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**FOUNDATIONS OF AUSTRALIAN AGRICULTURAL
ECONOMICS**

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1. INTRODUCTION

At the beginning of the twentieth century, agriculture was the most significant industry in the Australian economy and it was widely believed that the future of the nation was bound up in the wealth of the land.¹ Agricultural expansion policies were enthusiastically adopted, often with scant planning and with little understanding of the most efficient way to utilise the diverse and abundant land resources available. The emergence of Australian economics as an academic discipline provided the capabilities through which agricultural policy could be evaluated in economic terms. However, it very soon became clear that detailed and specialist economic knowledge of the agriculture sector was needed if thorough and accurate assessments of rural policy were to be conducted. By the 1930s and 1940s scientists and economists alike realised there was an obvious need for trained agricultural economists, not only to advise governments but also to establish an economic service for well-organised, continuous agricultural economic research.

The study of agricultural economics developed in Australia in response to the economic difficulties experienced by farmers due to the fall in commodity prices in the 1920s and the impact of the worldwide depression of the 1930s. When the economics discipline expanded in the third decade of the twentieth century, economists became more involved in the economic problems associated with the agricultural industry.

This paper describes how the foundations of the Australian agricultural economics profession were laid in the period immediately following the economic upheaval of the Great Depression and the organisation of industry during the Second World War. Furthermore, it was as a direct result of the involvement of economists in government administration after the war that the Australian Bureau of Agricultural Economics was formed. Chart 1 outlines some of the organizations, institutions and people who contributed to the evolution of agricultural economics in Australia in the first half of the twentieth century. Economists, agricultural scientists and agricultural economists were instrumental in questioning the Australian government's policy approach to agriculture. To some extent economists and agricultural economists had a significant impact on agricultural developments but in other respects their advice regarding rural matters was ignored.

The paper outlines the rise of agricultural economics within some Australian banks and within Government, the emergence of agricultural economics as a field of academic study and the formation of the Australian Agricultural Economics Society. By the 1960s the agricultural economics profession was well established and agricultural economists, through their continuous research, provided much-needed economic information to guide the formulation of Australian rural policy. Their first employment opportunities arose in the banking sector.

2. AGRICULTURAL ECONOMICS WITHIN AUSTRALIAN BANKS

The importance of agricultural economics was first recognised within the banking sector. Banking facilities for farmers have always been important in Australia. In order to develop the land and encourage settlement, Australian banks advanced funds for agricultural purposes. With the fall in export prices, the loss of world markets and over-expansion in the agricultural industry in the 1920s and 1930s, the banks were called upon to provide more and more credit to farmers. As a result, the banks became concerned about rural economic problems and employed economists as advisers, for example, the Bank of New South Wales (E. O. G. Shann in 1931), the Commonwealth Bank, (L. G. Melville in 1931), and the Rural Bank of New South Wales, (J. G. Crawford in 1935). Although the economists were employed as general economic advisers, they were required to provide agricultural economic advice due to the importance of the agricultural sector in the Australian economy. It was during their employment as policy advisers in banks that economists made their initial contribution to the profile of agricultural economics in Australia.

a. COMMONWEALTH BANK

The Commonwealth Bank² became involved in the problems facing the agricultural industry during and after the First World War. The Bank organised and financed the export trade for agriculture. It established pools into which farmers could sell their products at guaranteed prices and then the bank arranged for the sale and transport of the goods.³ In this way the important international trade in primary products was able to be maintained during the war.

King O'Malley, the founder of the bank, tried to amend the Commonwealth Bank Act in 1917 to create a Rural Credits Department. He believed that the bank should assist the rural industry by granting loans to accredited farmers under special conditions approved by the Treasurer (Jauncey, 1933, p. 145). This first attempt failed. A Rural Credits Department (RCD) was eventually established within the Bank in 1925 with the express purpose of making loans, on preferential terms, to facilitate the marketing of primary produce.⁴

The RCD did not make advances to individuals for its main objective was to control arrangements for the marketing of primary products. Large advances, under Rural Credits terms,⁵ were made to various agricultural marketing boards⁶ and to other authorities responsible for the marketing of a variety of agricultural products.⁷ Half of the net profits of the RCD were given to the Rural Credits Development Fund (RCDF). The presence of this developmental fund in the rural credits department of the bank was one of the most significant features of the Commonwealth Bank of Australia and it

showed that banking was becoming more involved in various aspects of national economic development.

The Commonwealth Bank was prompted by the recommendations⁸ of the Rural Reconstruction Commission to consider expanding its activities regarding rural matters and to build up rural research and liaison functions. In 1948, Ira A. Butler,⁹ an agricultural economist from the Rural Bank of NSW, was employed in the Economist's Department. This Department and its research workers conducted agricultural economic investigations and, through the Rural Credits Development Fund, they supported research, extension and education in agricultural economics. Grants were made to specifically provide for the establishment of particular academic positions in Australian Universities, for example, the first Chair of Agricultural Economics at Sydney University, the first Faculty of Agricultural Economics at the University of New England, and the position of Fellow in Agricultural Economics at the University of Western Australia. The importance of the Rural Credits Development Fund in providing support to the fledgling profession of agricultural economics cannot be overstated.

b. RURAL BANK OF NEW SOUTH WALES

A Government Savings Bank was established in NSW in 1906 and in 1914 this bank amalgamated with the Savings Bank of NSW to form Australia's largest savings bank. In 1920, this enlarged Government Savings Bank¹⁰ created a special Rural Bank Department. The Department's objective was to provide greater assistance to primary producers than was obtainable from other financial institutions. This was the first time an Australian bank had given due recognition to the special financial needs associated with agricultural industries.¹¹ In 1933 the name of the institution was changed to the Rural Bank of NSW¹² and general banking facilities were provided in addition to the loan business.

In 1935, economist J. G. Crawford was appointed Economic Adviser to the Rural Bank and became the Bank's Economist in 1936. Crawford brought in other economists to work in the Economist's Department at the Rural Bank, for example, I. A. Butler, and T. W. Swan. The valuers at the bank taught Crawford much about farm management analysis and he had his first foray into the area of agricultural economic research at this time. He surveyed farmers who were borrowing from the Rural Bank, analysed their problems and ascertained the nature of their farming systems. In carrying out these farm surveys Crawford became very well known and accepted by farmer organisations. With the information and knowledge he gained through this work, Crawford was able to influence bank policy towards low income farmers.¹³

From September, 1938 until September, 1940, Crawford was given special leave from the bank to study overseas under the auspices of a Commonwealth Fund Fellowship.¹⁴ The Fellowship was for two years and during that time he was to make an exhaustive study of rural credit institutions in the United States, and to study agricultural problems common to both Australia and the United States. He looked into the methods of economic research being followed by various organisations in the United States.

Crawford carried out his research at the Brookings Institution, the United States Department of Agriculture (Bureau of Agricultural Economics) and Harvard University, and he was greatly affected by his overseas experiences. He spent much time travelling through over forty states and learnt about the rural policies being implemented by the United States Department of Agriculture (USDA). It was during this time that Crawford recognized the importance of economic and technological research as the key to increased agricultural productivity. He also became convinced of the need to establish agricultural economics in Australian universities and Australian government departments. Crawford was impressed by the way in which scientific research results were being applied to American farmers, not only to deal with technical, physical and biological problems, but also the social problems facing rural communities (Williams, 1987, pp. 20-21).

Crawford was clearly the foremost economist working in the field of agricultural policy in the post war period. He made an outstanding contribution by creating the Bureau of Agricultural Economics (BAE) and, through his drive and vision he made the bureau a highly successful organisation. According to Maiden, one of Crawford's Associate Directors at the BAE,

“Only those in the Bureau in its early days can adequately realize how much its success or disappearance rested on the efforts of one man” (Maiden, 1963, p. 6).

Although employed as an economist in the Rural Bank, Crawford was able to undertake other work related to his position as the bank's economist. For example, when the NSW Government created its Division of Agricultural Economics in 1941, Crawford supervised the research being carried out in that Division, and in 1942 he became adviser on rural economics within the Department of War Organization of Industry. After 1942, both Crawford and his assistant Ira Butler, devoted most of their time to work of direct importance to the war effort. In addition, C. R. Lambert, a Director of the Bank's Rural Reconstruction Board was released in order to be a member of the Rural Reconstruction Commission.

With the establishment of the Rural Bank Department of the Government Savings Bank in 1920, and the Rural Bank of NSW in 1933, a long-felt need was satisfied. Farmers had always found it difficult to obtain the necessary financial assistance to enable them to properly develop the land resources of the State.

c. BANK OF NEW SOUTH WALES

Participation by the Bank of New South Wales in general economic policy matters and the agricultural industry particularly, began with the appointment of A. C. Davidson as General Manager at the beginning of 1929.¹⁵ From the outset Davidson expressed the view that bankers needed to understand the ramifications of banking in the broader community and over the longer term. R. F. Holder (1970) in his book *A History of the Bank of New South Wales*, claimed

“(Davidson’s) interest in economics as a discipline and as an applied science was unique, and his capacity to talk with economists and understand and sympathize with their objectives put him in a position of great power during the depression when politicians and businessmen were muddling along. Little wonder that he was so often caricatured as pulling the strings, particularly as in addition to providing a focus for the economists he combined it with a flair for publicity” (Holder, 1970, p. 876).

During Davidson’s time as an inspector in the Western Australian division of the bank from 1925-1928, he had contributed papers on economic and financial topics to Economic Society meetings and to *The Australian Quarterly*.¹⁶ Once appointed general manager of the bank, Davidson quickly ascertained the difficult economic situation facing Australia and wanted the Bank of N.S.W. to play a major part in public affairs. Davidson discussed the economic problems of the day with his economist friends, particularly Professor E. O. G. Shann, and urged them to widen the public debate in order to raise community awareness. In 1930 Davidson

“... wished to have access to university economists to whom he could refer any problem of immediate concern to himself or the Bank in order to get their theoretical approach; in the longer term he hoped to publish something like a regular review to disseminate sound and reliable information on current economic affairs ... ” (Holder, 1970, p. 646).

