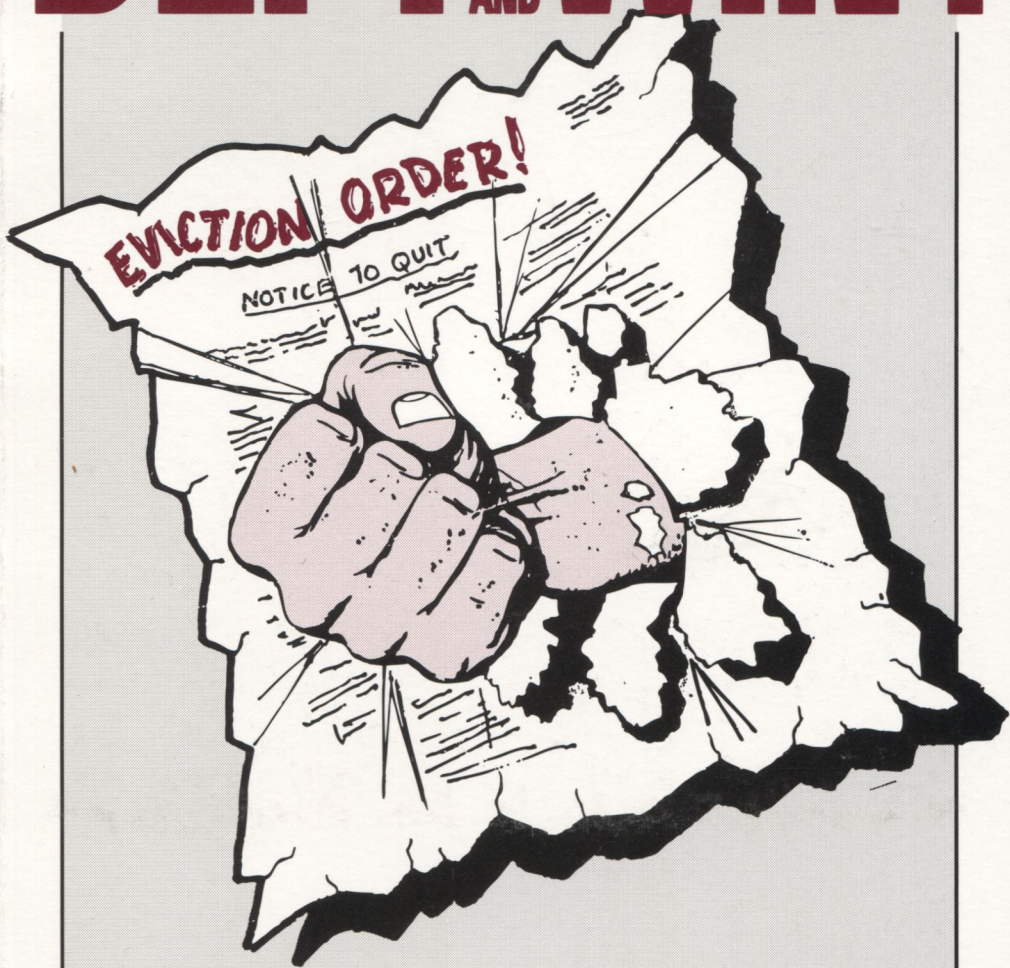


# DEFY AND WIN!



By GRANT BIRD

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## DEDICATION

I dedicate this book to my wife Margie. Without her assistance (and understanding) it would have been impossible to produce this book.

# FOREWORD

There comes a time in everyone's life when the beliefs and expectations they grew up with are challenged or even shattered.

From these experiences we all hopefully develop into better people, but one thing is certain, we can only move forward to achieve our potential if we choose to take control and shape our own futures.

I, like most people, have had good times and bad times, successes and failure.

The 1991 wool crash turned my life upside down, not so much the crash itself but the events that followed.

For the first time I saw the other side of Banks, their methods, threats and arrogance was unbelievable as they systematically treated good families, who had done nothing wrong, like trash. Destroying everything including their pride and ultimately their dignity.

**All I could do was ask myself "WHY?"**

Hence a long and rough journey started in an attempt to answer the question "why". Once I had the answer the next question was "How can an individual or family defy and win when attacked?"

This book is a result of "walking over the broken glass" and feeling the pain. This is not a book of theory, but a step by step guide, similar to a recipe book, of HOW TO SAVE THE FAMILY FARM!

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## Chapter 1.

# BACKGROUND

This story starts with the dramatic collapse of the wool floor price which resulted in incomes decreasing by up to sixty percent. This put many personal friends and clients on Kangaroo Island, for whom I was a farm adviser, in a technically insolvent position overnight. Everyone's thoughts were focussed on hanging in and riding this collapse out.

Banks and Government immediately started saying this crisis would, in the long term, strengthen the industry, but in the short term up to 30% of farmers would leave the land.

From my own analysis and assumptions I could see the debt/equity ratio pushing farmers into one of three categories :-

### **1. IMMEDIATE CRISIS.**

30% – Families with 50% debt before the crash now had little or no equity. These were the families who had committed to purchase land in the Eighties in a very responsible manner

as they were guaranteed minimum income with the wool floor price. These were the families who would be the first to go.

