. The Board was certainly aware of the existence of the marginal areas, and denied that it discriminated against any areas per se,²⁵⁴ which could mean that the farmers assisted in those areas were indeed economically sound.

The official definition of Marginal Lands as

250 GRG-6/1/43.

251 Murray Mallee minimum size: 2,000 acres (F.A.B. average size for the area, 1,700). GRG-6/1/210.

252 GRG-6/1/210.

253 Table 42.

254 GRG-6/1/43, 14 June 1938, claims the proportion refusals in Western Division was the same as for the whole State. Advertiser, 31 May 1934, denies discrimination against 75% of the applicants around Peebinga in the Murray Mallee.

Areas which have been subdivided into blocks intended principally for wheat growing and which have been utilised mainly for that purpose, but owing to the combination of an inadequate rainfall and unsuitable land have proved to be unsuitable for wheat as a major occupation,²⁵⁵

indicates that it was in these areas that farmers would be in most need of assistance but probably less likely to receive any, as the Acts increasingly stipulated the necessity for the farmers assisted to be able to make a living on their farm. The Board's continued acceptance of applications from these areas thus offers the bizarre sight of farmers in marginal areas being treated as if their prospects of future solvency were better than those of farmers elsewhere when, by definition, it was not possible to become a successful wheat farmer there.

Part of the contradiction can be explained away by the fact that the farmers produced more than wheat on their farm, and some of the contradiction is due to the temporal gap between the beginning of PPDA in 1935 and the report of the Marginal Lands Committee in 1939. Even so, there was obviously no clear idea about what made a farmer viable in the late 'thirties. The apparent unanimity of the Board's and Committee's aims, that of ensuring a sound future for farmers, is illusory. The Committee was looking far ahead, the Board was ultimately concerned with maintaining farmers on the land on the merits of individual cases, not with a sweeping policy of rural reconstruction based on the premise that not all of the State was suitable for cultivation.

The Farmers Assistance Acts were constantly attacked as endless extravagant drains on the State's financial resources.²⁵⁶ The critics ignored the experience of the Drought Relief measures which had operated before any large-scale depression occurred. By mid 1932, when three quarters of the advances under FRA had been repaid, the total repayments from all the Drought Relief Acts totalled eight percent of the advances.²⁵⁷ By the middle of 1939 the discrepancy was still vast.²⁵⁸

The most obvious attack on the alleged waste of money was to point to the economy of unemployment relief, the critics felt

If it is to be a test of what is cheapest we could put them on rations. It would be cheaper than keeping them on their farms.²⁵⁹

The untested, and at the time, untestable, counter to that argument was that it was cheaper to keep them on the farm.²⁶⁰ The figures available then supported the view that unemployment payments were cheaper. Advances to farmers exceeded one hundred pounds per year per household,²⁶¹ far more than the average

256 S.A.P.D. 15 November 1933, p.2162.

257 Table 18.

258 *ibid.*

259 S.A.P.D. 8 November 1932, p.1718.

260 Maclaurin, *op. cit.*, p.282.

261 Table 43.

unemployment payment of approximately fourteen shillings per week for each household,²⁶² and certainly more than the highest annual average unemployment payment of about forty pounds.²⁶³

This argument ignored the nature of the payments. Unemployment Relief was an outright gift, whereas all Farm Relief payments were loans against the security of a crop from which some repayment could be expected. The actual financial outlay on farm relief, when the repayments were taken into consideration, was about fifty-nine pounds per year.²⁶⁴ So, it appeared the critics were correct: the gamble on farmers' ability to repay loans had failed. On a per-capita payment basis the cost to the State of Farm Relief was about the same as Unemployment Relief because the farmer's family was, on the average, larger than the average city family on the dole. This was particularly so towards the end of the 'thirties, when married men were being given preference to single men for the jobs that were becoming increasingly available, and the increasing proportion of single men on the dole made the "average" family unit smaller.²⁶⁵ From 1931 to 1939 each

262 Accurate figures not available - the U.R.C. reports show quarterly figures for the number in receipt of rations, but in reality this fluctuated from week to week.

263 Table 43.

264 *ibid.*

265 *ibid.*

person in the city and the country in receipt of relief cost the Government about six shillings per week.²⁶⁶

The argument in favour of universal ration relief also ignored the contribution made to the State's economy by the farmers. From 1932/33 to 1938/39, while the unemployed were unproductive, farmers under the various Acts produced nine percent of the State's total wheat crop,²⁶⁷ and had generated some four million pounds for the payment of the creditors²⁶⁸ in the city and the country.²⁶⁹ By that time the debt owed by the farmers to the Government stood at nearly one million pounds, but over half of this was in the form of loans as yet not repaid.²⁷⁰ Up to 1944, when the Board was reformed as the Primary Producers Assistance Committee, to oversee all Drought, Relief and Debt Adjustment Acts,²⁷¹ it had retrieved eighty four percent of its advances.²⁷²

266 *ibid.*

267 18.5% acreage, 9% crop. Table 38.

268 S.A.P.P. 4, 1939, p.58.

269 The payments appear to have increasingly gone to city firms. Impetuous local buying was almost impossible under the Board, so it was probably inevitable that farmers who had to place orders should seek firms with the widest range of stock. See Advertiser, 9 May 1934.

270 Table 18.

271 S.A.P.P. 4, 1944, p.33.

272 *ibid*, p.34.

The beginning of recovery for most farmers under assistance, and probably for others as well, was the introduction of the Federal Wheat Industry Assistance Act at the beginning of the Second World War.²⁷³ The stable, assured prices²⁷⁴ enabled the farmers under the Act to consistently repay more than they were advanced annually after 1939/40. After 1941/42 no farmers failed completely, and the proportion of farmers paying all their creditors soared to an undreamed of forty-six percent.²⁷⁵ By the end of the War only seventy-seven of the thousands assisted since 1931 remained under the Board. The overall loss per year had been reduced to thirty-eight pounds per farmer by 1944,²⁷⁶ of which the Board had written off thirteen percent, the remainder being loans outstanding.²⁷⁷

From the State's point of view Unemployment Relief payments would have cost less in nett expenditure per family than Farm Relief.²⁷⁸ The gamble on farmers failed by only a small margin,

273 Dunsdorfs, Australian Wheatgrowing, p.290.

274 *ibid.*, p.291.

275 S.A.P.P. 4, 1944, p.34.

276 *ibid.*

277 *ibid.* An overall cost of 37 pence/week. The administration of the Farm Relief Acts cost approx. £15 per farm p.a. Unemployment Relief administration costs, however, were lower, approx. 15/- per household, p.a.

278 Nett Costs: Unemployment Relief: £ 31 p.a.per family 53 pence/
head per week.
Farm Relief: £ 53 p.a. per family 52 pence/
head per week.

although in broad terms Farm Relief was probably a more effective means of stimulating the State's economy than Unemployment Relief.

But in human terms Farm Relief was the better alternative. The difference in nett cost between it and the Dole was but a negligible price to pay to ensure that people were saved from the total, demoralising, dependence on the Government that was the fate of the Unemployed. Under the Relief Acts the farmer was working for his own salvation, a positive activity denied those on the Dole, whose only work was to look for work.

It must however, be emphasised that in 1939 the failure of Farm Relief appeared imminent. The economic outlook was bleak. Unemployment in the country and the City was rising²⁷⁹ and young men were again humping their swags along the country roads.²⁸⁰ As the wheat prices plummeted to less than the grim level of 1931²⁸¹ the farmers began to run short of ready cash,²⁸² and they had marched on the Treasury to protest about the situation.²⁸³ The eventual financial success of the Acts through the timely arrival

279 Graph VII.

280 Dalgety-London, 21/6/39.

281 Graph III.

282 Dalgety-London, 10/3/39.

283 Advertiser, 28 March 1939. 300 farmers carrying banners protesting against eviction, and calling for support of the Federal Wheat Tax Act of 1938 which offered a guaranteed price, but was under attack in the High Court. Wheatgrower, 22 June 1939.

of reasonable prices could not have been foreseen in 1931 when the Government decided to help the farmers gamble on the crop they knew best, wheat. The wheat industry was too important, economically and politically, to ignore,²⁸⁴ but because of its sheer size, it was too large to assist properly during a financial emergency. Until the end of the 'thirties the State and Federal Governments intervened only to alleviate disaster, not to prevent its recurrence. The State Government's Farm Relief Acts were manoeuvres of economy and political expediency. What were never more than buffers against an uncontrollable international crisis did save some thousands of the State's citizens from being forced off their land. They did not, however, encourage the farmers to stay on the land, since they showed no signs of vacating their holdings unless compelled to, or unless better conditions elsewhere attracted them.²⁸⁵ The mere existence of the Acts as a last refuge assisted many more to keep their creditors at bay until more prosperous times. In the short term the sacrifice of some freedom of action for ill-understood returns did save many from harmful action by their creditors and allowed them to continue their chosen occupation, growing wheat, and demonstrated that a distant bureaucracy using the farmers' plant and skills, could make farming pay where they had failed.

The PPDA, which in one meeting cut away the accretions of debt,

284 See footnote 102, supra.

285 Chapter I, footnote 283.

marked the first step towards a rationalising farming in the State. It recognised that some farms were doomed and began the official recognition of the inexorable cumulative effects of drought and depression that all the Acts of the late 'twenties and early 'thirties had ignored. By 1939 the study of areas of the State where nature conspired to make farming uneconomical had begun²⁸⁶ but eight years were to elapse before any concrete action could be proposed.²⁸⁷ The PPDA assisted about one third of the twenty-three percent of the State's farmers who lived in the marginal areas²⁸⁸ but the report on Marginal Lands in 1947 indicated that about forty percent of the settlers in those areas had reached economic stability and a further thirty percent were on the borderline.²⁸⁹ Quite palpably the Board in its Debt Adjustment role had not assisted all those who could make good, or were just borderline cases. This evidence that probably forty percent of the farmers survived without debt adjustment indicated that even in marginal areas farmers could continue without extensive Government aid, probably by lowering their standard of living.

286 Marginal Lands Committee: Report, S.A.P.P. 62, 1939.

287 Pastoral and Marginal Agricultural Areas Inquiry Committee Report, S.A.P.P. 52, 1947, The Marginal Lands Board set up in 1940 ceased functioning in 1942, S.A.P.P. 40, 1942, p.3.

288 Table 42.

289 S.A.P.P. 52, 1947, p.11.

A farmer using only family labour does not necessarily fail if the yield of his farm falls off; he can keep going by giving his family less.²⁹⁰

Yet without the Acts, and without the ability of the Director to gain the creditors' trust, the numbers dispossessed through bad seasons could have been as high as four thousand.²⁹¹

The Board reduced debts more substantially than in the other States and used the Commonwealth Grant much more effectively. In terms of the absolute number assisted, and the speed at which decisions were made, South Australia's administrators lagged behind the rest of the Commonwealth. Conservative, methodical, and legal in its approach, suspicious of the farmers or of anyone outside the head office, the Board retarded the processing of applications. It kept many farmers waiting too long for debt adjustment that never came, although the practices of the Board probably did make successful, equitable arrangements more likely.

When the first shock of the Depression hit the farmers they did not get Government assistance to combat any of the factors they identified as the cause of their insolvency. They were given organised and increasingly selective extension of credit to maintain them on the land until saved by the Second World War. Only as a

290 R.R.C. III, p.108.

291 Between 1930 and 1939 over 6,000 Australian farmers went bankrupt and more than half were in South Australia. S.A.P.D. 18 December 1945, p.1384. This figure includes duplications, but does show that the PPDA, by adjusting debts of 1,000 farmers, probably reduced the need for such drastic action by 25%.

grudging last resort was there any move to free them from their crippling debts. In the 'thirties the farmers got relief, they were not rehabilitated.

APPENDICES

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TABLES

Conversion Factors

1 Pound = 20 Shillings = 2 Dollars

1 Shilling = 12 pence = 10 Cents

The purchasing power of one Pound in 1930 was equivalent to about fifteen Dollars in 1973.

1 mile = 1.609 kilometres

1 acre = .405 hectare

RURAL SOUTH AUSTRALIA and the STATE ECONOMY

30 June	Value of Production				EXPORTS Value %	POPULATION	
	AGRICULTURE		FACTORY	TOTAL		Bread- stuffs	Met.
	Wheat % Gross	Nett £1000	Nett £1000	£1000			
1920	49					253537	237469
1921	69					259588	242184
1922	54				57	267567	244035
1923	53				36	274519	247693
1924	57				45	283535	251411
1925	60				47	294705	252343
1926	63	8159	12674	30428	39	305509	255416
1927	63	8298	13655	31234	44	314331	255299
1928	57	5125	13488	29575	32	316394	256193
1929	54	4649	12568	26595	28	310916*	262057
1930	59	3469	10977	22111	26	310526	263941
1931	51	452	7755	14003	34	310458	266621
1932	68	6684	6962	18630	52	311840	267453
1933	63	4693	7855	18187	44	313261	269416
1934	56	4399	8641	20838	24	313778	270516
1935	51	4941	9557	21650	38	315130	271313
1936	57	5875	11670	26806	32	316858	272454
1937	57	7584	12272	30046	33	318190	273011
1938	53	7632	13820	31716	41	321412	273697
1939	53	3960	13679	28738	47	322988	274057

Nett Value of Wheat Production approx. 28% Factory Production 1925-39

* Boundaries Altered

Source Statistical Register of South Australia

Table 2

WHEAT SITUATION

Season Ending	Wheat Production (m. Bush.)			Wheat Stocks (m. Bush.)			PRICE* Pence /bush.
	S.A.	Aust.	World	S.A.	Aust.	World	
1920							
1921	34	146	3313				96
1922	25	129	3403				60½
1923	29	102	3829				59
1924	35	125	3558				56
1925	31	165	4049				73
1926	29	115	4175		6.9		70
1927	36	161	4388		12.1	249	63½
1928	24	118	4848		8.9	319	65½
1929	27	160	4295		15.6	512	56¾
1930	23	127	4845		13.8	502	52
1931	35	214	4630	1.56	16.6	564	27½
1932	48	191	4600	.94	10.8	588	38
1933	42	214	4841	1.75	18.5	692	33¾
1934	35	177	4621	.82	40.1	580	31½
1935	27	133	4699	1.49	16.7	480	36½
1936	32	144	4654	.99	8.4	365	46
1937	29	151	5436	.91	8.9	228	61¾
1938	43	187	6008	2.10	13.9	308	42¾
1939	32	155	n.d.	6.97	20.8	565	27½

* Less approx 4d. per bushel at Country Sidings.