Professor E. O. G. Shann became a full-time economic adviser to the Bank of NSW in February 1931, the first time an Australian bank had made an appointment of this kind.¹⁷ A new Economics Department in the Bank of N.S.W. was established.

“The formation of the Economics Department brought into the Bank a few people of very different training and outlook from those of the normal banking service. Davidson was seeking to fuse a wide range of talents into a lively, constructive team which would respond readily to his own drive and to the heavy and sometimes unusual demands he imposed on them (Holder, 1970, p. 724)

Davidson recruited young graduates from British universities to work in the Economic Department¹⁸ and over the next few years, the Bank of N.S.W. published circulars on a wide range of economic and financial topics.¹⁹ These circulars were prepared by a diverse range of academics²⁰, but were under the editorial control of the bank’s economic advisers, initially Shann²¹, followed by T. Hytten²², University of Tasmania, and A. G. B. Fisher²³, from Otago University in New Zealand. Young economics graduates²⁴ were employed in the Economics Department and they gathered the necessary economic and statistical information to support the work of the economic adviser and to provide the general manager with material on which to base his views and policies. The Department’s objectives were research, information and advice, but it became more than that. It was virtually an

“economic extension service responsible for the Bank’s publications on business trends, financial, economic, and agricultural problems,

and a general information bureau as part of the services provided by the Bank” (Holder, 1970, p. 649)

The Bank of NSW influenced the establishment of agricultural economics in Australia through its employment of economists and its publication of economic information. Davidson maintained the publication of economic circulars was important because he believed there was a need to educate the public in the fundamentals of economics, and to encourage discussion of economic issues, including those pertaining to agricultural economics.

d. RURAL AND INDUSTRIES BANK OF WESTERN AUSTRALIA

An Agricultural Bank Bill was passed in Western Australia in 1894 as part of the State Government’s attempt to establish a system of government-sponsored agricultural credit. In the 1920s the Agricultural Bank was regarded as the single most important factor in the development of Western Australia’s agricultural industry (Spillman, 1989, p. 35). The financial position of this bank deteriorated in the 1930s and although the Bank was reorganized and modernised, its long term prospects were not good.²⁵

Frank Wise, Deputy Premier of Western Australia and Minister for Lands and Agriculture, was the Chairman of the Rural Reconstruction Commission. Whilst travelling around with the Commission, which included C. R. Lambert, a Board member of the Rural Bank of New South Wales, Wise crystallised his ideas for a State Trading Bank in Western Australia. A Rural and Industries Bank Bill, based generally on the Act which established the Rural Bank of NSW, was eventually passed and the new bank opened in July, 1945. From its inception the Rural and Industries Bank (R&I Bank) championed the interests of Western Australian farmers.²⁶ However, in the late 1950s the Bank took a bold initiative – it entered the area of farm management. Previously the Bank had relied on a network of field officers to provide advice regarding particular loan propositions. But the bank soon realised that, rather than merely providing financial assistance for new farming developments, it should also aim to improve the viability of existing farms. If the rural industry was to survive the efficiency of farmers had to be increased and sound methods of farm management had to be established.

The R. & I Bank launched its own Farm Management Advisory Service²⁷ in January 1961. The scheme was an immediate success. More university graduates in agricultural science and economics were appointed to the staff and the Bank’s field officers were trained in the specialised fields of agricultural economics and farm management at either the Institute of Agriculture, UWA,²⁸ or at the Muresk Agricultural College. Although these developments in Western Australia occurred much later than similar events in other Australian states, they show the extent to which the R. & I Bank assisted the development of rural areas in the west of the continent, and stimulated the growth of farm management and agricultural economics.

3. AGRICULTURAL ECONOMICS IN THE COMMONWEALTH GOVERNMENT

In the 1920s and 1930s Australia did not have an organised Division of Agricultural Economics in a government department or at a university. The fact that agricultural economics had not established itself earlier in Australia is surprising given that the growth and prosperity of the economy had always been significantly affected by the economic performance of the rural industries. In 1928, A. E. V. Richardson, Director of the Waite Agricultural Research Institute, stressed the need for an agricultural economics research service in Australia.

“Agriculture is ... a business as well as an art, and can be greatly assisted from the business aspect by the application of economic research. Had we in the past given as much attention to the economics of agriculture as we have to promoting closer settlement and stimulating production, many of the difficulties that have confronted some branches of agricultural production could have been anticipated and avoided. ... there is an urgent need for the establishment of an organised economic service which will provide for continuous research by trained investigators, not only of the major economic problems affecting the welfare and permanence of our agricultural industries, but which by providing the community with the right background of economic information would guide intelligent programmes of production and land settlement, increase farm efficiency, promote effective marketing, and reduce costs of production.” (Richardson, 1928, p. 250 and p. 259)

With the onset of the depression, Australian Governments became more concerned at the plight of the farmers. Professor L. F. Giblin, University of Melbourne, believed that the problems of the Australian economy could be attributed to the failure of the market system to automatically adjust to the changed economic environment of the 1930s and the predilection of successive governments and producer organisations to support unprofitable production in primary industries.

“The maladjustment of the Australian economic structure is very grave. We have no plan for rectifying it. Our procedure promises to be, to give some measure of relief to primary industries in turn, some increase of price by means of a home price for consumption, and perhaps some relief of debt – with no serious attempt to rationalise the industry. The effect can be only to maintain or increase production above the level set by demand (Giblin, 1935a, pp. 47-48).

Despite these comments from an eminent economist, nothing was done to rationalise primary industry at that time.

In 1934, the Commonwealth and State Ministers of Agriculture held a conference in Canberra on *Agricultural and Marketing Matters* chaired by Earle Page, the leader of the Country Party and Minister for Commerce. The conference was called primarily for the purpose of discussing the report of the Royal Commission into the Wheat, Flour and Bread Industries. Conference delegates resolved to establish an organisation to provide

for continuous consultation amongst Australian governments on various aspects of agriculture, particularly marketing and economic issues. The organisation was to be known as the 'Australian Agricultural Council' (AAC) and it was to consist of the Federal Minister for Commerce, the Minister in charge of Development, and the State agricultural Ministers. The function of this Council was to generally promote the welfare and development of agricultural industries, to arrange for the mutual exchange of information regarding agricultural production and marketing, to consider the need for organised marketing, and to consult with the various agricultural industries in regard to the granting of financial assistance. A permanent technical committee was also established. This was to be known as the Standing Committee on Agriculture (SCA)²⁹ and its function was to advise the AAC on all relevant matters, as well as to initiate, develop and co-ordinate agricultural research throughout the Commonwealth. Neither of these organisations specifically included economists or agricultural economists as advisers or consultants.

In January 1941, the AAC was informed of a plan developed by the Australian National Research Council,³⁰ to establish an Australian Institute of Agricultural Economics. The proposal called for a body whose functions were:

"To collect, so that it might be available to the Commonwealth and State Governments, the information necessary to enable these Governments to guide the development of Australia's natural resources of land, water, forests and fisheries along the soundest economic lines, having regard to population trends, technological progress, market prospects, social and political changes, and to this end ... to carry out continuous research into the economic and social aspects of Australian primary industry ..." (Maiden, 1963, p. 2)

It was to be a powerful organisation. Governments were to obtain relevant statistical and economic data from the Institute before any policies relating to immigration, land settlement or industry assistance were formulated. The matter of such an institute had been raised with the respective Ministers previously, but no action was taken by the AAC at the 1941 meeting (AAC, 1934-52). The Commonwealth Government was not willing to support an independent body that was committed to publishing reports and giving policy advice that may have been unpalatable to the Government at the time. Given these concerns and other pressing demands being made on agriculture as a result of the war, the proposal for the Agricultural Economics Research Institute was dropped.

The National Research Council again suggested, later in 1941, that an agricultural research unit should be set up within CSIR. The executive of CSIR did not accept the proposal because the same problems of impartiality in research and freedom from political interference arose. Although it worked closely with government authorities, CSIR would have inevitably become embroiled in policy argument if it had moved into agricultural economics. The CSIR executive³¹ had always been determined not to let the Council become involved in any political controversy. Again, the opportunity to establish an agricultural economics research organisation under the auspices of the Commonwealth Government was lost.

4. AUSTRALIA'S WAR-TIME PLANNERS

During the Second World War, economists and agricultural economists were drawn into the government's wartime economic planning and the administration of post-war reconstruction. This was the beginning of a fundamental change³² in the recruitment pattern of the public service for many of these newcomers were economics graduates. Economics experts were now pursuing their careers in the public service and most government departments established economic divisions (Whitwell, 1986, p. 11).

Government intervention in the Australian agricultural industry tended to be piecemeal and uncoordinated prior to the Second World War. Leading economists such as Roland Wilson (Commonwealth Statistician) and E. Ronald Walker (Professor of Economics, University of Tasmania) pointed out that although planning in the first four decades of the twentieth century had been an important part of Australia's economic development, the government control had been 'muddled' and lacked focus. Walker ultimately came to the view that in pre-war Australia

"Governments were never quite sure how far they should go along the path of control because they were surrounded by the clamour of sectional interests, some urging an extension of control in the directions profitable to themselves, and others arguing just as strongly for the removal of particular controls" (Walker, 1943, p. 7).

