

The Role of Government in the Formation of Country Towns in South Australia

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Except for the first six years of British settlement in South Australia there has never been a distinct separation of government and private involvement in economic development. Further, as this period from the 1840s largely coincided with the rise of modern capitalism (in North America, Europe and its dominions, including Australia) the intertwined public/private development of cities and towns has been carried out in support of the growth of local and international capitalism.

There were also conditions peculiar to establishing a colony in such a remote and marginally productive country which reinforced the involvement of government in the development of South Australia. It is in this context that the role of government in the formation of South Australia's country towns is considered.¹

This paper approaches the subject from several perspectives: first, some of the theoretical and pragmatic reasons for government involvement are discussed; second, depictions of the several historical phases are given; and third, some of the specific purposes for which 'government' towns were formed are highlighted.

Overview

In his introduction to the Australian political economy, Brian Head observes that the long history of government involvement has been obscured by the myth of a *laissez-faire* policy in which government did not interfere in the economy or society until well into the twentieth century.² That myth has been discredited by many researchers, notably in the work of economic historian, N.G. Butlin.³ In South Australia, as in the other Australian states, there are long-established precedents for government involvement both in supporting capitalist enterprise and in urban development.

In *Governing the Cities*, Andrew Parkin succinctly explains why state governments have predominated as Australia's urban governments, and demonstrates that there is a clear line of descent from the founding colonial governments which created the present capital cities as ports and centres of settlement and administration. This explanation touches also on the linkages made with economic development, described by Parkin as a 'long history of interventionism by the Australian public sector'. From the start, there was public investment in infrastructure, such as service, transport and utilities, essential to the creation of capital and its increase.

'Development' was central to local politics. In Parkin's words, 'The powerful development-oriented agencies, public-works departments and utilities became the dynamic components of the centralised State apparatus.' This government activism has been described as 'colonial socialism', but its acceptance and co-existence with a private enterprise economic system and private property, suggests more appropriate labels such as 'state capitalism' or '*le socialism sans doctrines*'.⁴

The cities were built by a partnership of public and private enterprise with the state providing the essential services, and, through assisted immigration, much of the

labour. But, as Leonie Sandercock writes in *Cities for Sale* 'this state intervention was not ... "colonial socialism". Its purpose was to create the conditions in which private enterprise could flourish'.⁵

Colonial government policy promoted metropolitan dominance. This may seem paradoxical, but should be emphasised. By deciding upon Adelaide as the capital, the founding authorities ensured that all other South Australian settlements would be and would always remain rural centres only. The centralisation of administration and major social and cultural facilities, and the construction of government-financed transport and communications networks radiating from the capital city intensified the initial differentiation and reinforced Adelaide's vastly greater population growth and commercial dominance.

This placed a ceiling on the further development of country towns as complex and populous urban centres. The precise location of Adelaide also influenced the siting of many other towns, most of which were created so as to expedite travel to the city.

During the colony's first thirty years, when the majority of country towns were formed by private developers, they were clustered most thickly in the agricultural districts closest to Adelaide. The exceptions, further afield, were either private mining towns such as Burra and Kapunda, or townships surveyed and supported by the government to serve more remote pastoral districts, such as Port Augusta in the north and Robe in the south east.⁶

The peak period of government involvement in the formation of country towns came after that, from around 1870 to 1927. This suggests that, despite the continuing role of government, its extent and precise characteristics changed with time. Head makes the same observation for state intervention in general: 'Rather than focusing simply on increasing levels of state intervention, it is more useful to consider state/economy relations in terms of a series of historical phases, in which the forms of intervention have changed in response to numerous factors.'⁷

Two key histories document the crucial role of government in the formation and support of country towns, both of which were written by geographers. The pioneering work was prepared by a visiting American scholar, Donald W. Meinig, *On the Margins of the Good Earth. The South Australian Wheat Frontier, 1869-1884* was first published in 1962 and it remains a classic study. The other important work is Michael Williams, *The Making of the South Australian Landscape*, published in 1974. This is more ambitious in scope, no less than a historical geography of South Australia since the start of British settlement in 1836.