Sources Official Yearbook of the Commonwealth of Australia
S.A.P.P. 52, 1947
Statistical Register of South Australia

FARMING PRACTICES

	Fertilizer			Fallow	Vol.
	Dressing		% Crop	% Crop	Pool
	lb./acre				%
	Max.	Min.			% Crop
1920					
1921	94	44	86	49	n.d.
1922	97	48	88	49	36
1923	95	45	86	50	44
1924	103	49	87	54	33
1925	101	56	87	67	12
1926	101	59	89	65	21
1927	107	64	91	64	30
1928	108	59	91	64	25
1929	106	58	91	58	44
1930	107	62	92	57	36
1931	113	68	91	51	60
1932	102	53	81	59	24
1933	102	56	85	60	19
1934	102	56	86	66	18
1935	105	58	85	70	3.2
1936	111	64	88	70	3.5
1937	119	68	86	72	1.5
1938	119	68	88	73	2.5
1939	121	66	89	76	4

Sources Dunsdorfs, Australian Wheat-Growing. p.232.
Statistical Register of South Australia

Table 4
PARTICIPATION

	Libraries		Agricultural Bureau		Assembly Elections				
	Patrons per Lib.	Books per Head	Members	Branches W ⁺	TOTAL	Rural median % Voting	% Inf.	State average % Voting	% Inf.
1920									
1921	93	55	2625	7	216	62.5	1	64	1.2
1922	92	62	6124	9	220				
1923	105	55	6182	15	221				
1924	106	55	6366	15	233	67.4	1.5	63	1.1
1925	105	56	6440	17	236				
1926	105	66	6000	18	235				
1927	102	63	6450	19	241	79.8	1.2	77	1.8
1928	104	60	6606	20	249				
1929	102	64	7606	20	275				
1930	91	66	8216	23	297	75.3	5.65	71	5.7*
1931	86	82	8365	30	308				
1932	77	83	8325	34	318				
1933	77	86	8066	39	333	67.6	4.0	60	4.9
1934	78	84	7772	45	336				
1935	72	74	7000	52	337				
1936	70	83	5500	63	346				
1937	69	83	5560	67	344				
1938	72	78	6865	69	349	72	1.8	63	2.2
1939	69	84	7666	69	359				

+ Womens' Branches

* Introduction of Preferential Voting.

Sources S.A.J.A.

S.A.P.P. 43

S.A.P.P. 63

Statistical Register of South Australia

DAIRYING

	Dairy Cows	Milk m. Galls.	Number of Herds containing				Av. Size Herd
			1-4	5-9*	10-49	50+	
1920							
1921	152178	34.7					
1922	165866	41.4					
1923	170362	42.1					
1924	168777	47.6					
1925	145404	45.4					
1926	136273	41.4					
1927	127292	40.4					
1928	117580	38.0					
1929	108969	37.7	12529	4524	1943		
1930	104255	34.8	12138	4569	2098	34	5.7
1931	109672	39.0	12026	4939	2323	27	5.4
1932	127756	50.0	10640	5911	3165	43	6.5
1933	149172	58.5	9397	6495	4140	60	7.4
1934	163875	54.4	8708	6816	4999	63	7.9
1935	170250	53.4	8523	7096	5232	71	8.1
1936	173706	59.0	8207	7007	5652	153	8.2
1937	169761	63.7	8741	6925	5053	150	8.1
1938	164903	69.1	8990	6802	4706	133	8.0
1939	165110	72.5	9062	6573	4767	206	8.0

* Herds of 6 or more cows had to be licenced, but there was no means of enforcing the Law. D.A. 43/30. GRG-10, M.A. 165/29.

Geographical Distribution of Herds Central, 43%; Lower North, 17%; Upper North, 7%; South East, 10%; Western, 10%; Murray Mallee, 13%. 6½% of the State's Cows were on the reclaimed Murray River Swamps, 50% were on wheat farms.

Sources S.A.J.A., XXXVI (1932), p.298.
Statistical Register of South Australia.

SHEEP

	Sheep m.	Number of flocks containing				Av. Flock
		1- 100	Total <500	500- 1000	over 1000	
1920	6.00					
1921	6.36		7772	1288	1040	630
1922	6.26		7589	1241	1064	630
1923	6.31		7345	1252	1040	650
1924	6.36		7175	1448	1054	660
1925	n.d.		n.d.	n.d.	n.d.	-
1926	6.81		7758	1593	1262	640
1927	7.28		7950	1585	1399	680
1928	7.54		8197	1558	1432	680
1929	7.08		8313	1580	1343	630
1930	6.19		8811	1430	1315	540
1931	6.61		8556	1427	1274	590
1932	7.71		8489	1714	1544	660
1933	7.94	2780	8773	1893	1633	650
1934	7.88	2896	9230	1912	1612	620
1935	7.95	2799	9184	1971	1707	620
1936	7.91	2810	9312	1981	1684	610
1937	8.90	2251	9050	2193	1968	670
1938	9.94	2134	9041	2609	2218	720
1939	9.94	2115	8836	2680	2197	730

Source Statistical Register of South Australia.

CHANGES in FARMERS' FINANCIAL POSITION 1929-1933

POSITION	Central	South East	Lower North	Upper North	Murray Mallee	Western	TOTAL
Improved	18	1	10	23	14	20	86
No Change	43	0	26	60	24	30	183
Deteriorated	50	7	17	97	82	98	351
no data	31	1	13	26	20	17	108
TOTAL	142	9	66	206	140	165	728

Source CP 656, Series 20.

<u>Summary:</u>	Series 20	Series 31
Improved	14%	13%
No Change	30%	18%
Deteriorated	56%	69%

Source Based on analysis of farmers who gave an appreciation of their situation in CP 656, Series 20 & 31.

INDICATORS of the RURAL ECONOMY

	Buildings Constructed in Country	Value Farm Machinery £m.	Farmers' Taxes			District Council Rates		Business		Nett Profit (Loss) £	
			% Tax- Payers	% Taxes	per Head £	% * Collected	% Total Receipts	Branches Showing Profit	Loss		
1920										1920	
1921	616	4.0				96	32			1921	
1922	698	4.3								1922	
1923	639	4.6				96	46			1923	
1924	614	5.0								1924	
1925	660	5.5				96	50	31	4	47472	1925
1926	760	5.8	11.5	17.1	10			12	24	(1347)	1926
1927	618	6.2	9.1	12.3	8	96	45	24	14	7579	1927
1928	418	6.5	6.5	8.7	8			19	19	(583)	1928
1929	366	6.7	6.9	8.9	8	94	44	25	12	8239	1929
1930	363	6.7	6.7	8.5	9			8	30	(14946)	1930
1931	207	6.3	3.9	4.3	5	77	35	0	38	(20633)	1931
1932	157	6.1	4.2	3.6	10			2	26	(11088)	1932
1933	230	5.8	8.9	12.9	17	82	42	9	19	(3951)	1933
1934	313	5.5	6.3	8.3	15			18	10	2950	1934
1935	336	5.2	6.5	8.7	17	83	45	12	16	(910)	1935
1936	400	5.1	6.1	7.4	15			22	6	13483	1936
1937	449	5.2	7.3	10.0	17	85	29	26	5	15803	1937
1938	602	5.5	Pastoral and Agricultural					32	1	21346	1938
1939	660	5.7.	Data combined after 1938.			83	32	12	24	(1955)	1939

* Includes fines, etc.

Sources South Australian Government Gazette
Statistical Register of South Australia
A.N.U. 2B/1

ORGANIZATIONS

YEAR ¹	
pre-1930	Henry George League* South Australian Wheat Growers' Protection Association
1930	Farmers' Protection Association Optimists' League* South Australian Wheat Producers' Freedom Association United Farmers Defence Association
1931	Citizens' League* Farmers' Freedom Association Kappinnie Farmers Association Parliamentary Wheat Committee
1932	Primary Producers' Restoration League South Australian Wheat Growers' Association (From:SAWGPA)
1934	Commonwealth Land Party Douglas Credit*
1935	Country Taxpayers' Association
	Also Graingrowers' Association Landholders' League of Yorke Peninsula Wheat Growers Freedom Association

1. First mentioned in Media.

* Not exclusively Rural

<u>Sources</u>	<u>Advertiser</u>	<u>D.A. Files</u>	<u>S.A.J.A.</u>
	<u>Dispatch</u>	<u>Pioneer</u>	<u>S.A.P.D.</u>

LAND TRANSACTIONS

	Land Title Transfers	Company		Private per Acre
		Land Sales	per Acre	
1920				£ 4- 0-0
1921	15488			
1922	16847		£ 7-13-0	
1923	18820			
1924	18574			
1925	17852		£11- 0-0	£ 4-15-0
1926	18249	184		
1927	16939	145		
1928	12682	131	£12-13-0	
1929	11581	101		
1930	7516	61		£ 2-10-0
1931	5539	77	£ 7-12-0	
1932	5420	103		
1933	5822	105		
1934	6692	126	£ 7-15-0	£ 2-10-0
1935	8272	196		
1936	9330	186		
1937	10508	227	£ 7-12-0	
1938	11649	220		
1939	10288	92*		

* For first six months only

Sources A.N.U. 8/115

Statistical Register of South Australia
Wheatgrower, 15 February 1936

Fall in Value 1929-33
(from CP 656, S.17)

Central	35%
Lower North	41%
Upper North	43%
Murray Mallee	54%
Western	55%
Average	45%

COST of LIVING*

Nov.	City	Country ¹	State ²
1925	1067	1101	1074
1926	1056	1079	1065
1927	1079	1094	1038
1928	997	1060	1011
1929	1124	1158	1136
1930	894	948	907
1931	793	865	805
1932	754	803	765
1933	772	801	777
1934	815	833	820
1935	826	847	833
1936	847	884	856
1937	880	870	887
1938	904	943	913
1939	930	1013	948

* Base; Cost of food and groceries in six Capital Cities, 1911 = 1000

1. Median of 14 Country centres in South Australia.

2. Weighted Average.

Source Labour Report

Table 12COST of PRODUCTION

(shillings)

	Central	South East	Lower North	Upper North	Murray Mallee	Western
A) Acres Wheat	290	-	360	500	550	380
Cost/Acre						
Av.	36/9		41/8	21/5	24/7	17/11
Med.	38/3		42/8	16/2	21/2	18/5
B) Acres Wheat	220	-	470	470	710	620
Cost/Acre						
Av.	52/-		39/-	29/6	25/-	28/6
Med.	60/-		50/9	36/2	34/10	32/1

Table 13DEBTS per FARM

(shillings)

Per acre Farm

C)	54/7	39/11	59/-	58/-	25/5	25/-
D)	-	30/-	70/-	16/9	24/-	11/9
E)	45/-	-	88/-	24/-	19/3	10/-

Per acre Crop

D)	-	294/-	216/-	137/-	98/-	57/-
E)	178/-	-	274/-	90/-	92/-	56/-

Table 14CAPITAL INVESTED

(shillings)

			Mid- North	North		
F) Acres Cropped	284	319	381	290	502	549
Land/Acre	544/-	380/-	628/-	390/-	296/-	160/-
Improvements/Ac.	208/-	174/-	198/-	176/-	71/-	62/-
Plant/Acre	101/-	96/-	96/-	88/-	70/-	56/-
TOTAL	£43	£33	£46	£32	£32	£14

Sources

- A) S.A.P.P. 1933
- B) CP 656, Series 21
- C) CP 656, Series 17
- D) CP 656, Series 20
- E) *ibid.*
- F) S.A.J.A. XXXIII (1929), pp772-800

TRACTORS

	Central	South East	Lower North	Upper North	Murray Mallee	Western
1925	310	34	289	69	84	100
1926	437	51	406	104	110	137
1927	577	67	598	150	167	252
1928	768	90	820	180	235	410
1929	863	133	908	232	300	535
1930	1079	188	1055	301	369	721
1931	1154	224	1093	324	398	780

No Data after 1931

Source Statistical Register of South Australia.

FARM RELIEF - Approvals/Applications

30 June	Drought Relief Act of			DAA ¹	FRA ²		EA		RA	FAA		PPD	
	1927	1928	1929		Part I	Part II	Para.5	Para.10		Part III	Part IV		
1928	1149/1628												
1929	1165/1638	1523/1790											
1930		1667/1952	3537/4290	247/867*									
1931		1675/1952	3902/4358	307/979		3426/4177 ⁺							
1932				371/1065	1290/....	2676/....							
						3459/4267		2561/2994	133/142				
1933				403/1128						2797/3027		1933	
1934											371/... 2055/2668	221/269 ^x 1680/... [†]	1934
1935											1724/2173	0/242	1935
1936											1411/1672	14/1843	1936
1937											1250/1404	353/2707	1937
1938											1019/1283	750/2707	1938
1939											706/1101	1040/2707	1939

1. DAA Debt Adjustment Act, 1929. Figures refer to Certificates issued.
2. FRA Farmers Relief Act, 1931. Pt.I-Private finance: Pt.II-Govt. finance
3. EA Farmers Relief Act Extension Act. 1931. Para.5-Govt. finance: Para.10-Private finance.
4. RA Farmers Relief Act, 1932.
5. FAA Farmers Assistance Act, 1933.
6. PPD Primary Producers' Debts Act, 1935. Schemes in operation

* To 25 March 1930

+ Total, both Parts, to 2 June 1931

x DAA Certificate Holders. By May 1933, 278 still in force

† To 25 July 1934

Sources Advertiser
GRG-6/2

S.A.P.D.
S.A.P.P. Nos. 4, 25

WHEAT CROP YIELDS (Bush./Acre)*

	Wheat- Farmers	Central	South East	Lower North	Upper North	Murray Mallee	Western	State Average
1920								
1921								
1922		13	15	13	10	8	6	10.5
1923		15	13	16	13	8	5	11.7
1924		14	10	18	15	10	11	14.3
1925		15	16	16	12	10	7	12.2
1926	12248	14	15	15	10	8	8	11.6
1927	12738	14	17	17	12	10	10	12.8
1928	n.d.	13	21	12	5	3	6	8.2
1929	13386	13	20	11	6	6	4	7.8
1930	13196	12	23	10	4	3	5	6.4
1931	14038	13	15	11	5	9	5	8.3
1932	14306	16	11	18	10	8	9	11.8
1933	14248	14	12	15	11	8	7	10.4
1934	13919	14	16	15	7	5	6	9.3
1935	13053	13	20	15	7	5	4	8.6
1936	12784	15	19	15	7	7	9	10.6
1937	12909	14	24	11	7	9	6	9.4
1938	13062	17	20	18	13	12	9	13.7
1939	12585	15	15	15	6	6	9	10.3