However, the economic problems associated with the 1930's depression, the war and post-war reconstruction were the impetus for the application of macroeconomic principles to Australia's national economic policy in the 1940s and 1950s. S. Cornish argued that economic policy completely changed at this time because the nation's key economic advisors, such as Copland, Giblin, Melville, Crawford and Coombs, implemented Keynesian economic ideas (Cornish, 1993). Consequently, various policy instruments were used to provide industry assistance to several industries including agriculture.

a. THE FINANCIAL AND ECONOMIC ADVISORY COMMITTEE (F. & E. COMMITTEE)

With the outbreak of war in 1939, the Commonwealth Government gained increased economic power and assumed a very wide range of emergency economic controls.³³ However, there was a lack of professional staff with expertise in economic matters at all levels of government. The situation had been corrected to some extent in 1938, just before the war began, when the Commonwealth Government engaged the services of several eminent economists. Professor L. F. Giblin, a member of the Commonwealth Bank Board, was appointed Economic Adviser to the government; and Dr. Roland Wilson³⁴ (Commonwealth Statistician) became an Adviser to Treasury. These economists, together with L. G. Melville, Economic Adviser to the Commonwealth Bank, formed the Financial and Economic Advisory Committee (known as the 'F. & E.') in

1938. In 1939, Wilson suggested that the committee be enlarged and reconstituted to become “a small central ‘thinking committee’ to which all sorts of problems could be submitted for general advice” (Whitwell, 1986, p. 65). The Committee was expanded during the 1939-41 period to include Professor D. B. Copland, the Prices Commissioner and Economic Consultant to the Prime Minister; Professor J. B. Brigden, Secretary of the Department of Supply and Development, Dr. H. C. Coombs, an Economist at Treasury and later Director of Rationing, and E. R. Walker, Chief Economic Adviser and Deputy Director-General of the Department of War Organisation of Industry.³⁵

The F. & E. Committee advised on war policy and was basically concerned with planning. Although advocating planning, Wilson did not want to replace capitalism but wanted to subject the system to more supervision and guidance than had hitherto been available and the war-time economy made that possible. According to Whitwell (1985) other members of the F. & E. Committee were in accordance with Wilson.

“They were united in their distrust of unfettered market forces and were in agreement that such an unstable economic system could be, and needed to be, controlled. And all believed that they had the necessary wisdom and technical insight to advise on what form this control should take. (Whitwell, 1985, p. 6)

Whitwell goes on to show that Coombs, Copland, Melville, Walker, Giblin and Brigden all agreed that

“purposive state action, backed by an qualified and well-informed bureaucracy, was essential for the operation of a more efficient, more productive, more equitable, and more secure economic system” (Whitwell, 1985, p. 19).

Nonetheless, the Committee saw itself as an advisory body and preferred to leave the implementation of policy to the appropriate authorities.³⁶

b. WAR-TIME ECONOMICS AND AGRICULTURE

In the early war years, economic conditions were difficult for farmers. They were still feeling the effects of the depression and world prices remained low. Crawford (1954) believed that no attempt was made to define the role of agriculture in the total economy in the early years of the war, or to adapt primary production to war needs. But with the election of the Labor government in 1941, there was a major change in the administration and organisational structure of government. More economists were employed in the public service and this meant that the source of economic influence upon government policy makers became more diversified and was no longer confined to one committee (as cited in Maddock and Penny, 1983, p. 47). Economic problems could be adequately managed within new government departments where many of the F. & E. members occupied influential positions.

J. B. Chifley, firstly as Treasurer and later as Prime Minister, was a ‘Keynesian-of-the-first-hour’ according to Crisp, Chifley’s biographer. Crisp stated that this was probably a

reflection of Chifley's experience as a commissioner on the Royal Commission on the Monetary and Banking Systems, 1936-37.³⁷ Chifley believed that governments 'should surround themselves with men of the greatest talent'. Within a few weeks of becoming Treasurer, he sought and received much economic and financial advice from leading economists.³⁸

Although a reorganisation of the Commonwealth Government occurred in June 1941 and various new ministries were established, there was still no Commonwealth department given the specific responsibility for agricultural or food problems. Subsequently, a Parliamentary Joint Committee on Rural Industries was appointed in July, 1941 to inquire into the effects of the war on the marketing of Australian primary produce and on the economic condition of the Australian rural industries.

In March, 1942, the Joint Committee was convened and received submissions from interested individuals and organisations. J. G. Crawford, as Economic Advisor to the NSW Department of Agriculture, and Economist to the Rural Bank of NSW, delivered a prepared statement. He outlined the issues confronting Australian primary industries and suggested the need for a more coordinated agricultural policy. Crawford claimed that an enormous amount of organisation was required if the rural industries were going to be able to make the production adjustments necessary to meet changing market requirements, and at the same time, release more manpower for other war service. He believed that economic planning was essential in war-time because the problems of prices, costs and labour shortages could not be worked out quickly enough in a completely free enterprise market.

In his statement, Crawford argued that the AAC had not been able to adequately carry out the role of policy-maker, coordinator and collaborator with the States, with regard to agricultural policy. Crawford therefore presented the case for the establishment of a division within the Commonwealth Department of Commerce and Agriculture, with an advisory panel consisting of the representatives of key government departments, as well as non-departmental people familiar with the problems and objectives of agriculture. The division would require the services of a secretariat to consult with, and collect data from, the States and farmers' organisations. In the submission, Crawford made it clear that he was not trying to merely expand the bureaucracy, but rather to co-ordinate and give clear direction to agricultural policy (CPP, 1941-43).

In late 1942, the Prime Minister announced that the Department of Commerce would be enlarged and its name changed to Commerce and Agriculture. F. W. Bulcock³⁹ was appointed Commonwealth Director-General of Agriculture, and the Department of Commerce and Agriculture became the primary food authority exercising control over food, fodder and fertilizers in accordance with government policy. In addition, the Department of War Organization of Industry (DWOI) became progressively more concerned with rural matters. DWOI employed special rural advisors, such as J. G. Crawford and I. Clunies Ross at first, and then created its own Rural Industries Division.

Despite changes in organisation and policy, agriculture was not able to be integrated into the war economy quickly. There was an inevitable lag in adapting policies and programs to the rapidly changing circumstances. Even with a slight increase in farm workers as a result of the manpower release scheme, rural industries were not able to substantially increase production due to the long-term effects of the 1930s depression and the lack of much-needed investment in rural industry during the early years of the war.

At the end of the war it was recognized that the agricultural industry was experiencing economic difficulties. There was a need to undertake more agricultural economics research and education in order to increase efficiency. The economists who had been seconded to work for the government during the war had become influential in the economic dealings of various departments. Consequently they were in a position to give advice concerning economic issues and to implement economic policy in the post-war reconstruction period.

5. POST-WAR RECONSTRUCTION

The war economy had provided a great stimulus to the development of agricultural economics in Australia. Both Commonwealth and State governments had turned to agricultural economists for direction and more agricultural economic research staff had been employed in government departments.

Reconstruction planning represented the positive side of war effort. In December, 1942, Prime Minister Curtin announced the appointment of Chifley, the Federal Treasurer, as Minister for Post-War Reconstruction. Chifley's main objective was to achieve a high and stable level of employment together with rising living standards and to this end he planned Australia's international economic policy. Australia was to become an important trading nation with high export demand. This would be imperative if domestic living standards were to be improved and if Australian agricultural, pastoral and manufacturing industries were to prosper.

A new Department of Post-War Reconstruction (DPWR) was formed in January, 1943, with H. C. Coombs, the Director of Rationing, as Director-General. Coombs had worked closely with Chifley as an economic advisor ever since the Labor Party took office in 1941 and they had a shared vision of how the economy could be managed. Crisp (1961) claims:

“Both Chifley and Coombs were receptive men with wide human sympathies. They positively attracted ideas and people with ideas, and each had the capacity to push ideas forward in practical terms to the point of acceptance and adoption, and then – not least – to fire men with enthusiasm to help carry them through. The staff which they gathered around them was a blend of enthusiasm and experience ... (The) team was not backward-looking nor dominated by memories of “what had been done last time” (Crisp, 1961, p. 187)

Coombs staffed the new department with young university graduates;⁴⁰ most had no administrative experience but were highly qualified in commerce, law and the social sciences, and were keen to improve the working of the economic system. Before the war, few economic graduates had been employed in the public service⁴¹ but the war changed

everything. There was a huge increase in the 'scale, range and complexity of public administration' (Butlin and Schedvin, 1977, p. 681). In response to the need for new staff, well trained and able to devise policies, a great influx of economic graduates came into the public service.

A Research Division was set up in DPWR and J. G. Crawford moved from DWOI to become Director of Research. The Research Division was divided into 6 sections, one of which was the Rural Reconstruction Section. In February, 1943, the Minister for Post-War Reconstruction appointed F. J. S. Wise, F. J. Murphy, Prof. S. Wadham and C. R. Lambert⁴² to be a Board of Inquiry into Australia's rural economy. This Board of Inquiry, known as the Rural Reconstruction Commission (RRC), conducted a wide ranging investigation and produced ten reports (see Appendix 1). The First Report, published in January, 1944 clearly showed that the RRC was aware of the difficulties facing Australian agriculture. It was stated that Australia had been backward in the study of all branches of rural economics. There were very few rural economic surveys containing accurate information, and there was a need for united action between the States and the Commonwealth to develop an agreed agricultural policy. After the RRC presented its first two reports in 1944, it was clear that future agricultural policy was going to have to give greater consideration to economic issues. The Commission's reports did much to stimulate public interest in agricultural economics.

After four years work and publication of the reports, the recommendations made by the RRC were received with some ambivalence by politicians, government departments and industry groups. The recommendations were rather academic and some felt that the commissioners had not been sufficiently mindful of the problems associated with the division of responsibility for agriculture between the Commonwealth and the States. The problem of long-term rural policy had not been completely addressed (Butlin and Schedvin, 1977, p. 734).

Professor S. M. Wadham, University of Melbourne, reflected with hindsight, that it was difficult to decide how far the appointment of the RRC was justified. It did put some restraint on the unbounded optimism towards land settlement that was prevalent at the time and many of its recommendations were followed. But over time, fewer of the recommended safeguards were observed and the last report, which dealt with the rationale for government intervention, was never released (Wadham, 1961, p. 99).

In the post-war period agricultural policy was formulated with a view to increasing the number of farmers and to encouraging increased agricultural production. The idea that agriculture needed to expand was generally accepted by the farming community despite the problems they faced. They were keen to negotiate contracts which gave them secure markets at agreed prices rather than bear the uncertainties of the free market. Although Mauldon (1975) claimed that the government's agricultural policy was successful in meeting its objectives, there was a cautious response to the emphasis on output expansion. Agricultural overproduction was expected to recur, together with a long-term decline in prices and there was uncertainty about the future role of rural industries at the time. There were fewer employment opportunities in rural areas and the contribution of the rural sector to total production was declining. The government highlighted the need

for stabilization of farm incomes and improvements in the economic efficiency of farms. This policy recognized the fact that commodity markets were notoriously unstable and farmers had to operate with reduced costs in order to remain profitable, yet competitive, in world markets. Given these problems in the agricultural industry, the need for increased agricultural research was obvious.