## **2. BORDERLINE.**

60% - In a slightly better position with 20-30% equity but only one bad wool cheque away from the bottom 30%. By cutting everything to the bone, which included not using fertiliser, they would hold on. Social Security payments would be very difficult to obtain, but would put food on the table.

## **3. GOING BACKWARDS.**

10% - The top 30% were, by no means, safe. They were the families who had been steadily removing debt. In many cases the farm was their "Superannuation Fund" as they were ready to sell out and retire. Families in this category were forced to borrow some working capital, even in instances where they had no debt, as income would not cover running costs. Many could not fund fertiliser.

Fertiliser usage was reduced by 90% the year following the wool collapse.

The wool industry had done a 100% turnabout within one year.

What a disaster!

The people being pressed to leave, because of debt, were the families who had made the decision to buy land, in most instances, because they had sons.

These people were the future of Agriculture and potentially our most valuable resource. This generation of young farmers had done their apprenticeship which was an investment that must be preserved at all costs.

Agriculture is not an industry that can be turned on and off like a tap as expertise is passed from father to son. It takes at least ten years of working together to get the feel and really understand the land.

The average farmer was approaching the time in life where it was taking two days to do one days work. In other words many were overdue for retirement which made it all the more important to give young farmers a future in Agriculture.

On Kangaroo Island, a relatively small farming community of over 350 farms, the only response from a local Bank was that 30 families would go. This direct threat resulted in a group of concerned people meeting and forming an Action Group with the expressed intention of holding themselves and their neighbours on their land and stopping the imminent destruction of their small community.

I was privileged to be involved with the development of Action Groups throughout Australia and be part of developing the mechanism that would see every farmer who was attacked hold their land.

The only true measure of effectiveness is results. We have not lost one family who came under attack, asked for help and was prepared to stand up for themselves!

## Chapter 2.

### **RURAL ACTION GROUPS**

#### **Their role and purpose.**

An Action Group is a group of people, mostly neighbours and townspeople, who face the threat of losing their entire life's work and decide they can control their future if they work together.

Many have seen their families split to make a feeble living, and their local towns are slowly but surely dying.

As individuals farmers are vulnerable to attack and through joining forces in Action Groups have gained the strength to stop what seemed inevitable. Action Group goals, which at first seemed unrealistic, have been achieved by understanding how people power and setting clear objectives work.

The Objectives of successful Action Groups are :-

- (1) "Will not tolerate forced sales of farming land – eviction of farmers or small business people."

(2) "We do not play God, and will assist whoever asks for help".

If you are being targeted by your Bank to sell, the presence of an Action Group is the only force capable of neutralising the destructive force of Banks hell bent on recovering capital. As individuals you are no match for a Bank if and when they attack you.

By the time you have finished this book you will understand the importance of being involved in, and receiving the support of, an Action Group.

## Chapter 3.

### STRESS - PUTTING IT INTO PERSPECTIVE

Over a number of years everyone has been conditioned to pay exorbitant interest rates that eroded disposable income.

When incomes began to slowly disappear the Banks created doubt in the farmers mind about his ability to manage his own business.

Because their forefathers had built up the family farm through sheer hard work today's farmers believed that if they were prepared to work even harder then these difficult times could be overcome. It would require spending cut backs and sacrificing even simple pleasures, but you can only cut back so far!

When the Banks withdrew their support and the letters of demand started coming in the horror began. Physical and emotional reactions were unleashed that people had never experienced before.

Disbelief, anxiety and anger resulted in sleepless nights, inability to think straight and slow loss of control.

As the farmers expectations about the future were destroyed by the hard line taken by the Banks they faced the double realisation that not only was his family's future under a cloud but also that the financial institutions were not worthy of the trust they have been given for so many years. They had been betrayed!

The confusion and self doubt this generates immobilises individuals, splits families and communities.

Expensive legal advice adds to the burden as bills mount up with no light at the end of the tunnel.

The belief that there is no way out starts to take hold.

The criminal aspect of what has brought the farmer to this point is the Bank/Government generated impression that it is the farmers own fault for being a bad Manager. The reality is quite the opposite.

The very nature of a farmer's work, the deadlines created by seasonal demands, make it all too easy to submerge the need to take action in sheer hard work.

Meanwhile the Banks keep building up the pressure. And so begins an ever descending slow spiral to destruction just like a WW 11 bomber spinning out of control to inevitable oblivion.

### **STRENGTHS**

The Australian family farmer has a special status in the world, recognised as the best, when it comes to producing top quality, low cost products.

### **WEAKNESS**

A part of being human is to have strengths and weaknesses. Our biggest weakness as individuals is how we cope when attacked, especially when attacked by a party who historically you trusted and held in esteem. We constantly see people confronted with foreclosure and ignore the whole attack until it is too late. After they have been chewed up they realise that they really did nothing wrong and had blind faith that the law would look after them. Most go through this period in a state of "shell shock" which makes the position worse.

Thoughts of failure and resultant stress set in, which is self inflicted, and self destructive to the extent you cannot think straight. When you try to get advice no one appears to have the answers you need.