* Rounded to nearest bushel

Sources S.A.J.A.
 S.A.P.P. 4

FARM RELIEF - Financial Status

(£ @ 30 June)

		1928	1929	1930	1931	1932	1933	1934	1935	1936	1937	1938	1939					
Drought Relief																		
1927	A	158324	219253	203920	203442	203445	203459	All Drought Relief Acts 1914 - 1929	A	2044332	2044481	2044919	2045211					
	r	-	52304	43353	44622	46436	44830							r	894944	910482	935363	948278
1928	A	-	171166	279521	280711	280899	280931							W	100160	325048	485497	596626
	r	-	973	16852	15944	20120	25430											
1929	A	-	-	399873	786187	788205	788877	Arrears Interest		194404	145070	113622	94757					
	r			1442	16049	38045	57518	TOTAL ARREARS		1243632	954022	739679	595064					
FRA	Part I				92907	152109	n.d.*											
	r				-	124215	n.d.											
	Part II				193015	391326	394609	A 932974 r 717478 W 7286										
	r				-	309703	347157											
EA	Para. 5					181700	537419		n.d.* n.d.	A 1492415 r 1029188 W 28057	1492457	1492476	1518723	1518744				
	r					83	354329											
	Para. 10						35768			1033248	1036228	1039927	1043243					
	r						29294			28057	28057	150431	233959	285217				
RA	A						425682	558672 258477										
	r																	
FAA	A							179278	661331	1128454	1739287	2187715	2425855					
	r							66361	428440	806770	1357763	1761255	1992352					
	W							-	-	-	16335	29116	53782					
CUMULATIVE TOTAL (Farm Relief Acts)				A	193015	573026	1357720	1670924	2153746	2620911	3231763	3706438	3944599					
				r	-	309785	701486	1042316	1457628	1841018	2393998	2801182	3035595					
				W	-	-	-	7351	28057	28057	166766	263075	338999					
TOTAL ARREARS					193015	273241	656296	521357	668061	751836	770999	631181	560005					

A Advances
r Repayments
W Written Off
* Private Finance - no further Data.

Sources GRG-6/1/135
S.A.P.P. Nos. 4, 25.

SUCCESS of ASSISTED FARMERS

ACTS	30 June	Proportion (%) Farmers Assisted who					Total Repaid	
		Costs and All Debts	Costs and Div.on Debts	Part Costs	Failed to Repay Advances in Part All		Div.on Debts	Adv. & Div.on Debts
1927	1930	21						249
	1931	24						279
	1932	25						290
	1933	26						308
1928	1930	6						95
	1931	6						104
	1932	8						129
	1933	9						149
1929	1930	.2						7
	1931	2						132
	1932	7						260
	1933	9						365
DAA	1933	1.1	15.3	71.7	5.7	6.2		156
FRA	1932	4.4	30.2	39.7	20.6	5.1	1200	2575
EA	1933	1.5	9.2	34.1	49.8	5.4	29	1200
RA	1934	.9	2.2	18.5	68.5	9.9	87	600
FAA	1935	1.2	5.7	27.9	55.4	9.8	141	711
	1936	1.8	12.5	37.5	44.8	3.4	255	905
	1937	3.7	16.3	41.2	34.6	4.2	280	858
	1938	3.8	10.6	36.3	48.8	.5	179	634
	1939	.8	4.3	30.9	62.2	1.9	52	366

FATE of FARMERS REFUSED ASSISTANCE 1934-35

Total Initially Refused Assistance	610
Total Investigated	450

RESULTS

Recommended for Assistance	110
Not Recommended for Assistance	340

Basis of non-recommendation.

Not in need / unwise to assist-	110
Remaining on land, not cropping-	62
Primarily Graziers-	60
Made arrangements with Creditors	55
Vacated Holdings and:	
employed elsewhere	20
living on pensions	4
living with relatives	3
No Information	26
Total Vacated Holdings-	53

Source "Report of Committee appointed to investigate cases of Farmers whose applications under FAA were declined"
(GRG-6/1/68)

CONTINUITY - Farmers Assistance Act, 1933.

Season	Applications	Approved	Refused	Withdrawn Cancelled	Did not Reapply
1934/5	r -	1987	-	-	-
	n -	68	-	-	-
	T 2668	2055		610	-
1935/6	r 2019	1659	202	158	36
	n 135	56	79	0	n.a.
	T 2154	1715	281	158	36
1936/7	r 1609	1384	217	8	106
	n 60	27	33	0	n.a.
	T 1669	1411	250	8	106
1937/8	r 1182	1025		157	229
	n 21	1		20	n.a.
	T 1203	1026		177	229
1938/9	r* 975	682	-	-	-
	n* 54	1	-	-	-
	T 1283	1019		264	

r Re-applications
n New Applications
T TOTAL

* Incomplete Data

Sources GRG-6/17
S.A.P.D.

BOARD FARMING COSTS

Commodity	Seasonal Expenditure/Farm (shillings)					
	1932-3	1933-4	1934-5	1935-6	1936-7	1937-8
Superphosphate	1160/-	-	930/-	938/-	906/-	1094/-
Horse-feed	n.d.	-	172/-	234/-	182/-	338/-
Fuel/oil	340/-	-	334/-	364/-	402/-	440/-
Parts/Repairs						
Tractor	} 183/-	-	26/-	30/-	48/-	50/-
Others			302/-	358/-	388/-	440/-
Machinery & Plant	4/-	-	94/-	230/-	332/-	442/-
Stallion/Vet.Fees	n.d.	-	32/-	38/-	50/-	58/-
Cornsacks-Twine	350/-	-	322/-	500/-	388/-	448/-
Wages	200/-	-	404/-	504/-	746/-	900/-
Livestock	n.d.	-	234/-	352/-	420/-	478/-
Fencing Wire}	n.d.	-	56/-	64/-	130/-	178/-
Poison }						
Medical Fees	n.d.	-	82/-	74/-	92/-	108/-
Sustenance}	960/-	-	1450/-	1544/-	1622/-	1782/-
Clothing }						
Insurance	n.d.	-	22/-	24/-	36/-	54/-
Miscellaneous	180/-	-	286/-	498/-	738/-	1170/-
TOTAL (rounded)	£170		£238	£288	£324	£398
Increase on previous season				21%	13%	23%
Total Expenditure	£434995		£488307	£493397	£457114	£497785

Sources GRG-6/1/43
S.A.P.D.

STATE FARM RELIEF FINANCE (£)

30 June	Advances	Treasury			Loan Account	Board Farm Expend.
		Trust Account		Funds to cover liability		
		Deposit	Proceeds	Total		
1931						
1932	391326					
1933	540774				60049	434995
1934	738824				97679	-
1935	482822	30022	17143	47165	256978	488307
1936	467164	26679	58516	85195	362992	493397
1937	610852	27173	38008	65181	426463	457114
1938	448553	78071	15622	93693	463631	497785
1939	264283	47630	7234	54864	421418	

Source S.A.P.P. 4.

Table 24
SUSTENANCE

<u>ALLOWANCES*</u> (shillings/week)	Adults		Children		
	Single	Married	Under	2-14	Over
	Man.	Couple.	2 Years	Years	14 Years
Date					
20 March 1931	10/-	15/-	2/6	2/6	2/6
11 January 1932	10/-	20/-	2/6	2/6	2/6
6 February 1934	15/-	20/-	5/-	2/6	3/6
1 March 1937	15/9	20/9	5/9	3/3	4/3
1 March 1941	15/9	21/6	5/9	4/-	5/-

Sources GRG-6/1/41
GRG-6/1/43
GRG-35/291

* In addition the Board calculated that sidelines were worth about 10/- per week, and ration sheep or pigs approximately 5/3 per week.

APPRECIATED VALUES

(married couple, shillings/week)	30 June	Board Allowance	Theoretical ⁺ Allowance
	1931	15/-	25/2
	1932	17/6	21/9
	1933	20/-	20/10
	1934	20/-	20/9
	1935	21/6	21/6
	1936	21/6	21/10
	1937	21/6	22/7
	1938	21/6	23/4
	1939	21/6	25/1

⁺ Calculated from fluctuations in cost of living, using 1935 as base.

Source GRG-6/1/38

N.B. No attempt has been made to reconcile conflicting valuations of sustenance allowances in various Board documents.

COMPARATIVE SUSTENANCE ALLOWANCES

(shillings/week)

		Single Man	Married Couple.	Other
1930	Country Relief			16/- 2 Adults, 2 Children
1931	Farm Hand (Lower North)	18/1		
	Farm Hand (South East)	18/-		
	Station Hand	10/2		
	Basic Wage			75/- 2 Adults, 3 Children
1932	Basic Wage			60/- 2 Adults, 3 Children
1933	Soldier Settler	47/6	58/-	
1934	Basic Wage			63/- 2 Adults, 3 Children
	Station Hand	8/10		(cost of rations supplied)
1937	Basic Wage			69/6 2 Adults, 3 Children
1938	Commonwealth Relief	6/-	13/11	(plus approx. 4/6 /Child)
	Unemployment Relief	7/6		17/- 2 Adults, 2 Children
	Unemployed Settlements			22/6 2 Adults, 3 Children.

Sources D.A. 834/25
A. Grove-Jones written communication, 23 March 1973.
GRG-6/1/41
Pioneer
S.A.P.D.
U.R.C. Quarterly Reports

Table 26VARIETIES of SIDELINES

(present on % farms)

Assisted Farmers

	Acres Wheat	Sheep	Cattle	Pigs	Fowls
1931					
1932	-	49	63	53	8
1933	390	29	54	42	4
1934	370	31	53	50	n.d.
1935	314	26	43	20	37
1936	298	59	70	41	70
1937	297	65	85	46	69
1938	304	94	71	29	64
1939	298	91	82	36	36

Source GRG-6, Series 9, 11, 12, 13, 14.State Average Farmers

	Acres Wheat	Sheep	Cattle	Pigs	Fowls
1933	373	88	93	n.d.	n.d.
1936	235	68	84	57	n.d.
	298*	71	85	58	n.d.

* Median acreage, comparable with 1936 Assisted Farmers DataSources CP 656 Series 17
Statistical Register of South Australia

Table 27ANNUAL FARM INCOME

	Marginal Lands £	Assisted Farmers		Total* £
		From Wheat £	From Sidelines £	
1920				
1921				
1922	609			
1923	656			
1924	863			
1925	779			
1926	702			
1927	862			
1928	440			
1929	392			
1930	156			
1931	327	185	61	169
1932	379	280	124	310
1933	547	250	123	212
1934	408	220	61	138
1935	262	268	80	174
1936	415	330	185	327
1937	561	640	99	480
1938	660	585	196	550
1939	393	250	154	340
Average	545	250	145	280

* Based on published figures which ignore sideline income.

CP 656 Series 21, gives income figures for 1933: Wheat, £600,
Sidelines, £229

Sources GRG-6, Series 9, 11, 12, 13, 14.
S.A.P.P. 4.
S.A.P.P. 52, 1947.

FARMING PLANT

Operation	Implement*	% Farmers owning Implements	
		State Average	Assisted Farmers
Power	Tractor	36	28
	Horses*(number)	90 (16)	78 (10)
Seeding	Plough*	100	100
	Combine	74	67
	Drill*	44	55
Cultivation	Harrows*	96	67
	Cultivator*	97	46
Cropping	Header	41	19
	Stripper	30	65
	Harvester*	36	53
	Reaper/Binder*	24	-/49
	Engine*	55	45
	Winnowar	49	44
	Chaffcutter	51	57
Transport	Dray*/Cart	100	67
	Waggon*	33	79
	Car	81	21

* Indicates implements regarded as essential in D.A. 490/30

Sources CP 656, Series 17
GRG-6, Series 2, 9, 11, 12, 13, 14.

ASSISTED FARMERS: CROPS and LIVESTOCK

Season	Cereal Acreage			Livestock Numbers				
	Wheat	Oats	Barley	Horses	Sheep	Cattle	Pigs	Fowls
1930-1								
1931-2				8	103	5	4	58
1932-3	390	23	10	9	111	8	11	50
1933-4	370	31	7	10	138	6	7	n.d.
1934-5	314	50	12	10	278	8	10	72
1935-6	298	44	16	10	134	9	7	72
1936-7	297	59	12	10	250	9	6	56
1937-8	304	50	17	10	221	8	5	64
1938-9	298	48	20	12	315	10	4	55

Sources GRG-6, Series 2, 9, 11, 12, 13, 14.
S.A.P.P. 4.

WHEAT BOUNTY PAYMENTS

Season	Bounty			Payments		
	shillings /acre	pence /bushel	No. Farmers	£	Total ⁺ £	per Farm
1931-2	-	4½	n.d.	871431	871431	
1932-3	2/2.4	-	15643	416289	507138	£30- 8-0
	1/6*	-	805	28247		£35- 0-0
1933-4	3/5.7	-	6484	702881	764543	data incom.
	1/6*	-	n.d.	62875		
1934-5	3/-	-	14688	503544	931307	£34- 5-0
	3/3.2*	-	2300	127076		£55- 5-0
		3	21051	300686		£14- 5-0
1935-6	2/2½	-	13914	363033	432170	£26- 0-0
	2/7*	-	2207	69137		£31- 0-0
1938-9	3/0½	-	n.d.	98161	650744	
	-	4.74	n.d.	551072		

Grand Total: £3285900

⁺Totals may not agree, due to variety of sources.

*Special/Hardship Allowances.

<u>Sources</u>	<u>Advertiser</u>
	GRG-6/1/43
	GRG-6/3/88
	R.R.C. X
	S.A.P.D.
	S.A.P.P. 4

BANKRUPTCY COURT

	Bankruptcies/Compositions			Assets as % Liabilities	Compositions without Bankruptcy ⁺ Corrected for Duplication	
	Farmers	Primary Producers	Total State		Total	
1920						
1921	12	16	155			
1922	29	34	217			
1923	44	50	294	67		
1924	17	43	341	64		
1925	48	66	373	99		
1926	55	75	439	83		
1927	48	66	493	64		
1928	49	66	446	n.d.		
1929*	48	51	306	87	248	
1930	95	120	622	85	386	356
1931	411	456	996	71	759	673
1932	286	316	654	72	560	378
1933	255	282	570	89	390	236
1934	340	373	626	72	434	322
1935	346	357	597	62	420	327
1936	325	342	551	75	403	311
1937	n.d.	227	468	75	329	237
1938	n.d.	245	461	74	306	254
1939	n.d.	344	630	67	460	n.d.