6. AGRICULTURAL ECONOMICS RESEARCH

Agricultural scientists, A. E. V. Richardson (1928) and A. J. Perkins (1928), argued for the introduction of a continuous agricultural economic research service in Australia as early as the 1920s. They claimed that no detailed examination of the economic aspects of Australian agriculture had ever been undertaken. Australian agricultural economic research was limited to some far-sighted agricultural scientists in the universities, and to a limited extent, some agricultural field officers in the various State Government Departments of Agriculture. It was not until 1945 that a Commonwealth Bureau of Agricultural Economics was eventually established in Australia as a direct result of the work of economists in war-time government departments and in response to the reports of the Rural Reconstruction Commission (RRC).

In the early twentieth century the only agricultural research being undertaken in Australia was by agricultural scientists. However, Professor Wadham, University of Melbourne, constantly emphasised the importance of the economic and sociological aspects of agriculture and, as a member of the Royal Commission on the Wheat, Flour and Bread Industries in 1934-5, he recognised that the lack of accurate information concerning the economic structure of those industries had severely hampered the investigation. In its Report the Commission recommended that continuous studies in agricultural economics should begin in Australia.

The first purely agricultural research institution in Australia was the Waite Agricultural Research Institute, Adelaide, which was founded in 1924. The Waite Institute soon became linked with the University of Adelaide and received financial support both from government and private benefactors to fund its important work (Watt, 1936, p. 51). A. E. V. Richardson became the first Director of this Institute after he left Melbourne University. Dr. Richardson criticised Australian governments for concentrating so much on closer settlement schemes, and on ways to stimulate agricultural production and for not giving due consideration to the economic problems affecting agriculture (Richardson, 1928, p. 250). Richardson argued at that time for more investigation into such problems as the size of farms, the handling of surpluses, marketing, the effect of fiscal policy and industrial legislation on rural industries, and the standard of living of farmers.

In 1928, Richardson was at the forefront of agricultural economics in advocating the establishment of

“... an organised economic service which (would) provide for continuous research by trained investigators, not only of the major economic problems affecting the welfare and permanence of our agricultural industries, but which by providing the community with

the right background of economic information would guide intelligent programmes of production and land settlement, increase farm efficiency, promote effective marketing and reduce costs of production” (Richardson, 1928, p. 259).

Such a research body would aim to investigate the major economic problems in the agricultural industries in relation to the nation as a whole. It was another seventeen years before an agricultural economics research body such as that envisaged by Richardson was established in Australia.

a. FORMATION OF THE AUSTRALIAN BUREAU OF AGRICULTURAL ECONOMICS

Australia’s first national agricultural economics research organisation emanated directly from the government departments that had been established during the Second World War. The economists⁴³ who were drawn into the public service assisted in building up the wartime administration of the Commonwealth. As the war drew to a close, the Department of War Organisation of Industry was merged into the new Ministry of Post-War Reconstruction⁴⁴ (see Appendix 2) in 1945. Dr. H. C. Coombs became Director-General of the Ministry of Post War Reconstruction (PWR), and he appointed J. G. Crawford⁴⁵ as Director of the Research Division, and T. W. Swan⁴⁶ as Chief Economist in the Division of Economic Policy.

The shortage of agricultural economists was highlighted when, in 1944, Coombs established a new Rural Research Division (RRD)⁴⁷ within PWR. With the formation of this division, all the research and statistical officers who were involved in work related to the economics of rural industries were brought together into one division. The functions of the new division would be:

- to examine the reports of the Rural Reconstruction Commission;
- to prepare a statement on desirable trends in agricultural industries, with special reference to land settlement of servicemen;
- to carry out investigations of individual agricultural industries regarding market prospects, international agricultural developments and desirable production goals;
- to maintain a continuous survey of individual agricultural industries and to examine interstate developments and adjustments regarding expansions and contractions; and to examine proposals submitted by the states for the settlement of returned service personnel with particular reference to the prospects for success offered to settlers. (AA, A10315/1).

It was clear that the workload involved in carrying out all these functions was extremely high and Crawford would not be able to deal with all the research work. Coombs realised that he needed to employ good statistical officers within the PWR, as well as research officers with training and experience in the fields of agricultural science, agricultural economics and/or economics. A number of research officers were employed, many of whom had formal training in economics.⁴⁸

Eventually, the Rural Industries Division of DWOI and the Rural Research Division of PWR were combined and together, these divisions formed the basis of the Bureau of Agricultural Economics (BAE). The BAE was established in 1945 as a division of the Ministry of Post War Reconstruction, with J. G. Crawford as the inaugural Director. The agricultural issues confronting Australia were so urgent that a research and investigation service, specifically concerned with rural affairs, was deemed necessary (AA, A10315/1). The establishment of the BAE meant that the Commonwealth Government had committed itself to the employment of economists who specialised in the study of agricultural problems. The BAE was to be

“an independent research bureau, financed out of public funds, with complete freedom to investigate economic problems and to appraise the policies of the government whether the politician likes it or not” (Walker, 1943a, p. 18).

In its final report, the RRC had noted that there was a need for an authoritative organisation qualified to collect and interpret essential data regarding the economic position of the farmer and in 1946, the Commissioners believed that the BAE had fulfilled this need to some extent. The RRC recommended that all necessary facilities in terms of staff and other resources should be provided to the Bureau to enable it to advise the Government on matters concerning financial and economic policy in agriculture. The research areas recommended by the RRC for investigation by the BAE were vast and required an enormous amount of work (see Appendix 3). Crawford, as Director, negotiated to increase the number of available positions in the Bureau in order to adequately deal with the workload. Nevertheless, by the end of 1946, only 33 people were actually working in the Bureau (ABARE, 1995, p. 12).

The creation of the Bureau of Agricultural Economics (BAE) resulted in rapid progress of the Australian agricultural economics profession. The bureau was an important employer of agricultural economists, it had a high profile Director who liaised well with government departments, politicians and the private sector, and the work of its research officers was well received by farmers and rural organisations.

The Bureau assisted with the investigations into production costs with a view to determining a profitable price for farmers. In order for farmers to receive a secure income comparable to that provided to workers in secondary industry through the basic wage mechanism, government policy was based on the provision of guaranteed prices based on costs. However, the BAE did not have sufficient trained staff to undertake rural cost of production surveys. Special committees were set up to take responsibility for these surveys even though the BAE officers did the major part of the work.⁴⁹ The dearth of agricultural economists in Australia was again highlighted and the pressure continued to build for the establishment of agricultural economics courses at universities and colleges within Australia.

In its tenth report, the RRC had noted that there was a need for an authoritative organisation qualified to collect and interpret essential data regarding the economic position of the farmer and in 1946, the Commissioners believed that the BAE had

fulfilled this need to some extent. The RRC recommended that all necessary facilities in terms of staff and other resources should be provided to the Bureau to enable it to advise the Government on matters concerning financial and economic policy in agriculture.

The BAE continued to make many worthwhile contributions to rural economic activities in Australia and the States were encouraged to take advantage of the research service offered by the BAE (AA, A4739/1). The BAE was involved in preparing a comprehensive statement on rural policy in the late 1940s which ultimately resulted in the publication in 1952 of a report entitled *Agricultural Production Aims and Policies*.⁵⁰

Government intervention in agricultural markets was an accepted part of rural policy but the type of intervention was debatable. The BAE considered and assessed alternative forms of government intervention and recommended appropriate policies for particular industries. Existing price stabilisation policies had to be continually evaluated and developed in order to ensure they were as equitable as possible. The BAE had the right and the responsibility to conduct independent research and to publish their results. The Bureau soon became an authoritative source of information and an agent of sound economic analysis.

Because the BAE carried out many investigations at the request of the Australian Agricultural Council, it was often regarded as merely a 'fact finding' organisation, not sufficiently involved in the analysis and interpretation of policy. To some extent this view was reinforced by the fact that the Minister for Agriculture had to approve publication of the *Quarterly Review of Agricultural Economics*, the journal of the BAE. In order to gain this ministerial approval, the BAE had to show that its work was fact-finding and that the journal would not contain reports or papers that were critical of government policy. However, A. C. B. Maiden, at one time Director of the BAE, argued that the very nature of the Bureau's work necessarily brought it into the realm of policy formulation. Government needed objective advice on vital issues as they arose and the Bureau's advice was based on its research work. According to Maiden, even though the BAE was instructed to carry out particular enquiries, it was not directed to draw particular conclusions from its investigations (Maiden, 1963, p. 7).

Problems did arise with the States, the primary industry leaders, the Commonwealth Department of Commerce and Agriculture (DCA) and the Commonwealth Treasury. Treasury treated the new agency as a threat to its advice and influence. The BAE was a source of independent economic advice and Treasury resented any intrusion into the area it considered to be its own preserve. The DCA thought it would be undermined by the new Bureau and the primary industry leaders were suspicious of any government activity which might impinge on the power and influence of their producer organisations. The States feared the autocratic style of the Commonwealth which had evolved during the war and thought the BAE would diminish the role of their own Departments of Agriculture. Nevertheless, due to the untiring efforts of the founding Director, the BAE was able to work through these problems and gradually the BAE was widely accepted and its work took on a broad perspective.

b. POLICY ROLE OF THE BUREAU OF AGRICULTURAL ECONOMICS

There has always been considerable debate about the role of the BAE. Was it to be an independent research bureau, financed out of public funds, which had complete freedom to investigate economic problems, and to appraise the policies of the government without fear or favour? Or was it to provide confidential and personal advice to politicians and administrators about various agricultural economic problems as they arose (Walker, 1943, p. 18)? In either case the BAE could only have a limited influence on policy. Walker maintained that governments generally tried to secure the best available advice but they did not necessarily put it into practice.

Some scientists⁵¹ argued that agricultural economists did not undertake research in the strict 'scientific' sense and others believed that the BAE was 'not allowed to do research', or was 'told what facts to find'.⁵² At first, the scope of research undertaken by the Bureau was limited. Its resources were heavily committed to servicing government needs and there was little opportunity to adequately address the needs of the rural sector in the broader sense.