Williams affirms the central role of the South Australian government in the process of shaping the landscape and returns to this in his concluding pages. He suggests that settlers accepted government directive because the government was 'guardian and apportioner of land', maintaining the Wakefield system of colonisation linking land, labour, capital and wages; also, until late in the century, only the government had sufficient money and resources to carry out many of the desired works. In many ways, this represented an 'undeclared partnership between administration and individuals'.⁸

Both Meinig and Williams stress the enduring influence of the founding years because of the unusual emphasis upon theoretical planning which continued to shape developments long afterwards. The founding set of rules was expressed most clearly 'in the activities of surveying the landscape and creating the townships which were a

nicely blended balance between the theoretical and the opportune'.⁹ Any discussion of the role of government in South Australia should begin at that point for the same reason.

First Phase

The original conception of the colony was developed by private British interests, drawing upon theoretical principles of colonisation elaborated mainly by Edward Gibbon Wakefield. Wakefield stipulated that the government should control and dispose of the land, surveying it in advance and using the money raised by the sales to import the labour from Britain; the proposed company, for its part, would pay for the expenses of government, and, having first choice of the land, would 'lay out a town or towns, and make such roads, bridges, docks ... as may seem best calculated to increase the value of their purchase, by fitting it for the reception of settlers'.¹⁰ In this outline can be seen the basis for a considerable supportive role for the government and a responsibility for providing infrastructure by the proposed company. In the event these functions became mixed, in the modified form of colonial administration accepted by the British government. Until 1842, the colony was ruled by two forms of government, both London-based but representing the British government and private interests (the Colonization Commissioners).

Apart from Adelaide, the government did not become directly involved in the formation of towns until the 1840s. It was hardly necessary as, following on the heels of the government surveyors, private speculators busily created towns and villages on the best parts of the hills and plains near Adelaide. Subsequently, the government provided ports and staging posts in response to rather than in advance of particular interests, such as the pastoral ports mentioned: in the 1860s, these pastoral ports included Port Mannum and Blanchetown on the great inland water route of the River Murray. A cluster of mining towns and ports were also provided for the copper mining interests in northern Yorke Peninsula.

In Williams' view, after a hesitant start the government concentrated on providing towns which supported rather than competed with private interests, by creating towns in remote areas for the mining and pastoral industries which might not attract the private speculator. There were some exceptions: Naracoorte, Gambier Town and Burra were somewhat clumsily grafted onto existing private settlements.¹¹

Second Phase

The second phase of direct, active and remarkably extensive government involvement in the formation of country towns started during the 1860s. The Waste Lands Amendment Act (Strangways Act), which became effective in 1869, is generally taken as the most significant factor in the change in land policies which had a direct bearing on the great increase in government township formation.

However, there were other factors. South Australia was granted responsible government in 1856. A colonial government was subject to local pressures and local political concerns, such as the loss of farming settlers to neighbouring colonies where farmland was being made available on more liberal terms. Bowes, who takes 1868 as the turning point, emphasises crucial changes in the individuals and activities of the state (parliament and public service) itself: 'The personnel of parliament was greatly different ... members generally were more aware of the realities of land settlement, sections of the electors became organized and influential,

and the Crown Lands Department developed powerful and efficient administrative machinery.’¹²

The dominant personality for the entire period 1860-1890 was the Surveyor-General, G.W. Goyder. ‘The smoothness of the expansion of agriculture during the 1870’s was largely due to the efficiency of his administration. His mind first gave birth to the idea of a drainage scheme in the South-East ... The direction of the railway network of the 1870s and the 1880s was greatly influenced by his ideas.’¹³

The emphasis on farming – mainly wheat farming – was both because of its commercial value as an export product and as a means of concentrating settlement in line with the original Wakefield concept. Pastoralists ranged far more widely, well beyond the settled districts.