⁺ Mainly Farmers

* From 1929 figures include Assignments and Arrangements also.

Sources Official Yearbook of the Commonwealth of Australia
Statistical Register of South Australia
S.A.P.D.

PROSECUTIONS

Offence	1934	1935	1936	1937	1938	1939
Disposal contrary to Act	1	1	1	0	3	1
Money by False Pretences	3	1	1	1	4	3
Unlawful Possession	1	0	0	0	0	0
Larceny	2	5	2	2	5	0
Fraudulent Conversion	1	1	1	0	18	12
Receiving	0	0	0	0	3	0
Breaches of EA, RA.	11	0	0	0	0	0
Failure to comply with Direction	4	0	0	0	0	0
<u>Total</u>	23	8	5	3	34	16
Prosecutions against Unemployed on Relief.	155	107	83	69	67	57

Summary: Prosecutions initiated against 1.2% of Farmers assisted and against 0.8% of Unemployed.

Sources GRG-6/1/104
U.R.C. Quarterly Report

Table 33

DEBT ADJUSTMENT
(First 1040 Schemes)

	Debt Before Adj.	Paid From			Written Off	Liabilities After Adjustment	
		Own Funds	Commonwealth Gift	Loan		To Creditor	Inc. Comm'lth Loan
Crown	1824131	16933			655228	1151970	1151970
Municipal	84457	1372	128	30	531	83518	83548
Secured	1659347	7929		1048	7527	1642843	1643891
Secured to Unsecured	1179490	63330	455279	266537	1239038	55097	321634
Unsecured	903361						
TOTAL	5650786	92864	455407	267615	1902594	2933428	3201043
Average/Farm	£5433	£89	£437	£257	£1829	£2820	£3077

Source S.A.P.P. 4, 1939, p.63

Table 34

CROWN DEBTS

Proportion Held By

State Bank	General	13.9%
	A.S.B. etc.	5.0%
	Credit Foncier	3.7%
Farmers Assistance Board	Drought Relief	13.3%
	Farm Relief	4.5%
	FAA	3.3%
Other	Department of Lands	51.4%
	State Land Tax	2.2%
	Water Rates	2.2%
	Misc.	0.5%

Source First 850 Schemes of Debt Adjustment
GRG-6/3/70

<u>Table 35</u>	Debt Adjustment	
	1936-7 Schemes 101-200	1939 Schemes 901-1000
Median Repayment in £	80 pence	60 pence
Proportion Creditors ranking all Debts as Unsecured:		
Banks	32%	13%
Pastoral Coy.	25%	75%
Commercial	33%	63%
Private	27%	25%
Value of Debts Written Down		
By Mortgagees	£22000	£54000
TOTAL	£676000	£107000

Source GRG-6/19

<u>Table 36</u>	Debt Adjustment	
	1936-7 Schemes 1-353	1938-9 Schemes 750-1040
Total Debt per Farmer	£5350	£5750
Secured Debt (Non-Government)	£2700	£3000
Secured Debt ranked as Unsecured	33.5%	51%
Adjustments expressed in pence/£:		
Paid on Unsecured Debts by		
Farmer	9½	½
Commonwealth Grant	51½	51½
Commonwealth Loan	22	40
TOTAL	83	92
Written Off	154	134
Owed by Farmer	5	13
Owed by Farmer on Comm'lth Loan	22	40
Total Farmer's Debt Outstanding	27	53

Source S.A.P.P.

REGIONAL DISTRIBUTION RELIEF APPLICATIONS

(percentages)

	Central	South East	Lower North	Upper North	Murray Mallee	Western
State Farmers	30	3	23	9	16	20
DAA	25	3	27	8	21	15
FRA	7	0	8	5	32	47
EA	7	1	10	4	40	37
RA	6	1	12	3	53	24
FAA	14	2	20	3	39	23
PPD	19	2	25	6	22	26
All Acts	10	1	14	5	36	34

Sources GRG-6, Series 2, 9, 11, 12, 13, 14.
Statistical Register of South Australia

Table 38ASSISTED FARMERS and the STATE

30 June	Percentage of State's			bushels
	Wheatfarmers	Acreage	Production	/acre
1931	n.d.	n.d.	n.d.	3.7
1932	19	n.d.	n.d.	4.7
1933	18	26	12	5.8.
1934	20	26	10	4.5
1935	16	20	9	4.6
1936	13	17	10	7.3
1937	11	14	7	6.2
1938	10	12	8	10.0
1939	8	10	6	7.6
Average	13	19	9	-

Sources S.A.P.P.
Statistical Register of South Australia

Table 39FARMERS' EXPERIENCE (Years)

	Central	South East	Lower North	Upper North	Murray Mallee	Western
Median	26	n.d.	25	23	21	22
Average	22	n.d.	22	27	19	23

Source CP 656, Series 17

Table 40REPAYMENTS S.A. & N.S.W.

30 June	Percentage Advances Outstanding			
	for each Season at end of Season		of accumulated advances by end of each Season	
	S.A.	N.S.W.	S.A.	N.S.W.
1931	n.d.	n.d.	n.d.	n.d.
1932	21	n.d.	47	n.d.
1933	34	n.d.	49	n.d.
1934	54	n.d.	38	n.d.
1935	35	75	32	65
1936	28	51	30	49
1937	21	24	26	25
1938	20	47	24	24
1939	18	59	22	19

Sources N.S.W.P.P.
S.A.P.P.

DEBT ADJUSTMENT in AUSTRALIA

State	Applications Approved as %		£ Debt per Applicant		% Reduction	Concessions for £1 of Commonwealth Grant
	Primary Producers	Wheat Farmers	Before Adj.	After Adj.		
N.S.W.	0.4	5	6068	4858	19	10/-
Vic.	1.0	17	5042	3406	32	26/-
Qld.	4.8	19	2400	1576	34	13/-
S.A.	1.8	8	5431	3042	43	59/-
W.A.	6.5	33	4352	3128	28	58/-
Tas.	1.7	-	2221	1643	26	14/-
Australia	1.3	13	4252	4942	30	31/-

Source Census
 Wheatgrower

Table 42

REGIONAL DISTRIBUTION DEBT ADJUSTMENT

(percentages)

	Central	South East	Lower North	Upper North	Murray Mallee	Western
State Wheatfarmers	30	3	23	9	16	20
Applicants ⁺	12	2	20	6	31	29
On Marginal Lands*						
State Wheatfarmers	a	0	0	5	7 ^a	11
Applicants ⁺	4	0	0	6	51	38
On Marginal Lands within Stat. Divisions						
Wheatfarmers	a	0	0	50	24 ^a	36
Applicants ⁺	12	0	0	41	61	49

* As defined in S.A.P.P. 52, 1947, 23% State Wheatfarmers on Marginal Land, 37% Applicants

^a Murray Mallee and Central Data combined.

⁺ First 1040 Schemes of Adjustment, GRG-6/19

ANNUAL RELIEF COSTS

30 June	Farm Relief				Unemployment Relief		
	£/Farm Advanced	Repaid	Persons /farm	Cost d/Head /week	£ per Family	Persons /Family	Cost d/Head /week
1931	n.d.	n.d.	n.d.	n.d.	28	3.4	55
1932	147	130	4.4.	18	26½	2.9	57
1933	210	138	5.3	62	25¾	3.4	51
1934	207	92	4.6	115	27	3.1	55
1935	322	208	5.1	103	30½	3.8	60
1936	271	219	4.8	50	34½	3.9	68
1937	435	394	4.2	45	38	3.8	72
1938	358	323	4.5	36	37½	3.7	71
1939	234	227	5.2	6	39	3.4	72
Average	255	196	4.7	58	£29-10-0	3.4	59

Sources GRG-6 Series 9, 11, 12, 13, 14.
S.A.P.P. 4
U.R.C. Quarterly Report

MATHEMATICAL

Conditions

Secured Debt

ranked as unsecured = Y

retained as secured = X

Original Secured Debt thus = X + Y

Creditors require eventual repayment of 75% of Secured Debt
= $\frac{3}{4}(X+Y)$

Appendix I:

Payment of 5/- in the Pound on Unsecured Debt = $\frac{1}{4}Y$

Calculation;

$$\frac{3}{4}(X+Y) = X + \frac{1}{4}Y$$

$$\frac{3}{4}X + \frac{3}{4}Y = X + \frac{1}{4}Y$$

$$X = 2Y$$

Since Original Secured Debt = X + Y
= 3Y

i.e. Proportion of Debt ranked as unsecured can be one third of the total, and still return an overall repayment of 75% of the Debt, when an offer of 5/- in the Pound is made.

Appendix II:

Payment of 90 pence in the Pound on Unsecured Debt = $\frac{90Y}{240}$

Calculation;