However, with J. G. Crawford as Director, the BAE did become involved in major policy issues. It was required to give objective advice on vital issues affecting the rural economy. In Australia, the BAE was given a degree of independence at its formation and the fact that the Bureau's resources were so heavily committed to fulfilling government requirements, meant that its work programmes in those early years were not specifically aligned to the needs of interest groups in the agricultural or agri-business sectors.

Crawford, as Director of the BAE, gave his backing to the use of the cost of production criterion for price guarantees in industry stabilisation programs (Crawford, 1949). However there were many problems associated with using costs of production for these purposes, not the least of which was the tendency for levels of protection to rise as the gap between the guaranteed prices and international price levels increases. Professor J. Lewis, University of New England and formerly a research economist at the BAE, later argued that unit costs were not an appropriate basis on which to fix the price of any agricultural commodity. He claimed that:

"It will be purely accidental if an assessment of Australian wheat-growers' costs coincides with the price called for by the forces of supply and demand in the world wheat trade. Moreover, in the natural process of events, prices tend to exert more influence upon costs than *vice versa* and basing price guarantees on cost assessments initiates a self-amplifying inflationary process"(Lewis, 1975, p. 422).

Cost of production surveys, used carefully and in conjunction with other data, could assist in analysis of the important relationships between different activities on farms and the economic factors affecting production trends. However, they were deceptively simple if

taken at face value (Williams, 1957, p. 35). Regrettably, such surveys were often used in the 1950s to determine guaranteed prices for farmers and to draw conclusions about farm efficiency.

T. H. Strong,⁵³ who succeeded Crawford as Director of the BAE in 1950, claimed that the Bureau was not a policy-making body but essentially a Public Service agency whose prime function was to service the Department of Primary Industry and the Australian Agricultural Council, and it had to give priority to their requirements (Strong, 1957, p. 47). Although a brilliant man and a perceptive critic, Strong had a tendency to forcefully advocate particular policies rather than maintain the independent role of adviser. This threatened the effectiveness of the BAE because it was seen to be giving partisan or inconsistent advice to policy makers. It was alleged at one time that Strong maintained the BAE was prohibited from carrying out research and had to find facts at the behest of its political masters although this cannot be confirmed.⁵⁴ As Director of the BAE, Strong exerted some influence. He managed to secure finance to reinvest in agricultural machinery, to clear brigalow country, and to subsidise the cotton industry. Although he was able to interact with politicians who were attracted to these grandiose schemes, Strong was never able to build up the same contact with government ministers that Crawford had achieved.

During the 1950s, K. O. Campbell, Professor of Agricultural Economics at the University of Sydney, questioned the relevance and importance of the work being carried out by the BAE. He claimed that the BAE was not involved, to any great extent, in 'planned purposive research', that is, research planned from the outset to determine the existence or non-existence of specific economic relationships and to measure those relationships.⁵⁵ The resources of the BAE were heavily committed to short-term enquiries that had immediate policy implications and there were few investigations of longer-term significance. In the 1950s, it was not involved in providing detailed statistical information concerning farm and export incomes, aggregate expenditure on equipment, changes in the capital structure of farms, factors contributing to increased farm indebtedness, or other matters that influence the long-term viability of farms and efficiency of rural land use. Much of the work being done at the BAE at the time involved descriptive field surveys which were useful as preliminary steps, but needed to be followed up with 'intensive analytical investigation'. Such investigative analysis was often not undertaken. This was not only due to the over-stretched resources of the Bureau but also to the shortage of trained staff.

There were some long-term studies; for example, assessments of the impact of immigration and population growth on the consumption of foodstuffs and on the export surpluses of agricultural production. However the results were often based upon crude extrapolations, yet these projections were used to justify certain policy proposals, such as, accelerated depreciation of farm machinery and increased tax deductibility for some capital outlays. The production targets tended to be vague and insufficient consideration was given to the policy instruments required to achieve particular objectives.

The BAE was client-oriented in the 1950s and there was still considerable support for the notion of 'agricultural fundamentalism'. Any form of assistance to rural industries could be justified if it resulted in increased agricultural exports. The BAE's work in determining guaranteed prices for many of Australia's rural products can be directly linked to the fears of Australian farmers that the product price instability that had occurred in the 1920s and 1930s would return. This meant that the policy makers argued for the continuation or extension of price stabilisation programs.

Professor Lewis, University of New England, believed that the economic advisers who worked at the BAE in the 1950s did have considerable influence on policy. The BAE's farm survey and index data, its analyses of commodity market trends, and the other information it published, provided the indispensable material for an informed discussion of agricultural problems and policy issues. The agricultural economists who worked there in the early years were inevitably drawn into the policy debate. The Minister (McEwen) afforded adequate protection to those who provided him with analysis and advice, and he was prepared to take responsibility for decisions made. He did not allow the critics of unpopular measures to strike at his 'wicked advisers'. McEwen made it clear to all who worked at the BAE that he wanted a straight economic analysis of the alternatives, not a political point of view.

Much later, Professor J. L. Dillon discussed the extent to which agricultural economics in Australia had, from its inception, been bound up with the bureaucracy. The profession was dependent upon public funding from government through the BAE and State Departments of Agriculture. This resulted in an inevitable loss of independence and freedom of enquiry because governments wanted answers and research work had to be continually monitored by means of numerous progress reports. Dillon believed agricultural economists needed to have opportunity to undertake unfettered research in areas where they considered they would have the best chance of making a contribution (Dillon, 1988, p. 345). With many Australian agricultural economists working at the Bureau of Agricultural Economics, a government policy-advisory body, such opportunities were limited.

In 1957 Crawford maintained that the real role of the agricultural economist had yet to be played in Australia (Crawford, 1957, p. 15). Crawford (at that time Permanent Secretary, Department of Trade) was not referring to sophisticated budgets or linear programming at this time. He wanted more agricultural economic research and the results of that research work to be disseminated amongst farmers to enable them to make their own investment and production decisions based on sound economic principles. This required more research officers, more research output, and more professional agricultural economists to analyse and interpret data. The need for increased agricultural economics education was again highlighted.

7. AGRICULTURAL ECONOMICS IN AUSTRALIAN UNIVERSITIES

In Australia agricultural economics developed from a practical field of study to an important and influential profession in the 1950s. The most important single step towards the overall professionalisation of a particular field of study is its establishment in a university context (Clark, 1968, p. 13). The incorporation of a new subject within the university curriculum is a substantial indication of its acceptance by the community in general, and academia in particular. University teaching gives the subject increased prestige and legitimacy as well as providing a continuing source of new recruits for the field. In the Australian case, agricultural economics achieved this status after a period of initial establishment in the 1940s and early 1950s. However, it was not until the mid-1950s that formal academic training for agricultural economists became well entrenched within Australian universities.⁵⁶

Although agriculture was still the most important export sector of the Australian economy in the 1920s and 1930s, there were no specific courses in agricultural economics at Australian universities and no specialist practitioners working in the discipline at that time. Much work was being done at that time by agricultural extension workers who were associated with the various State Departments of Agriculture and their technical knowledge was very sound. However, as E. J. Underwood, Professor of Agriculture at the University of Western Australia stated

“Agricultural research and extension (services) in Australia have suffered too long from an almost exclusive devotion to technical problems and a severe neglect of economic and sociological problems” (Underwood, 1952, p. 184).

In the 1940s and 1950s, as the economics profession grew, a new generation of economists emerged and they specialised in agricultural problems (e.g. Campbell, Lewis, Gruen, Schapper). These academics established agricultural economics in the Australian universities.

In the early 1950s, studies in agricultural economics were being undertaken either in the Faculty of Agriculture, (at the Universities of Sydney, Melbourne and Western Australia) or in the Faculty of Economics/Commerce (Adelaide University). The University of New England was the only Australian University to establish a separate Faculty of Agricultural Economics. The relationship between Agricultural Science and Agricultural Economics and between Economics and Agricultural Economics was complex. Scientists working in agriculture were becoming increasingly aware of the economic aspects of their activities, whilst general economists tended to concentrate on their own discipline. Williams, (1957, p. 38) argued that there had been ‘gross neglect on the part of the academic economists, of the special problems of rural industries’ until the middle of the twentieth century. R. M. Parish,⁵⁷ at the time President of the Australian Agricultural Economics Society, claimed that agricultural economics was a branch of applied economics and its practitioners were agricultural economists, not economical agriculturalists (Parish, 1969, p. 3). However Dr. T. Strong, Director of the BAE 1950-58, maintained that the only satisfactory way to train

an agricultural economist was to superimpose a course in economics on to an agricultural science course. He believed that a strong agricultural background of experience was essential before an economist could be regarded as an agricultural economist. There was also much debate in Australia about what the content of an effective curriculum in agricultural economics should be (Drummond, 1959, p. 96). Was it a technical course in the marketing of primary products, or was it a course seeking to derive rules for successful farming by interpreting the data obtained from farm surveys and farm record books?⁵⁸

It was ultimately recognised by the State and Federal governments that there was an urgent need to provide increased academic training for agricultural economists as well as improved and expanded agricultural extension services to the agricultural industry in Australia. In the 1950s this resulted in the establishment of more specialised agricultural economics and farm management courses within the universities.

8. THE PROFESSIONAL SOCIETY AND JOURNALS

Once a new form of knowledge is established in the national university system, the next most important step in the professionalisation of the discipline is the formation of a nation-wide professional organisation. The existence of a professional society for members is an indication of widespread support for, and recognition of the profession by the wider community. Such organisations maintain and develop intellectual standards within the profession and may provide a base for collective action on matters of concern to the profession as a whole. In Australia, the first professional society for agricultural economics, the Australian Agricultural Economics Society, was formed in 1957.