Farmers’ political pressures and ‘voting with their feet’ forced the government to adapt. Strangways Act was a major departure as it substituted credit sales for cash and precluded speculative or pastoral purchases by demanding residence and agricultural improvements. The result was a spectacular land boom as farmers pushed north, onto Yorke and Eyre Peninsulas and into the South-East.

Meinig singled out three crucial features of the expansion of agricultural settlement: domesticating the land, creating the transport network and establishing the towns. He restored the country township, which he called that ‘forgotten feature of the frontier’ to its proper place in the expansion of farmers into the new northern lands.¹⁴

Goyder had a strong concern for the social as well as the economic well-being of farming settlers and he considered towns to be essential. He also issued instructions for the design of the ideal country town, which faithfully reproduced across the countryside the Adelaide model, with core, parkland and suburban lots.

Townships did not simply appear as a logical consequence of farming expansion, they were integral to the frontier process. This was particularly the case during this phase of settlement in South Australia, where land planning included towns as well as farms and the government adhered very closely to surveying a town within every hundred. As these were nearly rectangular units of about one hundred square miles, a remarkably dense and uniform pattern of township sites was created, placing all the newly opened agricultural lands within approximately five miles of a township.

This by no means guaranteed the towns’ development and in fact soon brought them into intense competition for local trade. In Meinig’s words, ‘The government, therefore, did not really found townships, but only potential townships.’¹⁵ Many surveyed towns remained ‘paper’ towns only, or struggled for a few short years providing a handful of services, then disappeared. This makes it very difficult to determine precisely how many towns were created by the government.

What is beyond doubt is that during the period 1869-1890 most of the many new towns in South Australia were provided by the government. Williams gives a figure of 161 for the twenty years, out of a total of government townships altogether of 370 and a combined total of government and private towns of 570.¹⁶ (See also below.) There is a bound volume kept in State Records, labelled ‘Government Towns’ which lists the towns by name and date of formation, as prepared by the Surveyor-General’s Department in 1896, with supplements by the Parliamentary Library up to 1951. A count of the towns listed gives a total of 224 for the 1869-1890 period. Broughton (1869) was one of the first declared in a new Agricultural Area. Some failures included Amyton, Barndioota and Ferns.

Meinig also stressed the significance of railways. Aside from the survey and sale of the land (including township land) in the agricultural areas ‘no activity was more fundamental to the development of this new farming region than the construction of railways. And just as in the case of its land disposal policies, the government exerted full control and sought to shape developments according to a preconceived pattern, and, as with land legislation, the original design was soon modified in response to local demands and conditions in the frontier.’¹⁷

This was also a major factor in the formation and expansion of country towns, as the bitter rivalry between townspeople over the precise routes of proposed new lines demonstrates. Peter Donovan’s paper (in *Terowie Workshop*) examines at greater length the question of the role of railways in the development of country towns.

This is not to say that governments proceeded with carefully considered plans of general economic and urban development. Far from it! In his typically vivid, critical style, Reece Jennings describes the blundering, short-sighted, and politically expedient methods employed by successive South Australian governments in building ‘developmental railways’. There often seemed to be a lack of planning for anything.¹⁸

To take but one of many examples, the Willunga line, opened in 1915, lost heavily year after year, yet the proposed solution was to extend it to Kuitpo. This line was built on the results of a disputed local option poll with help from Members of Parliament in the district. The people who wanted the line guaranteed the interest payments on capital but when they saw that it was losing heavily, they pressed their M.Ps to rescind the guarantee and institute exorbitant ‘local rates’. This drove traffic onto the roads, and so there was a request for an advance to strengthen all the district roads. The government simultaneously built jetties at Noarlunga and Normanville: on a small scale they fostered cut-throat competition between sea, rail and road, not to speak of between one dwindling town and another, which provided barely enough freight or passenger traffic to keep one transport service going.¹⁹

From the perspective of Willunga residents, the railway had been provided 40 years too late. But most country townspeople believed that renewed agricultural, industrial and commercial development would inevitably follow the railway. This view was neatly put by the local doctor quoted by the *Observer* in the year the line was opened:

There can be no doubt that the population of the district has decreased very considerably ... The opening of the railway must have a marked effect on the progress of the place. The climate here is delightful, and the township is well watered. But at this time you see Willunga absolutely at its worst. It has been on the down grade ever since the cessation of work at the quarries, and the drought seems to have reduced it to an unprecedented level. We hope that the railway facilities now offered may result in the reopening of the quarries; and in any case, we are optimistic about the future.²⁰

The optimism aside, this statement reflects perfectly country towns’ fundamental dependence on economic conditions: the vagaries of domestic and world markets for local products such as – in the case of the Willunga district – wheat, wattle-bark, slate and wine; the impact of physical factors such as the exhaustion of southern districts soils and severe drought; and the benefits of government-provided or government-

supported services. However beneficial these services were, they could not alter the facts of poor soils and declining or over-supplied markets. While government's role may have been crucial to the formation of many towns and supportive of their continued existence, further expansion or even modest prosperity depended ultimately on the private sphere, on commercial decisions made far away, and upon the actions of local traders and farmers.

Yet during this time the government maintained its direct and extensive development role in expanding rural settlement and forming new towns. While the depression of the late 1880s-1890s slowed the rate of government town formation, it did not halt it. There were even towns created expressly for the urban working class unemployed, that is Village Settlements, most of which were set up along the upper Murray in the mid-1890s. (Those which survived were not proclaimed towns until the 1920s.)²¹

The pace stepped up from around 1910 as economic conditions improved. There was a shift to providing technological bases for the new areas and towns. The government began to assume direct responsibility for larger developmental works such as drainage in the South-East, irrigation and swamp reclamation along the Murray, and water-supply and developmental railways in marginal agricultural areas on Eyre Peninsula and in the Murray Mallee. In 1915 alone twelve towns were proclaimed and forty eight between 1910 and 1919, when the Soldier Settlement Scheme was put into effect and the settlers moved onto their blocks.

Government involvement again extended to the design of the new service centres. Barmera, for example, was surveyed in 1920 as the last of the towns which owed its existence to the establishment of soldier settlers on the irrigation blocks. The government's new town planner, Charles Reade, prepared an elegant and spacious design for the Garden City of the Murray' although many of the curving terraces and generous public spaces were scrapped in the rush to develop the town.²²

Again, the onset of depression did not halt the creation of new towns which, as much as anything else, reveals the hand of government rather than private investors: towns were being established for policy reasons rather than for immediate economic return. Eighteen new towns were proclaimed in rural areas between 1928-39, during the worst of the depression. Yet its onset effectively brought to an end the phase of all Australian governments' direct developmental role. They had to stop making huge overseas borrowings and turned instead to more indirect forms of intervention in support and control of private industrial and urban investment. They also had to come to terms with the reality that the country's economic future lay in industrial and tertiary-sector development in the main cities. The limits to the expansion of rural frontiers had not only been reached but, as the failures on irrigation blocks and marginal wheat farms made clear, the frontiers had been pushed too far.

Third Phase

That realisation - and the switch to city-based and indirect government intervention - was made most rapidly by the South Australian government during the late 1930s and 1940s. Hence, after about 1928 we come upon the third and final phase in government involvement in country towns, which avoided establishing towns but rather focused public works on the larger centres in which private industrial or state industrial work was expanding. These included towns such as Whyalla, Port

Pirie, Port Augusta, Mount Gambier and Angaston.²³ The only new towns created in the 1950s (both in 1951) were 'throwbacks' in this sense as both were established in new agricultural areas. They were Padthaway in the South-East and Parndana on Kangaroo Island.

The state government's new urban role has had just as profound an effect on country towns as its old policies. The new focus on industrial centres (Adelaide and the large towns) has had the combined effect of accelerating the concentration of population in Adelaide and, at the same time, helped to double the non-metropolitan urban population by contributing to a form of 'drift' from declining farming areas mid townships to larger regional centres.