$$\frac{3}{4}(X+Y) = X + \frac{90Y}{240}$$

$$\frac{3}{4}X + \frac{3}{4}Y = X + \frac{90Y}{240}$$

$$Y\left\{\frac{3}{4} - \frac{90}{240}\right\} = X\left(1 - \frac{3}{4}\right)$$

$$\frac{3Y}{8} = \frac{X}{4}$$

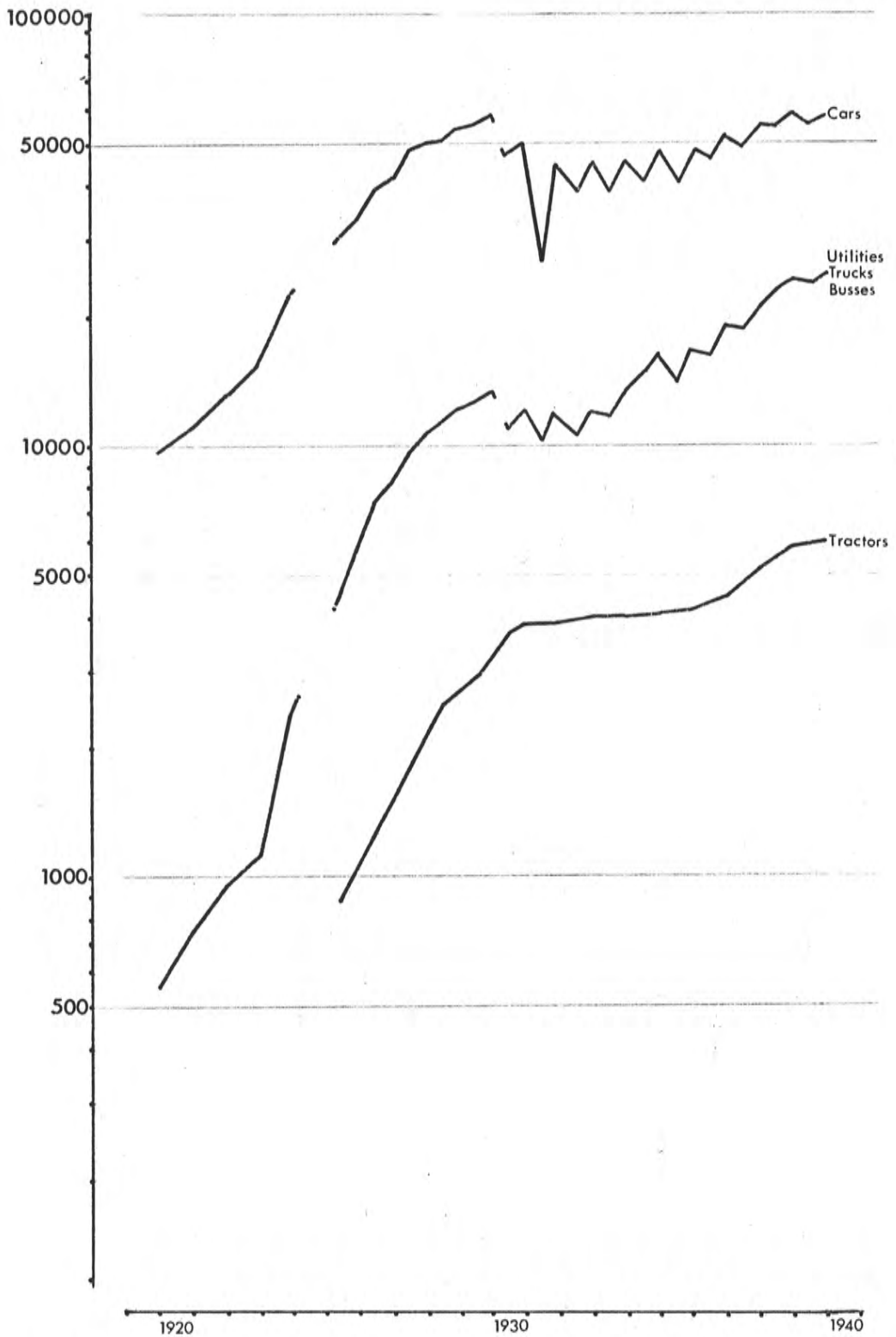
$$X = \frac{3Y}{2}$$

Since Original Secured Debt = X + Y
= $\frac{5Y}{2}$

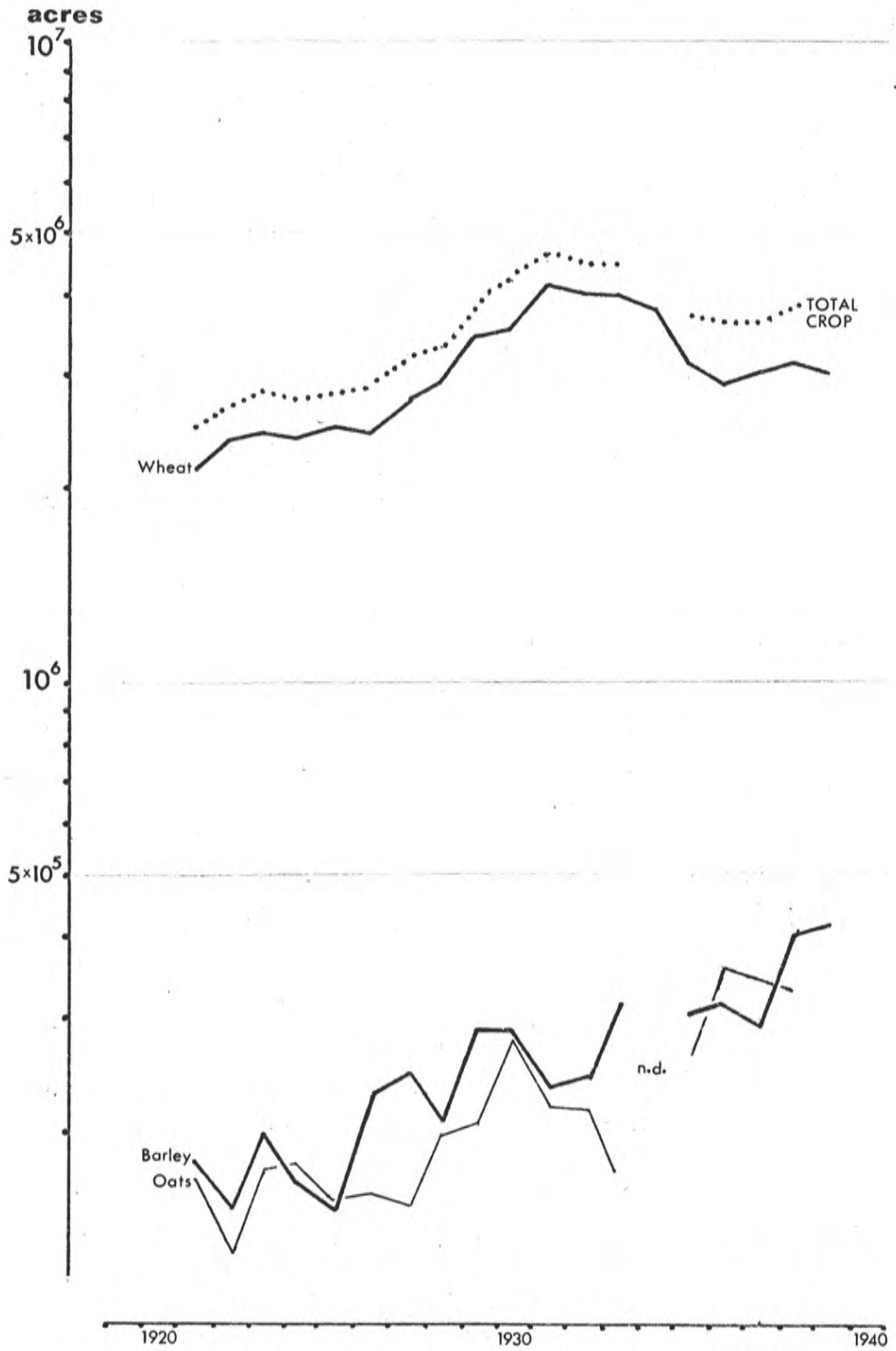
i.e. Proportion of Debt ranked as unsecured can be two-fifths (40%) of the total, and still return an overall repayment of 75% of the Debt, when an offer of 90 pence in the Pound is made.

GRAPHS

All linear graphs are drawn using a semi-logarithmic scale. Thus the steepness of the slope of any line is a representation of the rate at which the values are changing.