The first serious proposal to form an Australian Agricultural Economics Society was put forward in the early 1950s probably as a result of J. R. Currie's visit to Sydney. Currie⁵⁹ was the foundation secretary of the International Association of Agricultural Economists (IAAE). He was enthusiastic about agricultural economists meeting regularly and established an Australian group of the IAAE. However, during 1956, an organising committee of local people, namely, I. A. Butler, K. O. Campbell, C. P. Dowsett, P. C. Druce and F. H. Gruen planned an inaugural meeting of an independent Australian society to be held in Sydney in February, 1957.⁶⁰ It was held at the Rural Bank of New South Wales, over 120 people attended and, at that first meeting, the delegates discussed the state of agricultural economics in Australia, agricultural finance and the merits of the farm survey method of agricultural research. Those present agreed to establish an independent professional society in Australia and an Interim council was elected to draw up a constitution.⁶¹ Professor Campbell was the driving force behind the establishment of the Society. P. C. Druce, NSW Department of Agriculture, believed that without Campbell's involvement the Australian Agricultural Economics Society (AAES) would not have been formed until years later.⁶²

The new Society gave first priority to the publication of a journal. The papers read at the first conference of the AAES were published as the first issue of the *Australian Journal of Agricultural Economics* in 1957. This first issue was included as part of the NSW Department of Agriculture's *Review of Marketing and Agricultural Economics*. However,

this was not a successful venture. Professor Campbell believed that there was an abortive attempt by State Minister for Agriculture to censor that first issue on the grounds that it was a misuse of power based on the complex area of Commonwealth-State relations (Campbell, 1997, p. vi). The Journal was not subjected to such interference again because it was henceforth published by the Society.

The journal provided an opportunity for researchers to publish their work and for agricultural economists to discuss important policy issues. Within the first twenty years of its existence, the agricultural economics profession, through its Society, its Journal and its annual conferences, showed an ability to engage with its members, to disseminate information and advice to the farming community and to influence the formulation of agricultural policy.

The Society's journal was not the first agricultural economics publication in Australia. In 1941 the NSW Department of Agriculture established its Division of Agricultural Economics, the first time any organisation in Australia was specifically responsible for investigation of the "economics of agriculture". W. J. McKell, Premier of NSW, was interested in agricultural economics and had befriended J. G. Crawford,⁶³ the economist with the Rural Bank of NSW and economist in the Department of War Organisation of Industry. In 1943, two separate divisions in the NSW Department were amalgamated to form the Division of Marketing and Agricultural Economics (DMAE). Crawford assisted in setting up the DMAE and assumed responsibility for the research work of the new Division. W. Pawley,⁶⁴ an economist, was made Chief of the Division.

As early as 1945, the DMAE published a *Review of Marketing and Agricultural Economics* (RMAE), an expanded form of the *Monthly Marketing Review* which had been published by the Division of Marketing since 1937.⁶⁵ The Department believed that the review would bridge the gap between those who studied the problems of marketing and economics and those more closely associated with agricultural affairs. In Australia at that time, there was no other publication of a similar nature.

In January, 1948 the Bureau of Agricultural Economics (BAE) published the first issue of the *Quarterly Review of Agricultural Economics* (QRAE). In his introductory article, the Minister for Commerce and Agriculture, R. T. Pollard, stated that the BAE was charged with the responsibility of conducting continuous enquiries into the many economic problems affecting farmers' activities. It inquired into various aspects of land use, the economic prospects of Australia's rural industries, and general economic and statistical research in relation to agriculture. These investigations were carried out independently with the main objective of ascertaining facts. The QRAE was published as a means of disseminating information concerning the BAE's investigations to all those associated with Australia's rural industries. The journal very quickly became well established among farmers, businessmen, financial and academic institutions. In 1951, after only three years of publication, the new Minister, J. McEwen, commended the QRAE for the widely-needed service it provided in terms of research results and agricultural statistics. In 1956, when the BAE became part of the Department of Primary Industry (see Appendix 4) the Minister, W. McMahon, acknowledged the valuable service that the BAE provided to the department. It collected and presented facts relating to agriculture and this information

assisted policy formulation. The Minister stated that although he did not always agree with the BAE's interpretation of events, he supported its right to publish independently. The QRAE gave BAE staff and others, the opportunity to present their research results and to discuss the implications of particular policy decisions.

The professionalisation of agricultural economics gained momentum in Australia with the establishment of the NSW Department of Agriculture's Division of Agricultural Economics in 1941 and the Commonwealth Bureau of Agricultural Economics in 1945. Both these organisations produced their own in-house journals. The formation of the professional society and publication of its journal further hastened the professionalisation process.

9. CONCLUSION

By the 1960s the agricultural economics profession was served by specialist divisions in state government departments and a Commonwealth government agricultural economic research bureau. There were university courses at both undergraduate and graduate level throughout Australia, and three professional journals which spread ideas and disseminated information to farmers and the wider community. Agricultural economists had built up a reputation within Australia where they were recognised as being highly skilled at applying economic theory to real world problems. Chart 2 outlines the events which contributed to the emergence of the agricultural economics profession in Australia. After a slow start during the post-depression years, agricultural economists eventually attained a significant and respected position in Australian academic institutions and within government organizations. The level of awareness of agricultural economics was high in the 1950s and 1960s. However, by the 1970s agricultural economists were no longer simply concerned with the expansion of agricultural production and efficient farming methods. They were being challenged by different issues.

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APPENDIX 1

REPORTS OF THE RURAL RECONSTRUCTION COMMISSION

1. A General Rural Survey, January, 1944
2. Settlements and Employment of Returned Men on the Land, January, 1944
3. Land Utilization and Farm Settlement, June, 1944
4. Financial and Economic Reconstruction of Farms, August, 1944
5. Rural Credit, February, 1945
6. Farming Efficiency and Costs, and Factors relating thereto, April, 1945
7. Rural Amenities, May, 1945
8. Irrigation, Water Conservation, and Land Drainage, December, 1945
9. Rural Land Tenures and Valuation, June, 1946
10. Commercial Policy in Relation to Agriculture, August, 1946

Commissioners: F. J. S. Wise, Minister for Agriculture, Western Australia
F. J. Murphy, Secretary, Department of Commerce and Agriculture
C. R. Lambert, Chairman, NSW Reconstruction Board
Professor S. M. Wadham, University of Melbourne, Faculty of
Agriculture

APPENDIX 2

DEPARTMENT OF WAR ORGANIZATION OF INDUSTRY

Minister: Hon. J. J. Dedman (1941-1945)

Permanent Heads: Sir Daniel McVey (1941-1942)
Sir Giles T. Chippindall (1942-1945)

Economic Advisers: Professor E. R. Walker
Dr. J. G. Crawford
T. W. Swan

Divisions and Sections:
(as at 1945 when it merged with Post-War Reconstruction)

1. Administration
2. Economics and Statistics
3. Rationalization
4. Rural Industries
5. Building
6. Fisheries
7. Public Relations
8. United Nations Relief and Rehabilitation Administration (UNRRA)
9. Transport Section
10. New Manufacture Section
11. Price Stabilization Sections
12. Regulations, Orders and Enforcement Division
13. Production Executive Secretariat
14. Branch Offices in each State

Ministry of Post-War Reconstruction

Minister: Hon. J. B. Chifley (1942-45)
Hon. J. J. Dedman (1945-1948)

Permanent Head: Dr. H. C. Coombs

Divisions: (as at 1942/3 when it was formed)

1. General – later renamed Economic Policy and Research
Chief Economist: T. W. Swan,
Director of Research: J. G. Crawford
2. Rural, including Rural Reconstruction Section
3. Regional Planning
4. Re-establishment (with Branch Offices in all States)
5. Secondary Industries
6. Administration
7. Public Relations

Administrative Organization:¹

1. Department of Post-War Reconstruction – this department undertook research required by the following commissions to supplement their own inquiries, and prepared comments on the commissions' reports.
2. Commissions (each of these commissions conducted its own investigations)
Rural Reconstruction Commission
Housing Commission
Secondary Industries Commission
3. Committees
Reconstruction Training Committee – a planning body
Re-employment Committee – an advisory body
Demobilization Committee – an advisory body
4. Coordinator General of Works (member of the National Works Council)

¹ E. R. Walker, 1947, *The Australian Economy in War and Reconstruction* p.347-48

APPENDIX 3

Australian Bureau of Agricultural Economics

Research areas recommended by the Rural Reconstruction Commission 1946²

- The earnings and costs of farmers
- Developmental costs generally
- The allocation of the farmer's income between interest on his capital investment and reward for his labour and management
- Land prices and the influence on such prices of improvements in the technique of agriculture and changes in the prices of products
- Land values generally, and the division of increments between unearned increment and increment in value brought about by the efforts of the farmer
- The incidence of price stabilization of farmers' incomes
- The general level of incomes in farming industries with a view to forming a basis for the stabilization of prices of farm products
- The comparison of prices of farm products and the general price level
- The general economic position of the principal farming industries as a basis for consideration of standards of prices.

The research into the above problems should be coordinated with overseas trade research, which includes the study of the international position of commodities important in world trade. The organization of both branches of research is essential to the proper study of future plans for development of the primary industries. The work involved in the actual study of the farmer's economic position is difficult and complicated and this work should be entrusted to highly qualified officers. The Commonwealth should secure the collaboration of the State departments interested in rural affairs and of all the banks and other financial institutions interested in the farmers' activities.

² Rural Reconstruction Commission, Tenth Report, 1946, p.?

APPENDIX 4

ADMINISTRATIVE HISTORY OF AUSTRALIAN GOVERNMENT DEPARTMENTS AND AGENCIES RESPONSIBLE FOR AGRICULTURE

Source: NAA, CO/1

DATE	DEPARTMENT	MINISTER	SECRETARY
1901-56	Trade and Customs	C. C. Kingston first Minister ³	H. N. P. Wollaston first secretary
1912-16	Bureau of Agriculture administered within the Department of Trade and Customs		
1916-20	Advisory Council of Science and Industry		
1920-26	Institute of Scientific and Industrial Research established. Bureau of Agriculture absorbed by the Institute		
1926-50	Council for Scientific and Industrial Research established.		11 members of Council ⁴
1925-28	Markets and Migration	H. V. Wilson	E. J. Mulvaney
1928	Markets	T. Paterson	E. J. Mulvaney H. Thomson (a) A. C. Brown
1928-30	Markets and Transport	T. Paterson	
1930-32	Markets	P. J. Maloney C. A. S. Hawker	E. J. Mulvaney
1932-42	Commerce	Eight different Ministers ⁵	E. J. Mulvaney J. F. Murphy
1945-49	Post-War Reconstruction	J. J. Dedman	H. C. Coombs
1942-46	Commerce and Agriculture	W. J. Scully	J. F. Murphy
1946-49	Commerce and Agriculture	R. T. Pollard	E. McCarthy
1949-56	Commerce and Agriculture	J. McEwen	J. G. Crawford
1956-58	Primary Industry	W. McMahon	J. G. Crawford
1958-67	Primary Industry	C. F. Alderman	J. Moroney
1967-71	Primary Industry	J. D. Anthony	A. C. Maiden
1971-72	Primary Industry	I. M. Sinclair	W. Ives
1972-74	Primary Industry	K. Wriedt	W. Ives
1974-75	Agriculture	K. Wriedt	W. Ives

³ There were another 35 Ministers, and another 9 Secretaries until 1956.