¹ The government to which I refer is that within South Australia, firstly the colonial and then the State government. Commonwealth government influence has been considerable since the 1940s, but mostly indirect, mainly by way of tariff policies and public funding. The major exception has been Port Augusta, which became a 'company' town for the Commonwealth Railway after construction started on the east-west line in 1912. See R.J. Anderson, *Solid Town: The History of Port Augusta*, Adelaide 1988, p.158 and chap. 19. [In the third historical phase described above, the Commonwealth government did establish a unique town in South Australia's outback to support long range weapons testing. This was Woomera Village (1947)]

² B. Head (ed.), *State and Economy in Australia*, Melbourne, 1983, p.3.

³ For example, see N.G. Butlin, *Investment in Australian Economic Development 1861-1900*, Cambridge 1964, and N.G. Butlin, A. Barnard and J.J. Pincus, *Government and Capitalism. Public and Private Choice in Twentieth Century Australia*, Sydney 1982.

⁴ A. Parkin, *Governing the Cities*, Melbourne 1982, p.64.

⁵ L. Sandercock, *Cities for Sale. Property, Politics and Urban Planning in Australia*, Melbourne 1975, p.11.

⁶ For example, see S. Marsden, *A Glimpse of Golden Days*, Robe 1985, pp.17-19, 21-23; and K. Bermingham, *Gateway to the South East. A Story of Robetown and the Guichen Bay District*, Millicent 1961, 1984, pp.78-79, 82-84. The extent of government involvement in rural township formation, even in this earliest, modest phase, is indicated by its role in siting, designing and administering as well as giving support to the private development of Robe and its hinterland. The government-founded town included in its first years, besides the usual public officers such as the postmaster, police and customs officer, a medical officer and, at the peak of the local hierarchy, a Government Resident. He was magistrate, lay clergyman and the official protector of the interests of the white and black inhabitants of the whole region. He was also instructed to keep a daily journal of all arrivals and departures of vessels and settlers, of building construction and progress generally, and to send to Adelaide regular, detailed reports 'containing such suggestions as circumstances may from time to time render expedient for you to make for the benefit of that part of the Province which has been placed under your superintendence.' (Bermingham, p.83).

⁷ Head, p.3.

⁸ M. Williams, *The Making of the South Australian Landscape*, London, 1974, p.486.

⁹ Williams, p.484.

¹⁰ M.F. Lloyd Prichard (ed.), *The Collected Works of Edward Gibbon Wakefield*, London, 1968, pp.275-78.

¹¹ Williams, p.339.

¹² K.R. Bowes, *Land Settlement in South Australia 1857-1890*, Adelaide, 1968, p.91.

¹³ Bowes, p.109.

¹⁴ D.E. Meinig, *On the Margins of the Good Earth*, Adelaide, 1962, p.166.

¹⁵ Meinig, p.173.

¹⁶ Williams, pp.333-334, 347-348.

¹⁷ Meinig, p.125.

¹⁸ R.I. Jennings, W.A. Webb. *South Australian Railways Commissioner 1922-30. A Political, Economic and Social Biography*, North Plympton, 1973, p.15.

¹⁹ Jennings, p.15.

²⁰ M. Dunstan, *Willunga, Town and District 1901-1925*, Adelaide 1978, p.54.

²¹ See State Records South Australia, 'Government Towns' (1896, 1951); J.B. Hirst, 'G. W. Cotton and the Workingmen's Blocks', B.A. thesis, University of Adelaide, 1963; and C. Smith,

‘South Australian village settlements in the 1890s’, B.A. thesis, University of Adelaide, 1971.

²² S. Marsden, ‘Regional history’, in Heritage Investigations, *Heritage of the River Murray*, Adelaide, 1985, p.57.

²³ S. Marsden, *Business, Charity and Sentiment. The South Australian Housing Trust 1936-1986*, Adelaide, 1986, p.189, in particular also chapter 5 for an account of the significant part played in country towns by the South Australian Housing Trust.