Sources Statistical Register of South Australia



Sources Statistical Register of South Australia

GRAPH III Monthly Wheat and Wool Prices

Pence

200

100

90

80

70

60

50

40

30

20

10

9

8

7

6

5

4

3

2

1920

1925

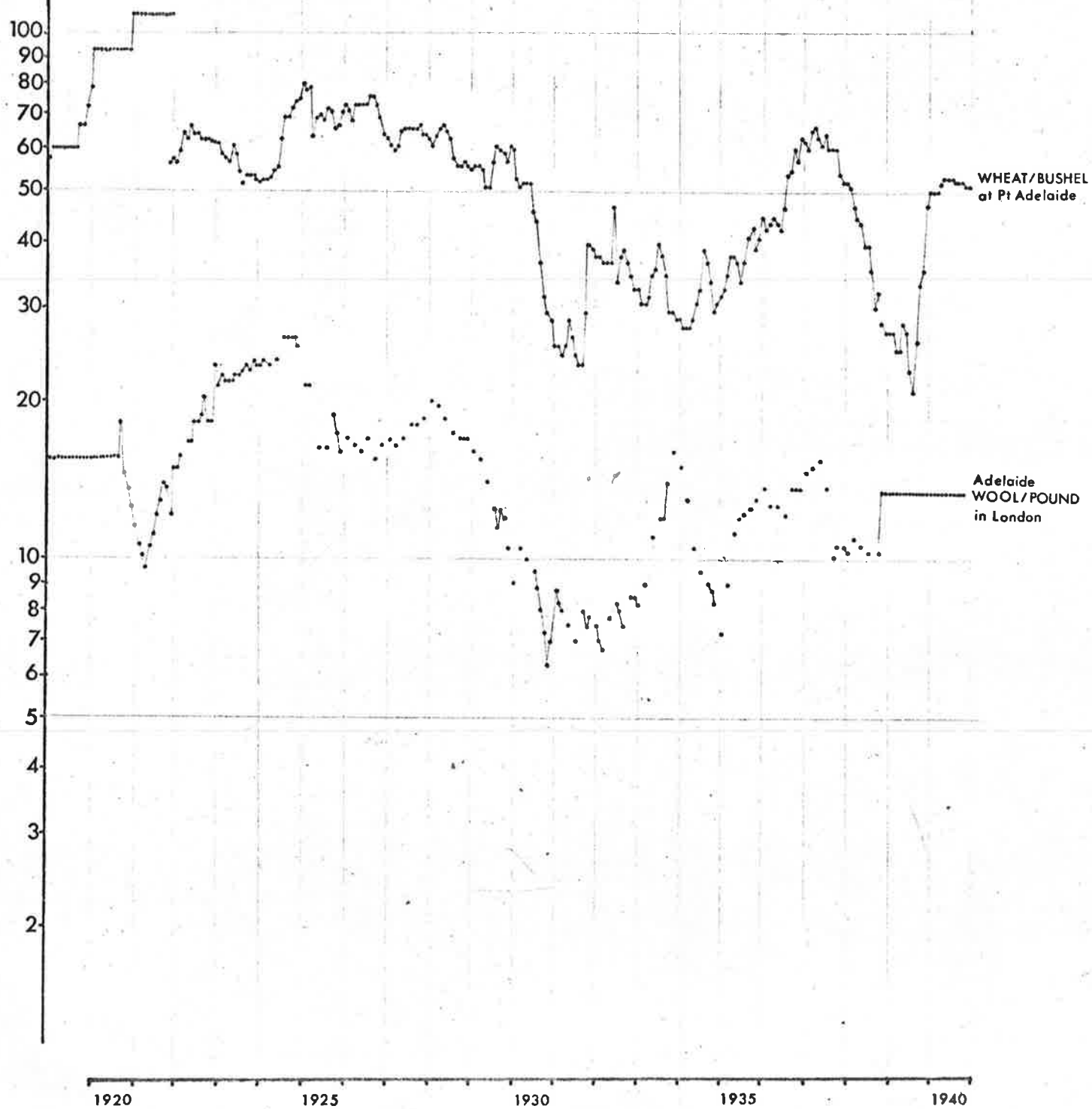
1930

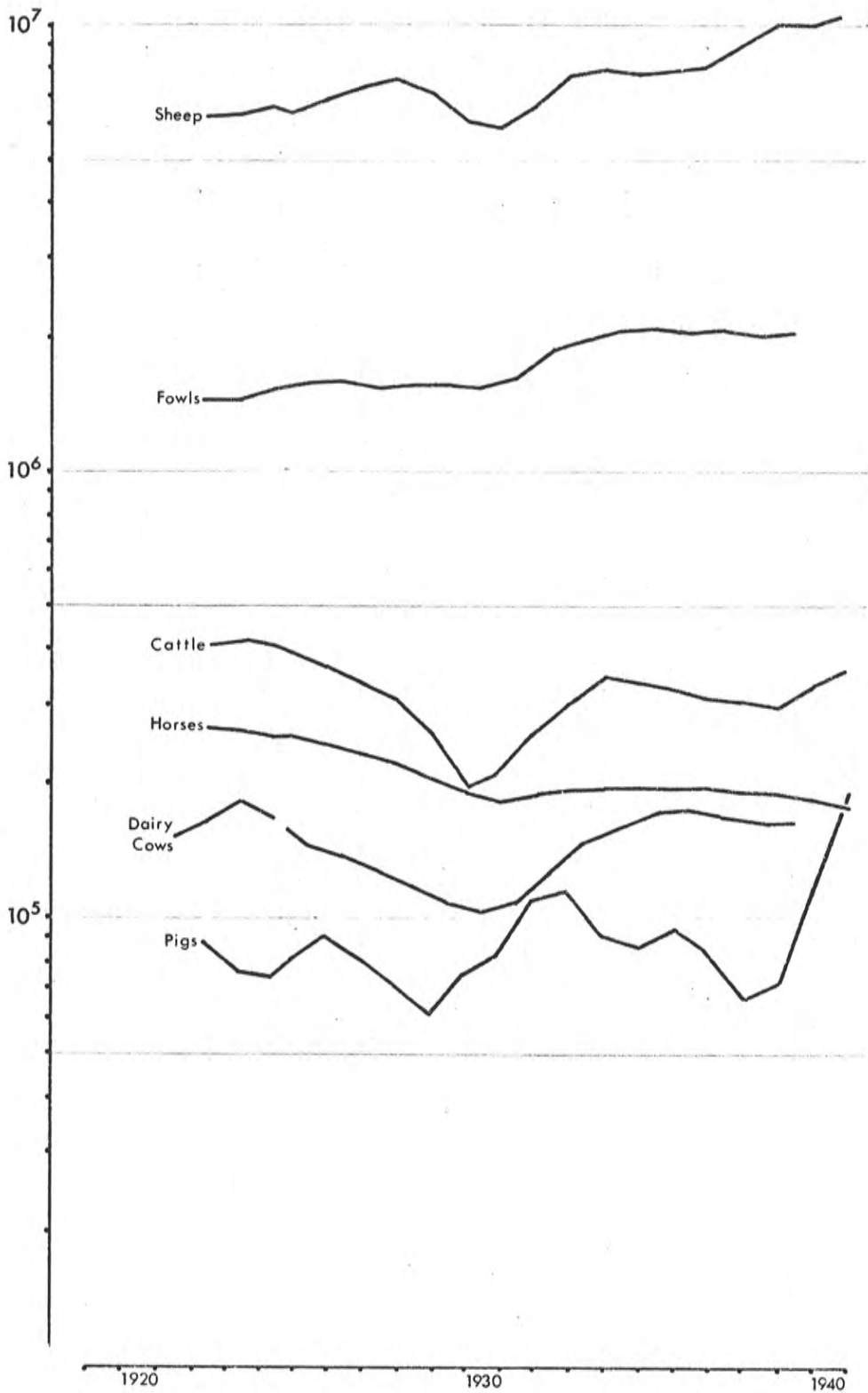
1935

1940

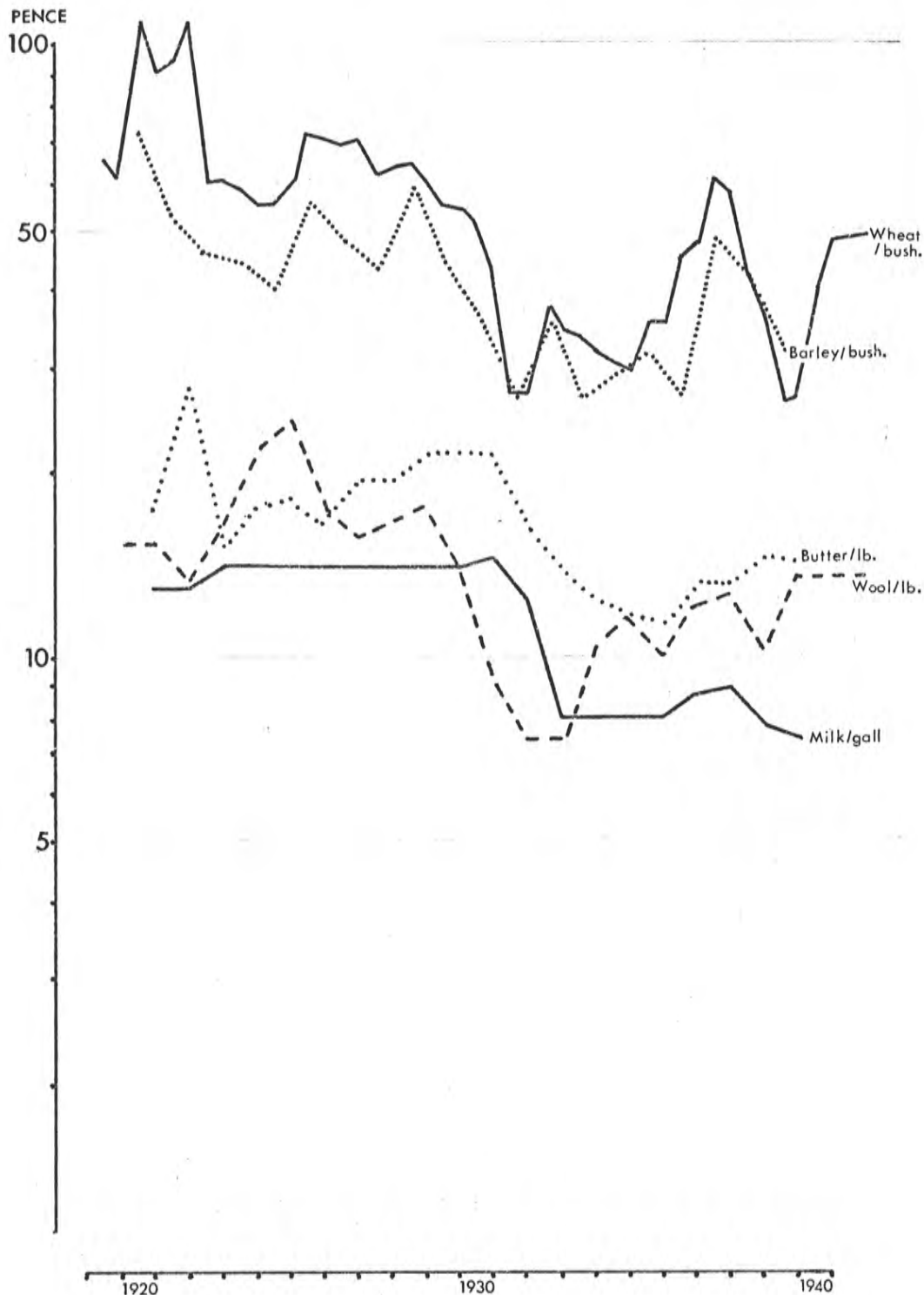
WHEAT/BUSHEL
at Pt Adelaide

Adelaide
WOOL/POUND
in London

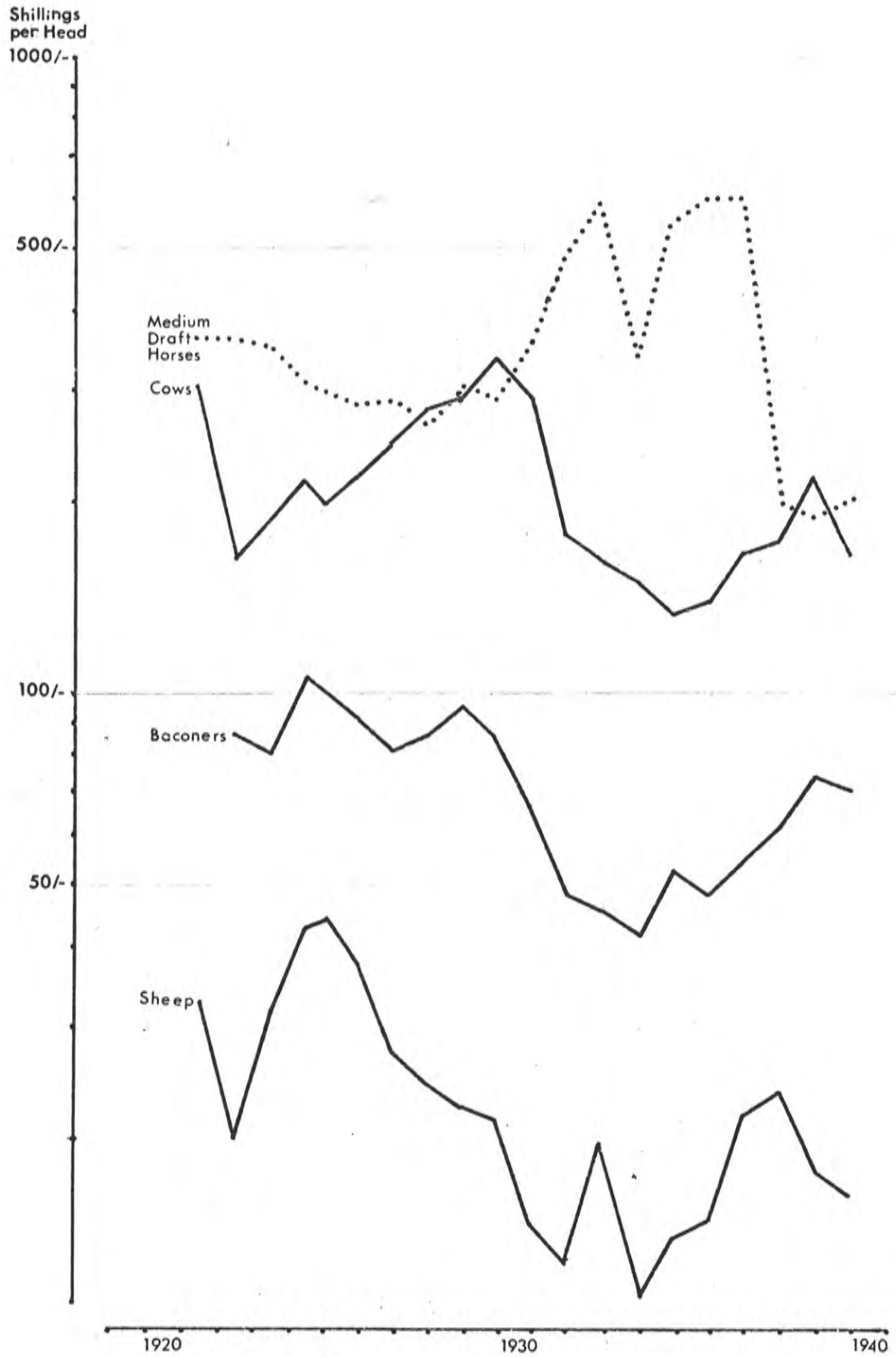




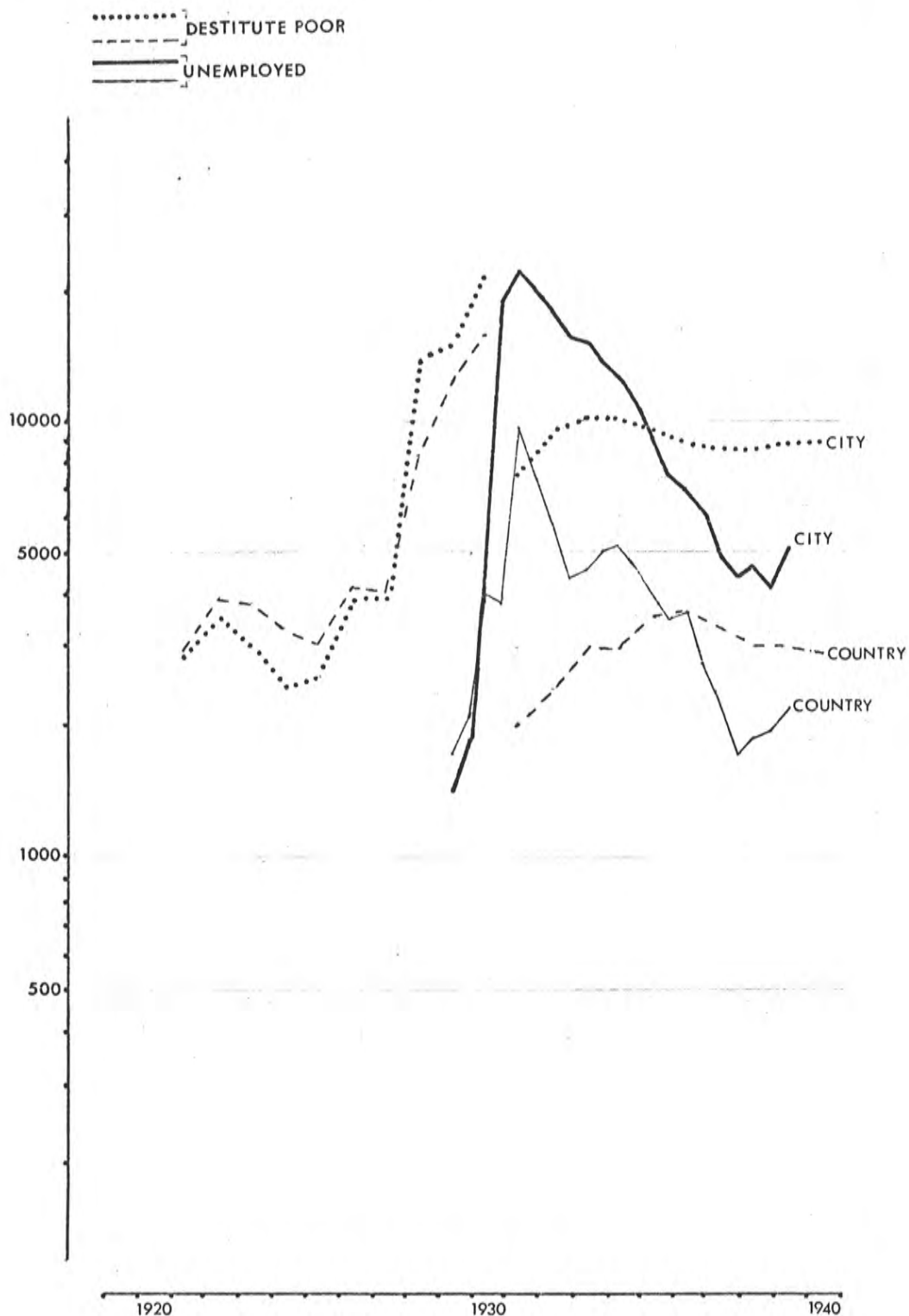
Source Statistical Register of South Australia



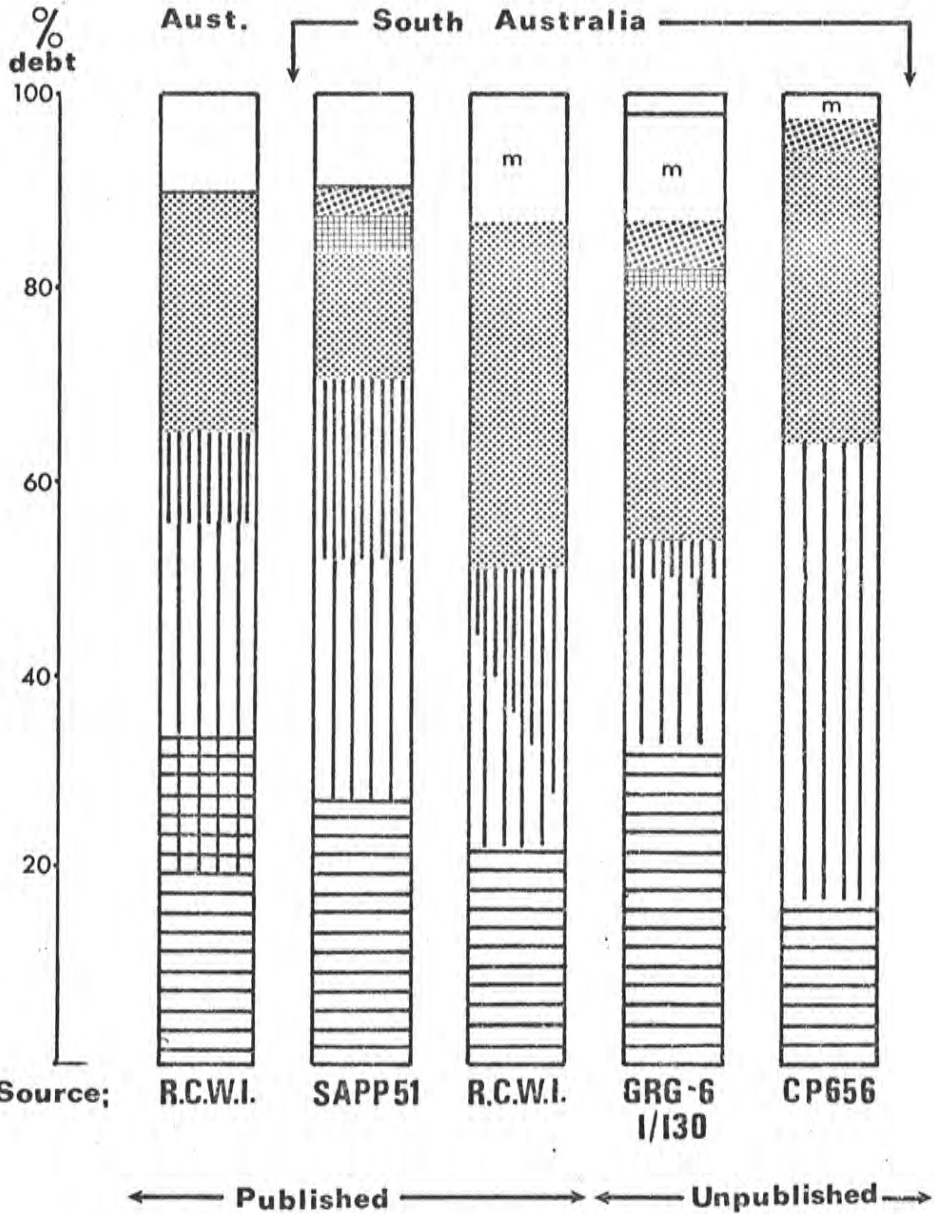
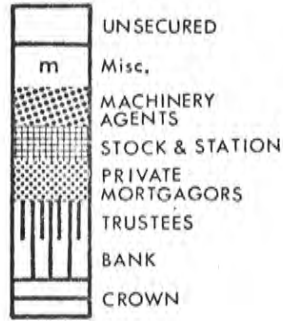
Source Statistical Register of South Australia



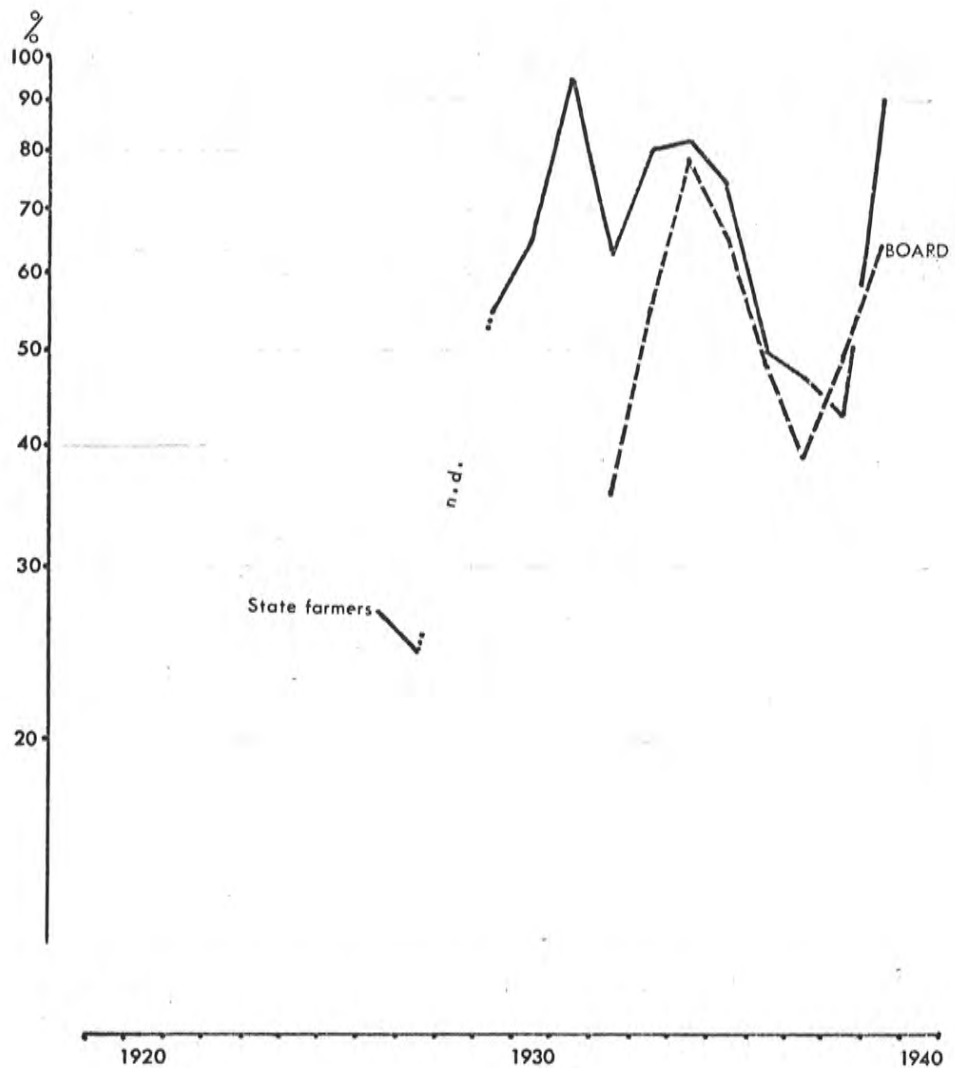
Source Statistical Register of South Australia