⁴ G. A. Julius, W. J. Newbigin, A. C. D. Rivett, Professors Watt, Masson, Richards and Richardson, B. Perry, P. E. Keam, plus co-opted members Professors Goddard and Woodruff.

⁵ From 1932 the following Ministers were responsible for the Department of Commerce: C. A. S. Hawker, J. A. Lyons, F. H. Stewart, E. C. G. Page, G. McLeay, A. G. Cameron, E. C. G. Page, W. J. Scully.

CHART 2 EVENTS CONTRIBUTING TO THE EMERGENCE OF AGRICULTURAL ECONOMICS IN AUSTRALIA

1921	The Rural Bank established as a Department within the Government Savings Bank of NSW
1925	Rural Credits Department established within the Commonwealth Bank
1930	The Bank of NSW resolved to establish a Department of Economics and Statistics
1931	E. O. G. Shann appointed Economic Adviser at the Bank of NSW (February) L. G. Melville appointed Economist at the Commonwealth Bank (March)
1933	Rural Bank of NSW became an institution in its own right
1934	R. Wilson appointed Commonwealth Statistician, first permanent appointment of an economist to the Commonwealth Public Service Courses in Rural Economics, given by J. G. Crawford, began at the University of Sydney
1935	J. G. Crawford appointed as an Economic Adviser to the Rural Bank of NSW Australian Agricultural Council (AAC) and Standing Committee on Agriculture (SCA) formed
1936	I. A. Butler joined the Economist's Department of the Rural Bank of NSW
1937	Division of Economics and Marketing (DEM) established in the NSW Department of Agriculture The DEM published a <i>Monthly Marketing Review</i>
1941	NSW Department of Agriculture established a research unit devoted to agricultural economics, J. G. Crawford appointed as Economic Adviser Rural Industries Division (RID) established in the Department of War Organization of Industry
1942	The Australian Institute of Agricultural Science conceded that there was a need for detailed study of rural economics J. G. Crawford appointed Rural Adviser, Department of War Organization of Industry
1943	Division of Marketing and Agricultural Economics (DMAE) formed in the NSW Department of Agriculture Rural Reconstruction Section (RRS) established in the Department of Post-war Reconstruction Prime Minister, J. B. Chifley, set up the Rural Reconstruction Commission to investigate the position of farming and the conditions of rural life
1944	Rural Reconstruction Commission published reports 1–4
1945	Rural Research Division (RRD) established in the Department of Post-War Reconstruction. This was an amalgamation of RID and RRS. Bureau of Agricultural Economics established within the Department of Post-War Reconstruction. This was virtually a re-naming of the RRD. Rural Reconstruction Commission published reports 5-8. DMAE published its <i>Review of Marketing and Agricultural Economics</i> .
1946	Rural Reconstruction Commission published its final reports 9 and 10 BAE transferred to the Department of Commerce and Agriculture
1948	I. A. Butler joined the Commonwealth Bank as an Agricultural Economist BAE published the first edition of the <i>Quarterly Review of Agricultural Economics</i> CBA Rural Credits Development Fund (RCDF) gave 50,000 pounds to endow a Chair of Agricultural Economics at Sydney University
1951	Dr. K. O. Campbell appointed Reader in Agricultural Economics at the University of Sydney H. P. Schapper appointed Fellow in Agricultural Economics at the University of Western Australia. RCDF gave 20,000 pounds to support this. DMAE employed many Agricultural Economics Research Officers, e.g. F. Gruen, A. Lloyd, R. Parish, J. Rutherford

ENDNOTES

- ¹ Agricultural exports contributed more than 56% to Australian exports in 1900/01 and this figure increased to over 88% in 1950 (Butlin, 1962, p.10).
- ² The Commonwealth Bank was formed in 1911 under the Commonwealth Bank Act of Parliament. It was initially an ordinary trading and savings bank. In 1924, when the Act was amended, the Commonwealth Bank began to develop as a central bank, but progress towards effective central banking was slow at first (Giblin, 1951, p. 23).
- ³ These compulsory pools were in existence from 1915-1922.
- ⁴ Primary produce was defined by prescription and ultimately came to include any goods of special interest to the farmer, even such products as superphosphate (Giblin, 1951, p. 58).
- ⁵ Advances had to be repaid within twelve months and were made to banks or to co-operative associations formed under Commonwealth or State law.
- ⁶ For example, the Australian Wheat Board, the Barley Board, and the Apple and Pear Marketing Board.
- ⁷ For example, butter, cheese, eggs, meat, field-peas and rabbit-skins (Giblin, 1951, p. 59).
- ⁸ The Rural Reconstruction Commission is discussed later in this chapter. In their Fifth Report the commissioners recommended that Australian banks provide more credit facilities to rural producers.
- ⁹ Ira Alan Butler, 1909-1972, was born in north west NSW and spent his early life on a sheep station. He studied economics at the University of Sydney under Professor Mills with excellent results (University of Sydney Calendar, 1932, p. 561). Butler studied with J. G. Crawford, S. J. Butlin and W. H. Pawley, all of whom went on to make their mark in both the economics and agricultural economics professions. Butler went to the Economist's Department of the Rural Bank of NSW in 1936 where he rose to the position of assistant economist under J. G. Crawford. He was seconded during the war to the Department of War Organisation of Industry but returned to the Rural Bank after the war. Butler went on to the Commonwealth Bank in 1948 and became Senior Economist in 1954. He established the Rural Liaison Service in 1959 and became Manager of the Research Department in 1961. He was appointed adviser to the governor in 1966. During his time at the bank, Butler attended conferences of the International Association of Agricultural Economists in Finland in 1955, and in Paris in 1964 (RBA, *Currency*, 1961, p. 13, 1970, p. 6, 1973, p. 6).
- ¹⁰ A Government Savings Bank had been formed in 1871 and an Advances to Settlers Board in 1899. But in 1906 a new Government Savings Bank of NSW had been formed and took over the business of the former Savings Bank and Advances to Settlers Board.
- ¹¹ The formation of a Rural Bank Department at the Government Savings Bank in NSW preceded the opening of the Rural Credits Department in the Commonwealth Bank by some five years.
- ¹² Only the advances of the Rural Bank Department, the Advances for Homes Department, and the Government Housing Department were part of the new Rural Bank. All other departments were taken over by the General Banking Department of the Commonwealth Bank.
- ¹³ When the Rural Bank of NSW was proclaimed in 1933 it provided for the operation of a Rural Bank Department. This Department aimed to assist and extend primary production in all cases which appeared to offer good prospects of financial success. Loans were made to farmers by overdraft or long term loans (Rural Bank of NSW, 1936, p. 6).
- ¹⁴ The Commonwealth Fund was a foundation established in 1918 by Anna M. Harkness, wife of Stephen V. Harkness, American philanthropist. The Fund provided Fellowships for mature students from UK, Australia, New Zealand and other Commonwealth countries to study at American universities.
- ¹⁵ Alfred Charles Davidson 1882- 1952, was educated at Brisbane Grammar School and joined the Bank of NSW in 1901 as a bank clerk. He studied banking, passed the examination of the Institute of Bankers of NSW and became an associate of the Institute of Bankers, London. After a short trip to London 1910-1911, Davidson returned to the bank and worked in head office in Sydney. In 1913 he joined the inspector's department and from 1922-1925 he worked in New Zealand branches of the bank. In 1925 Davidson moved to Perth management and was made chief inspector in Western Australia in 1927.

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- ¹⁶ In 1928 Davidson gave a paper to the Economic Society in Perth entitled '*Central Reserve Banking*' which was later published as a booklet. Another Economic Society paper entitled *Banking, Credit and Industry*, was given in 1929 and Davidson also gave the Joseph Fisher Lecture in Commerce in Adelaide in 1932 entitled '*Australia's Share in International Recovery*'. An article in *The Australian Quarterly* was on the gold standard and Davidson spoke on banking and current economic problems at various forums. According to Holder, Davison had a flair for educational publicity and a great love of an audience (Holder, 1970, p. 642)
- ¹⁷ Shann was originally appointed a rural economic adviser in 1930.
- ¹⁸ L. H. E. Bury and P. T. Matthews were the first two appointments. Bury went on to become Commonwealth Treasurer in 1969 (Holder, 1970, p. 806n).
- ¹⁹ Bank of New South Wales Circular, Vols. 1-10, 1930-1947.
- ²⁰ Contributors included D. B. Copland, L. F. Giblin, R. C. Mills, E. R. Walker, F. A. Bland and J. G. Crawford.
- ²¹ Shann was appointed for a second year, 1932 but went back to the University of Western Australia in Perth for the 1933 academic year.
- ²² T. Hytten was economic advisor during 1933 and early 1934. He was then given a five year appointment in 1935.
- ²³ A. W. Fisher was the economic advisor for one year only, 1934
- ²⁴ The following appointments were made in the 1930s – C. V. Janes, 1931, D. H. Merry, 1933, L. H. E. Bury, 1935, R. B. McMillan, 1938, A. Tange, 1938, J. Plimsoll, 1938, and W. Ives, 1939. These men were all economics or arts graduates. In 1938, P. A. Reid, an agricultural scientist was also appointed.
- ²⁵ In his book *Horizons*, Spillman cites speeches by Frank Wise where he argued that the Bank was constrained by the fact that it was an instrument of government and therefore subject to resource constraints and some political pressure. But the main problem was that the Bank could not offer customers the facilities of a trading bank (Spillman, 1989, pp. 73, 77).
- ²⁶ According to Spillman the Bank actively fulfilled its role as a government agency with special expertise in rural development. It initiated schemes designed to improve the position of the State's agricultural and pastoral producers, and to increase production (Spillman, 1989, p. 161).
- ²⁷ Such a service was first mooted back in 1957 soon after D. P. Fischer was appointed. However there were many difficulties facing the establishment of such a service. The Bank's field staff had good understanding of rural affairs but had no training in farm management procedures, yet the service had to be staffed by people with adequate training and experience. The Bank also had to obtain the consent of the government to inaugurate the service and to get the necessary financial support.
- ²⁸ The University established its own Farm Management Centre 1959 and in 1961, the John Thomson Agricultural Economics Centre was opened.
- ²⁹ This Committee absorbed the existing Standing Committee on Agriculture of the Council for Scientific and Industrial Research (CSIR).
- ³⁰ This was the forerunner of the Australian Academy of Science.
- ³¹ The executive consisted of Sir George Julius, Sir David Rivett and A. E. V. Richardson. Previously people were recruited into the Public Service by undertaking Public Service examination and testing. Graduates from particular disciplines were not necessarily chosen.
- ³³ A major piece of wartime legislation was the passing in June 1940 of the National Security Act. This act gave the Commonwealth power to do almost anything which directly or indirectly assisted the war effort. Regulations which particularly affected the rural industries were the Manpower Regulations and the Price Control Regulations.
- ³⁴ Roland Wilson, 1904-1996, graduated B. Com. from the University of Tasmania, 1926, was a Rhodes scholar in 1925, and did post graduate studies at both Oxford and the Chicago. He lectured at the University of Tasmania from 1930-32 when he was then appointed Economist in the Statistician's