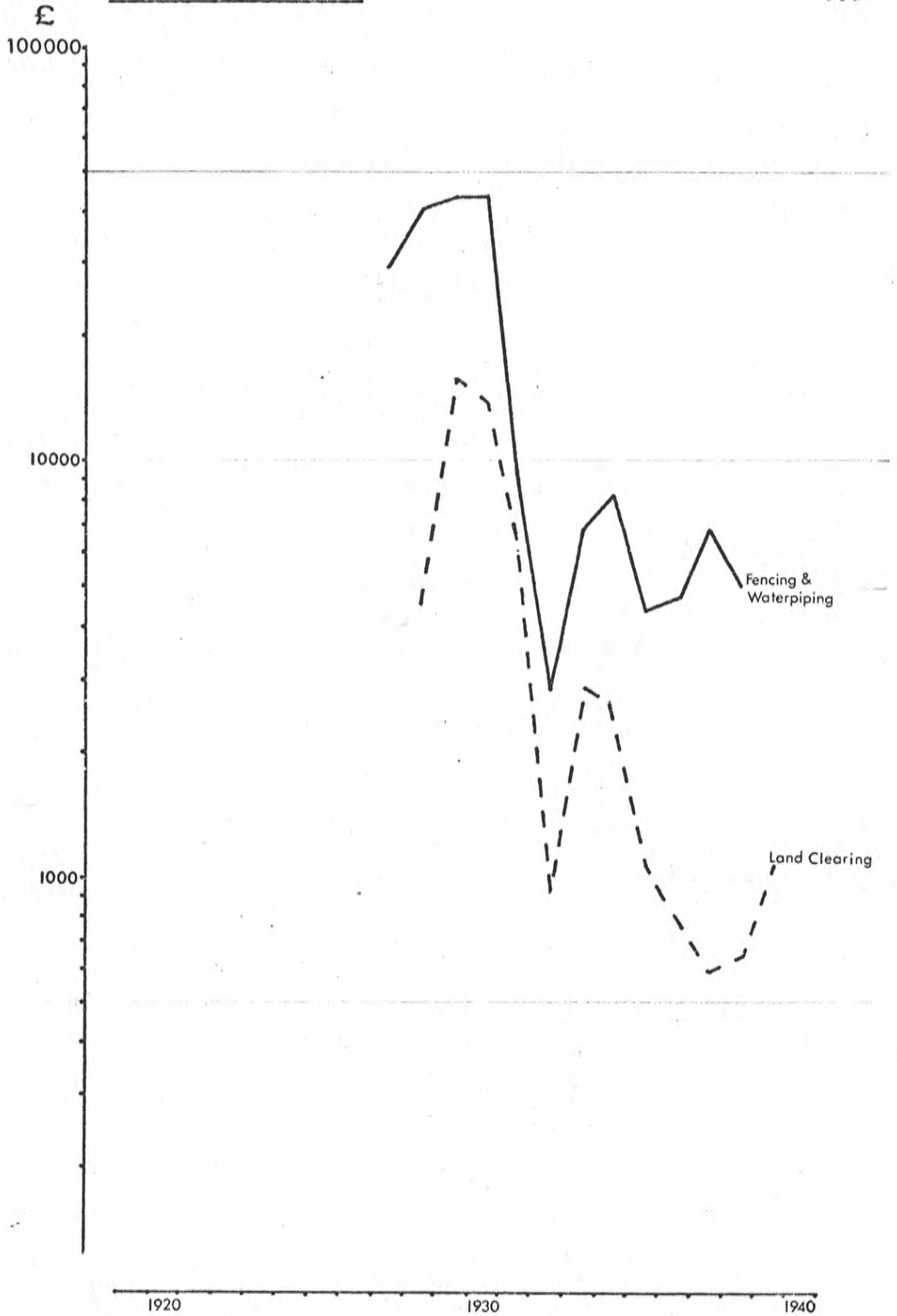
Sources Statistical Register of South Australia
U.R.C. Quarterly Reports



* Calculated from the returns for the wheat crop per acre, compared with the average cost per acre in the various Statistical Areas. The 'failure' rate is exaggerated because the wheatfarmers also had some sideline income. The Farmers Assistance Board figures are for mixed farms.



Sources S.A.P.P. 4
Statistical Register of South Australia.



Source S.A.P.P. 25

BIBLIOGRAPHY

BIBLIOGRAPHYPrimary Sources (Unpublished)Personal:Oral History:

With the exception of Sir Kingsley Paine and "W.A. Salter", all interviews cited in the text are preserved on magnetic tape in the authors' collection. In addition the History Department of the University of Adelaide holds the original cassette recordings of the first three interviews listed below.

Mr L. Russell, ex-farmer, interviewed September, 1972.

Mr "V. Sarne", ex-F.A.B. Supervisor, interviewed September, 1972.

Hon. T.C. Stott, ex-farmer and Independent MP., interviewed
September, 1972.

Mr D. Butler, farmer, interviewed September, 1971.

Mrs R. Hunt, wife of farmer and M.P., the late R.W.R. Hunt,
interviewed September, 1971.

Mr E. Mattinson, farmer, interviewed, September, 1971.

Mr E. Milne, farmer, interviewed September, 1971.

Written Communications:

These letters were, in the main, sent to me in response to appeals through country newspapers and to a broadcast appeal on Nancy Robinson's radio programme on 5DN. Most deal with the social impact of the Depression, and with life under the F.A.B.

administration. (In alphabetical order with occupation in the 'thirties).

- Mrs J. Airy, farmer's daughter.
- Mrs D. Chesterfield, railways clerk.
- Mr A. Grove-Jones, cattle station bookkeeper.
- Mr A. Jericho, farmer.
- Mr G. Macdonald, storekeepers son.
- Mr R. Reichstein, agent.
- Mrs N. Robinson, farmer's daughter.
- Mrs J. Rowley, storekeeper's daughter.
- Mr E. Sawyers, farmer.
- Mr H. Schiller, farmer.
- Mrs "S. Tate", farmer's wife.

Government (State)

Agriculture: (Department of Agriculture, Gawler Place, Adelaide) Correspondence Dockets 1925-1939.

The Department of Agriculture holds a complete set of all correspondence files dating from its inception in the late Nineteenth Century to the present. The only files missing from the basement storage are those dealing with promotion and employment of Department personnel, and the correspondence files still in use. The future of this unique collection is undecided, but it is likely to be randomly reduced in size and forwarded to the Archives when the Department moves to new premises in the near future.

All files are numbered consecutively in order of receipt in any one year. Thus the first file of 1937 is cited as D.A. 1/37. Until the late 1940's at least the short title of each docket was entered in order of receipt in a series of index books which also survive. In the 'thirties the Department generated over one thousand dockets each year. Of these about one tenth relate to conferences, reports, investigations and analyses of changes in agriculture. The remainder deal with routine matters such as soil tests, water sampling and advice to farmers.

Archives: (State Archives, North Terrace, Adelaide)

Government Record Group No.6.

Drought Relief and Farmers Assistance.

This Group, not previously available for research, contains the surviving correspondence files and farmers' applications for various Drought and Farm Relief Legislation 1914-1941. Only about 5% - 10% of the original files survive, due to the passage of time, and their transmission through several Government Departments, before arriving in the Archives via the Department of Lands. It is this Department which gave permission for me to use the Records. The most serious gap in the collection is the absence of any correspondence or internal memo files relating to the Acts administered by the State Bank; FRA, EA, RA. The most relevant of the 22 Series in the Group are Numbers 1, 2, 3, 4, 9, 11, 12, 13, 14, 15, 17, 18, 19.

Statistical analysis indicates that the surviving farmers files are a fairly accurate representative sample of the originals (See Map 5).

Archives:

Government Record Group No. 10

Minister of Agriculture: Correspondence Files

These files are less complete, and less helpful, than the Department's files. They contain a great deal of formal routine correspondence, and interesting appeals for intervention by various individuals. The numbering system is identical to the Department's except that the prefix is M.A.

Government Record Group No. 35

Department of Lands

A brief search of this Group disclosed only two series (291 and 292) which were useful. Both dealt with the State Bank administration's dealings with the Attorney General.

Parliament: (House of Assembly Archives, Parliament House
Adelaide)

The records stored here contain reports tabled in Parliament but not published, and the unpublished evidence of various committees.

Select Committee on Mortgagors Relief Bill,
1931, Minutes of Evidence.

Useful because it contains a report written by Judge Paine on Debt Adjustment Schemes and his personal reactions to attempts to draft him to administer the Farm, Debt, and Mortgagor Relief Acts.

Select Committee on Money Lenders Bill, 1939Correspondence and Evidence.

Contains some recollections by businessmen of how and why they controlled credit during the Depression.

Unemployment Relief Committee, Quarterly Reports
1931-1939.

Originally presented to the Legislative Council, duplicate copies in the House Archives have outlasted the Council copies. The reports give numbers of persons in receipt of rations, and report on the progress of the rural relief work that the U.R.C. attempted to encourage, Farm Labour, Land Settlement, Land Clearing and Rabbit Trapping.

Government (Commonwealth)

Archives: (National Archives, Canberra)

CP 656 Records of the Royal Commission on Wheat
Flour and Bread Industries

This previously un-opened collection contains the most systematic collation of data concerning individual farms in South Australia. The original questionnaires filled out by the farmers are still regarded as confidential, and are not accessible. However, the first manuscript abstract from those files are available and, apart from the farmer's name, contain all the data he supplied. Most of the material has not been published except in meagre summary form in the Second Report of the Commission.

The most helpful series in the group are:

Series 17. Deals with over 70 items of data supplied by each of 70 farmers. The subjects include the number of miles travelled annually by car, the farming plant, the length of the farmer's experience, and how many of his family work on the farm, and at what rate of pay. (See Map 5).

Series 21. Has almost as much detail concerning farming costs. Also invaluable are the transcripts of comments made by farmers (Series 31).

Commercial

Dalgety Australia Limited

(Currie Street, Adelaide)

These records have not previously been made available to researchers. By far the most important series in the collection is "Secretary, London. Letter Books", which contain confidential weekly letters from the South Australian Branch Manager to the London Head office. Company business was not so varied that a weekly report would reveal important changes so the Manager wrote in a more personal vein. As a result these letters contain a frank and frequently "inside" account of political and social events of the period. They deal with everything from Aboriginies in the North to the beginning of the "cocktail habit" in Adelaide, from Legislation to industrial disputes. The Half-Yearly reports on stock turnover are also useful because they contain pertinent comments on the conditions in rural areas.

Primary Sources (Unpub.)Elder Smith and Co. Ltd.

(Australian National University, Research School of Social Sciences: Archives Deposit Nos. 8, 104).

The most helpful series in this collection were 8/49, Letters to Branch Offices; 8/121, Land Sales returns; 104/1 Chairmans' speeches at Annual General Meetings, and Annual Balance Sheets. Tantalizing, but not very helpful, are the Duplicate Balance Books in Series 8/158 which cover only two years. The originals, and the remainder of the duplicates do not appear to be available.

Goldsborough Mort and Co. Ltd.

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In this holding the most useful series were 2/132 containing annual reports on various clients' accounts; 2/145- General Manager's papers containing some Adelaide correspondence; 2A/36, 41, 42.- Adelaide Correspondence; 2B/1-Annual Reports on profit and loss of Country Branches; 2B/48-Annual General Meeting Reports; 98/2-Correspondence.

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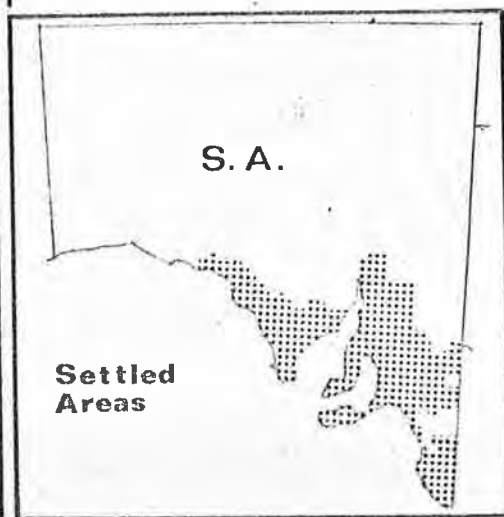
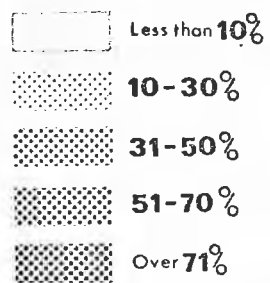
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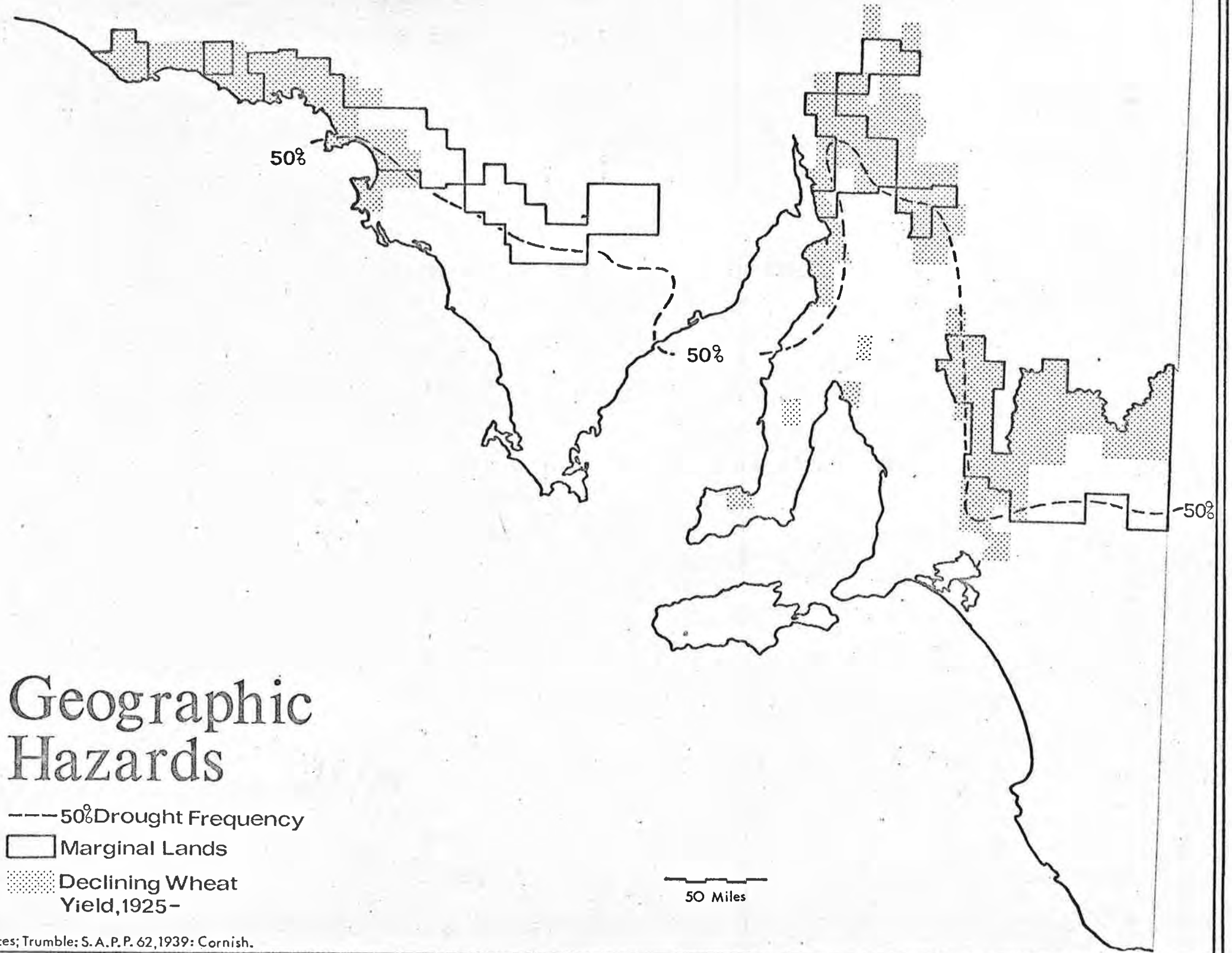
Wheatfarmers

PROPORTION of BREADWINNERS



Source; Census

50 miles

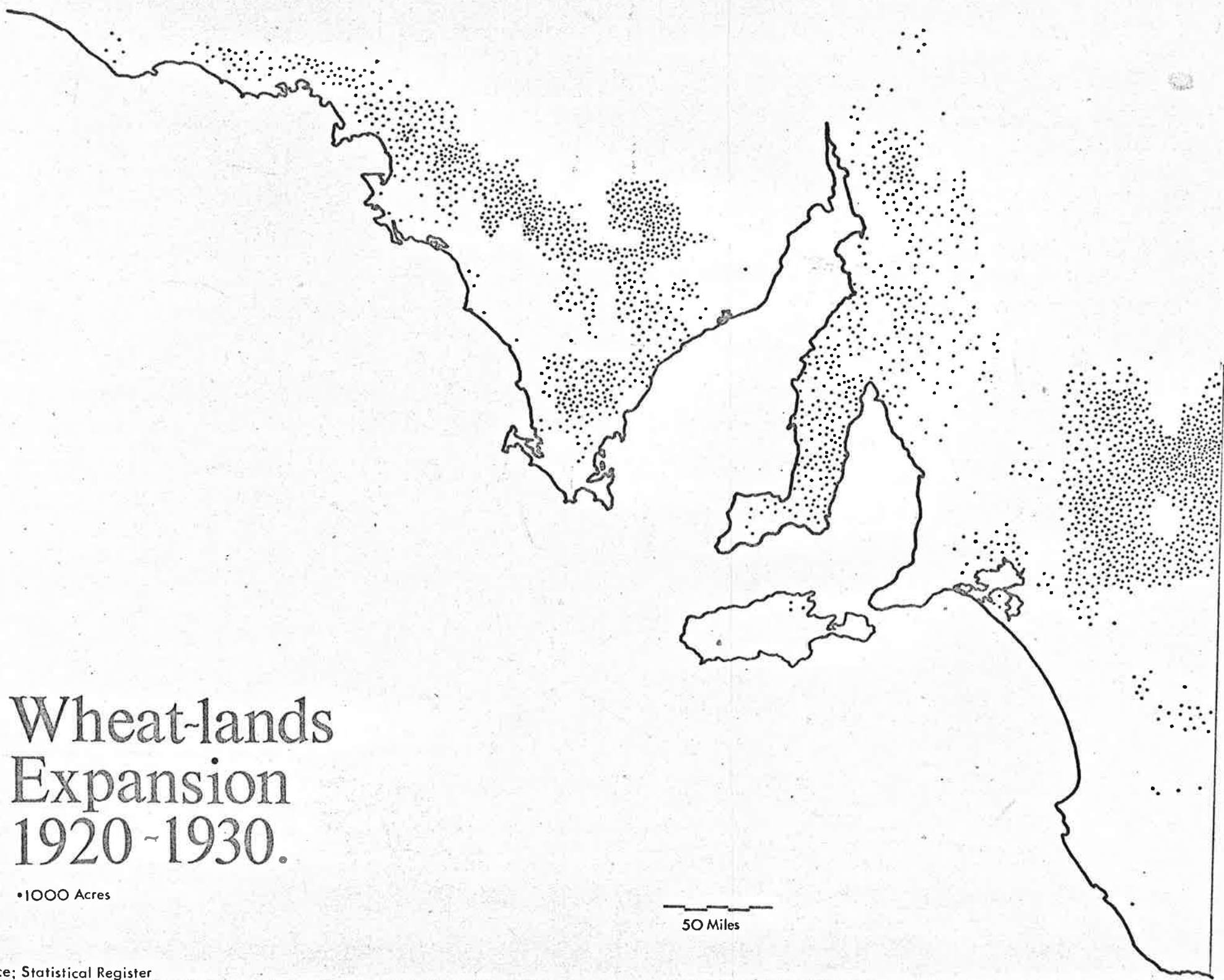


Geographic Hazards

- 50% Drought Frequency
- ▭ Marginal Lands
- ▨ Declining Wheat Yield, 1925-

50 Miles

Sources; Trumble; S. A. P. P. 62, 1939; Cornish.

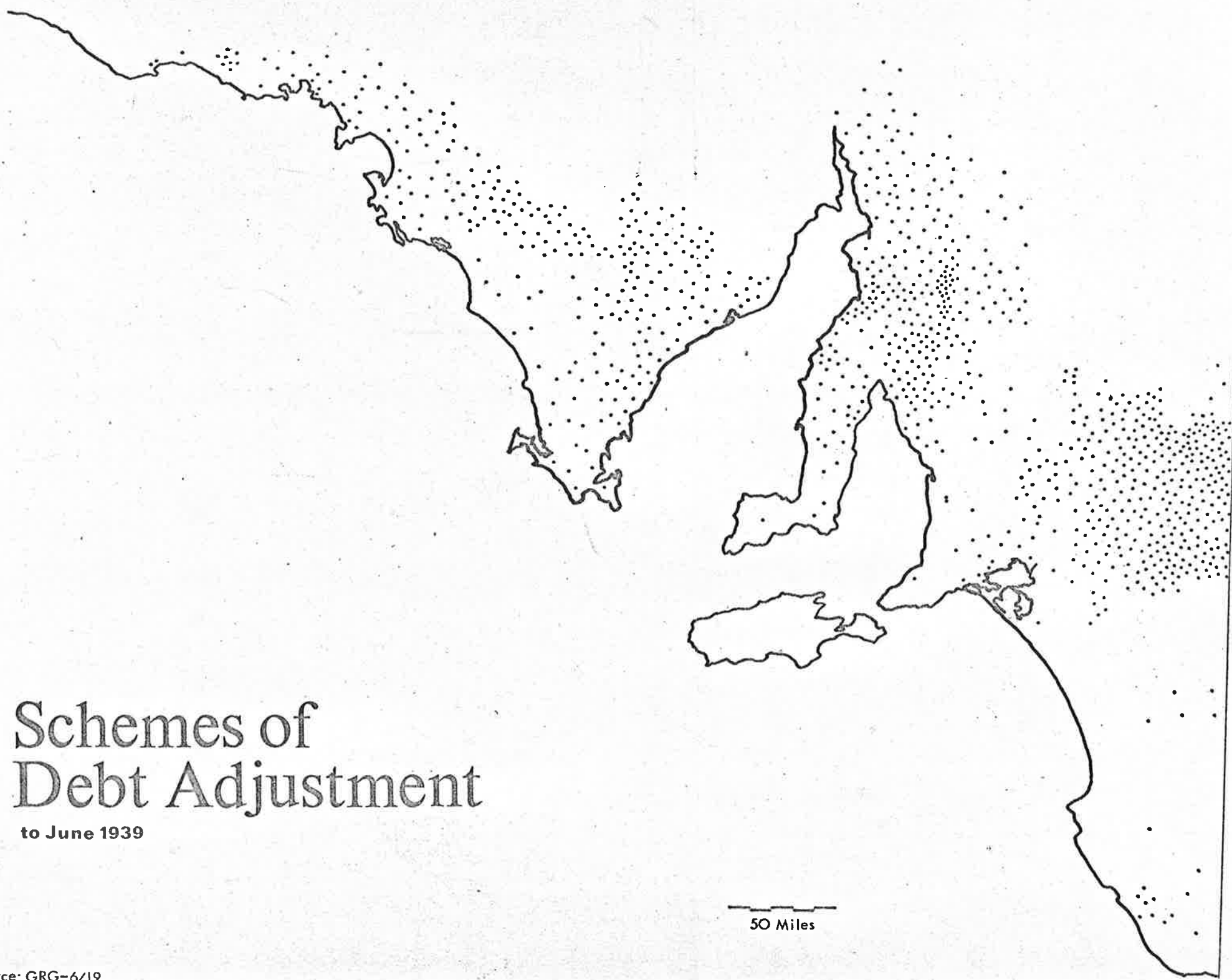


Wheat-lands Expansion 1920-1930.

•1000 Acres

50 Miles

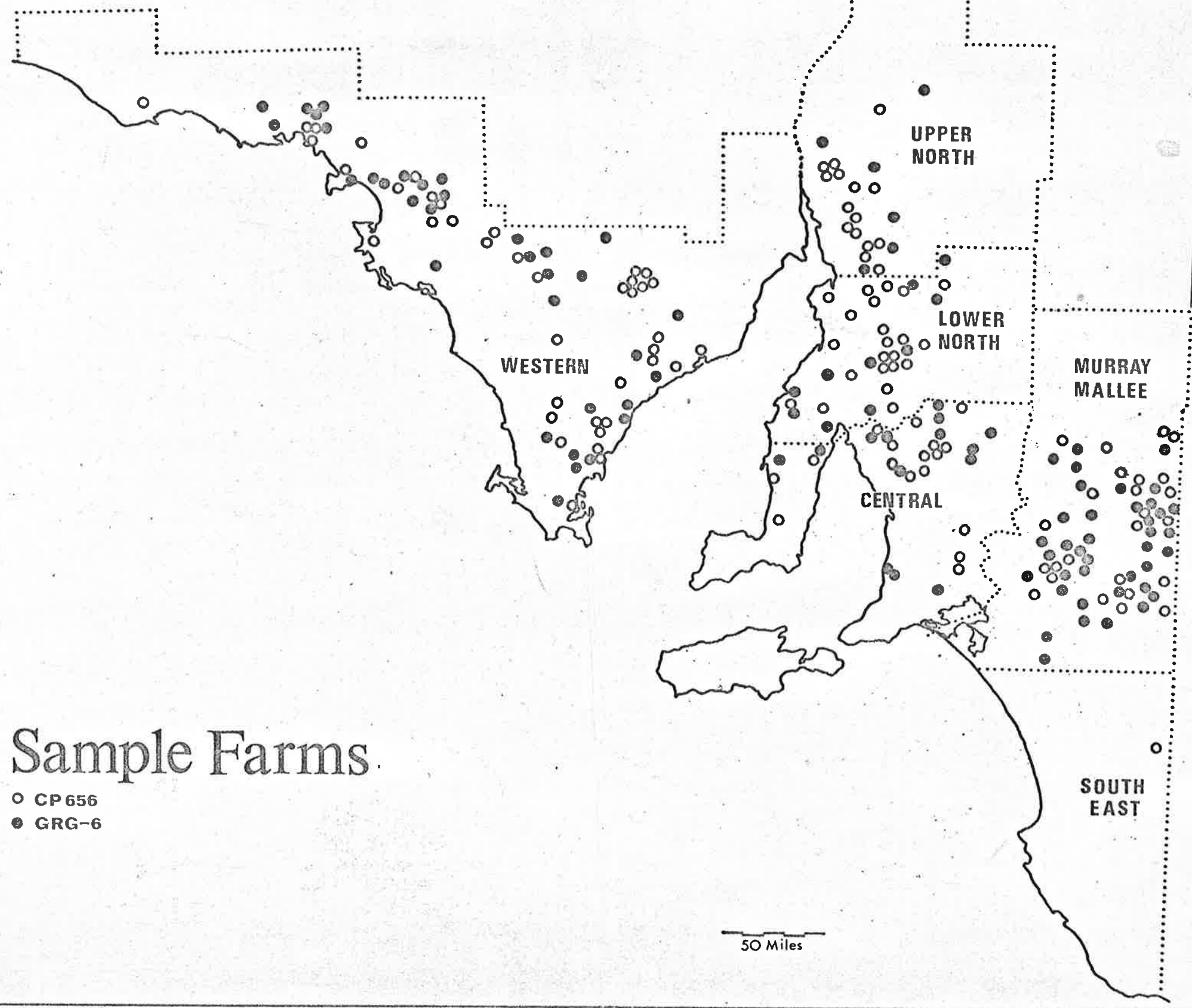
Source; Statistical Register



Schemes of Debt Adjustment

to June 1939

Source; GRG-6/19



Sample Farms

- CP 656
- GRG-6

50 Miles