Branch of the Commonwealth Treasury. He held the position of Economic Adviser to the Treasury 1936-40 and 1946-51. He became Secretary to the Treasury in 1951 a position he held until 1977.

- ³⁵ Additional members were co-opted to the F. & E. committee as required. Maddock and Penny state that S. R. Carver, Acting Statistician; H. Brown, Department of War Organisation of Industry; D. McVey, Department of Supply and Development; R. C. Mills, Grants Commission, were all part of the Committee at various times by 1942.
- ³⁶ The Committee needed the support of a strong co-ordinator. Unfortunately, Sir Ernest Fisk proved to be a poor administrator. More of the policies recommended by the F. & E. Committee would have been implemented if Fisk had been able to provide more effective co-ordination between relevant government departments and the Committee (Maddock and Penny, 1983, p. 40).
- ³⁷ Professor Crisp, in his biography of Chifley, argues that Chifley heard economists referring to Keynes' General Theory when they gave evidence to the Commission. Also, R. C. Mills, Professor of Economics at Sydney University, was a fellow commissioner and he assisted Chifley to gain an understanding of the Keynesian revolution (Crisp, 1961, p. 169).
- ³⁸ Chifley worked with Copland, Coombs and Melville particularly when he first took office. In addition, he always had the strong support and assistance of J. H. Scullin, former Prime Minister, an extremely able politician, admired by all for his honesty and directness (Schedvin, 1970, p. 118)
- ³⁹ F. W. Bulcock, 1892-1973, studied agriculture and veterinary science at Sydney Technical College. He went to Queensland and became an active member of the Australian Workers Union. He became a parliamentarian in Queensland in 1919 and from 1932-1942 Bulcock was the Minister for Agriculture and Stock, the first incumbent to have had an academic and practical background in agriculture and veterinary science. In 1942 he became the Commonwealth Director General of Agriculture and during the war he organized the wartime planning of essential agricultural production. He was a founding member of the Australian Agricultural Council (Conroy, 1983, p. 292).
- ⁴⁰ For example, J. G. Crawford, L. M. Ross, A. S. Brown, and H. S. Wyndham.
- ⁴¹ A graduate recruitment scheme had been introduced in the 1930s but it was not successful. Whitwell (1986, p. 10) cites low wage levels, little prospect of rapid advancement, and much menial routine work as reasons for the fact that graduates did not look to the public service for employment.
- ⁴² Wise was Minister for Lands and Agriculture in Western Australia and later Premier of that State, Murphy was Permanent Secretary of the Commonwealth Department of Commerce and Agriculture and had been Controller-General of Food during the war, Prof. Wadham was Professor of Agriculture at Melbourne University, and Lambert was Chairman of the NSW Rural Reconstruction Board and a Director of the Rural Bank of NSW.
- ⁴³ In 1941, Giblin was Economic Adviser to the Government; Copland, Prices Commissioner and Economic Adviser to the Prime Minister; Brigden, Secretary of the Department of Supply and Development, then later of the Munitions Department; Wilson, Secretary of the Department of Labour and National Service; Coombs, Director of Rationing, then Director-General of Post-War Reconstruction; and Walker, Deputy Director-General of War Organisation of Industry.
- ⁴⁴ Walker explained that "the administrative organisation of the Ministry was novel. It consisted of the Department of Post-War Reconstruction and several Commissions and committees directly under the Minister. These Commissions consisted of persons combining expert knowledge with some prominence in the community; and it was hoped that they would crystallise the major post-war problems in their respective fields and propose policies that could be discussed by public and considered by the government" (Walker, 1947, pp. 347-8).
- ⁴⁵ Crawford had previously been an Economic Adviser to the Department of War Organisation of Industry.
- ⁴⁶ T. W. Swan, 1900-1989, graduated from the University of Sydney in 1939 with first class honours in economics and the university medal. He was employed by the Rural Bank of NSW at first, then by the University of Sydney as a lecturer. He joined the wartime administration first in the Department of War

Organisation of Industry and then as chief economist in the Ministry of Post-War Reconstruction. Swan was appointed to the first Chair of Economics created at the Australian National University, a position he held from 1950-1983. During this time he was also an economic adviser to the Australian Commonwealth government.

- ⁴⁷ This division would be an amalgamation of the Rural Industries Division of the Department of War Organisation of Industry and the Rural Reconstruction Section of the Department of Post-War Reconstruction.
- ⁴⁸ Some of the research officers employed were, A. H. Tange, L. F. Crisp, N. G. Butlin, W. Ives and G. G. Firth, to name just a few, all of whom went on to prominent positions in the public service or academia.
- ⁴⁹ Cost of production surveys were first carried out for the wheat industry and the dairy industry in the late 1940s. Over the years the scope of the surveys has become much broader in terms of data collected and industries covered (ABARE, 1995, p. 14).
- ⁵⁰ It was more than 20 years later before a Green Paper on Rural Policy was finally produced in 1974. This was a report to the Prime Minister by a Working Group headed by Stuart Harris, then Deputy Secretary of the Department of Trade. Other members of the group were Crawford, Gruen and N. Honan.
- ⁵¹ Professor Ian Clunies Ross, Veterinary School at the University of Sydney, held this view at one time.
- ⁵² Such views have been attributed to various people including T.W. Strong, F. Gruen and F. Grogan.
- ⁵³ Thomas H. Strong 1910-1988 was educated at the University of Queensland graduating in Agricultural Science in 1934. He spent some time in the Queensland Department of Agriculture and Stock and was awarded a Masters degree on the basis of his early research work. He was employed at the CSIR and at the Waite Research Institute before enlisting in 1941. He first joined the BAE in 1945 as a research officer and was later appointed Principal Investigating Officer, and then Assistant Director. Strong undertook post-graduate study in the USA in 1948. He studied for his doctorate at Harvard University under J. D. Black. Whilst in USA Strong took the opportunity to make a detailed study of US agricultural policies and of technological change in American farming (QRAE, 1950, p. 110).
- ⁵⁴ Personal interview with Professor J. N. Lewis.
- ⁵⁵ See footnote in Campbell, 1957, p. 24.
- ⁵⁶ This is not to deny the fact that the University of Sydney had offered an Honours year in the BSci(Agr) for many years and from 1939 agricultural economics was one of the research subjects. Crawford conducted the Honours program and in 1943 several outstanding students graduated viz. K. O. Campbell, D. B. Williams, O. French, P. Phillips. In addition, the University of Western Australia offered units in agricultural economics from 1951 and the University of Adelaide did likewise from 1953.
- ⁵⁷ Ross Parish was a graduate from the University of Sydney, BSci(Agr), and the University of Chicago, PhD. He held many academic positions at Australian universities, viz. University of Sydney, University of New England, Monash University. He was also a visiting academic at various overseas universities, viz. Oxford, Stanford, Virginia Polytechnic Institute.
- ⁵⁸ The same dilemma was faced by agricultural economists in United Kingdom and United States in the early twentieth century.
- ⁵⁹ J. R. Currie 1891-1967, studied at Glasgow University and then spent a year at the AERI at Oxford under Orwin. He later obtained a M. Sc. in agricultural economics from Cornell University. He was appointed to oversee the Department of Agricultural Economics at Dartington Hall in 1928 and remained there until retirement (Whetham, 1981, p. 73).
- ⁶⁰ The local people believed that more people would be likely to join an Australian organisation if it did not also involve compulsory participation in the international association (Campbell, 1960, p. 1)
- ⁶¹ K. O. Campbell was the first President of the Australian Agricultural Economics Society and Cecil Dowsett was the first Secretary. Campbell (1997) pays tribute to Dowsett as the inaugural secretary claiming that he had a meticulous and thorough approach to everything he did to assist with the formation of the Society (Campbell, 1997, pp. v-vi).

⁶² Personal Interview with P. C. Druce.

⁶³ Personal interview with P. C. Druce.

⁶⁴ Walter H. Pawley was an economics graduate from the University of Sydney. He became the senior research economist in the NSW Department of Agriculture, before being made Chief of the DMAE. After the Second World War, Pawley went to the United Nations Relief and Rehabilitation Administration (UNRRA) and initially worked on an agricultural survey of the Phillipines.

⁶⁵ The original issues of the *Monthly Marketing Review* and the first twelve issues of the *Review of Marketing and Agricultural Economics* were published in simple mimeographed form and this necessarily restricted its circulation. In January 1946, the review became a printed monthly periodical.