Most people realise that they are too old to start again, there are no answers, so if we work even harder the situation will hopefully disappear – but it does not.

The longer this goes on the more immobilised to think clearly you become. It is necessary to snap out of this state before suicide starts to look like the only way out.

The stages you will go through are :-

- (1) **DISBELIEF** – This can't happen to me. I have assets worth hundreds of thousands of dollars and after all I have always paid my dues in the past .
- (2) **DENIAL** – There must be a mistake. They don't really mean it . After all it will be OK when the next cheque comes in.
- (3) **ANGER** – The bastards. What do they expect? Blood from a stone? Well they can't push me around like this.

- (4) **BARGAINING** – Yikes! They are pushing me around. What can I possibly do to get them off my back. I cannot give them what they want, we have worked too hard and too long. Maybe I can offer them a compromise. And how can I keep this between me and the Bank?
- (5) **DESPAIR** – Oh my God! We are going to lose everything! I have lost the farm handed down to me, Grandpa would kill me if he was alive. There is not going to be anything left at all! Where will we live – and what will I DO to earn a living for the next 10, 15 or 20 years? What is my family going to do?
- (6) **ACCEPTANCE** – The "good old days" are gone. Things are never going to be the same. There must be something I can salvage from this mess. What can I expect in the future? What do I *want* in the future? How can I go about getting what I want?

This is a process that every individual goes through when faced with the loss of something or someone held very dear to their heart. To be able to get on with life and living you must reach acceptance.

It is not easy and sometimes you go backwards into the early stages once, or many times before reaching any kind of acceptance of the position which confronts you.

Most men at the best of times live in a utopian type world compared to the women who are forced to be far more practical. The man may lose his farm but the women lose a home.

There are many factors which influence your journey through this process, including :-

- (1) Your position when the crash happened.
- (2) How strongly you believe in the establishment.
- (3) Your willingness to share your troubles and stick together as a community with the right to determine your own future direction.

You must treat an attack by a bank *as of no more importance than a drought or flood or bad case of worms.*

It will obviously inconvenience you but if you stick together as a family, and community, you are using the same strengths which made the Australian family farmer the world's best.

You have the scores on the board – so stick with the same team.

Chapter 4

**HOW TO CONDUCT INTERVIEWS WITH A BANK.**

If you are still enjoying a reasonable bank–customer relationship you should carry on as you are. But if vibes are coming from the Manager that perhaps you should move on, we would suggest that the following points may help put you in a better position.

- (1) Always go to the bank with another person, preferably your adviser or counsellor, and take notes of the meeting.
- (2) Get your records and cash–flows up to scratch so you control the meeting, not the Bank. If you are being threatened do not give the Bank access to this information as it will be used against you. Simply state "we can only service our debt at a net interest of say 7%"
- (3) Know what you want. Do not ask the bank Manager what is the best way to handle the situation – nine out of ten times they have little or no rural experience and they just do not know! The banks have openly admitted this.

- (4) If you are still on high interest rates you should be demanding that the Bank restructure your debt into a more appropriate facility. If they refuse to do this they are blatantly pushing you over the wall. Prohibitive interest rates and inability to reduce capital debt are the reasons for most families current position.
- (5) Banks are institutions but the work is carried out by normal people, the majority of them good people - never have a fear of a Bank.
- (6) If a meeting breaks down and demands are made upon you, it is best to call the meeting off and advise that you will consider your position, and could they please put their thoughts in writing.
- (7) The Bank may be prepared to genuinely restructure debt, which could see them offering a fixed term loan at low interest rates, or they may offer a short term deal which will take the heat off for six months, but you will be required to sign a fresh set of mortgages and guarantees. Unless the deal is long term and can be serviced with some comfort you should not sign.
- (8) If the bank requests extra security, Eg. bill of sale over plant, stock mortgage or liens, you must decline such a request outright, or lose control of your future income leaving you with no ability to fight.

- (9) Once there is a complete breakdown do not talk to the Bank. If they phone ask them to please put their business in writing and you will get back to them. Banks hate putting things on paper.
- (10) If the Bank is putting you under extreme pressure and insist on a meeting, it is okay to agree, providing the meeting takes place "without prejudice" so you can establish openly, and beyond any doubt where they are coming from.
- (11) You must see yourself as reasonably inexperienced in negotiating with your bank so you must take a firm line for a fair deal and stick to it.
- (12) As Banks are applying pressure every day they become very good at it. If they do apply extreme pressure your likely reaction is to strike back. At this point of time you must compose yourself, close the meeting, and take the time to work out a plan with an acceptable fall back position.

Further pointers are listed in the "Question and Answer" section.

## Chapter 5.

### HOW THE BANK DECEIVED YOU.

Banks are, in their nature, "exploitive" so you must understand how they work to appreciate why they take certain actions.

I will attempt to explain "exploitive"

Many farmers were lured into the Banks by extensive media promotions. They promoted trust and credibility, they were there to look after you, the customer. The customer was the most important person in the world! You were enticed by the sweet music of their promises just like an insect is drawn by the aroma of the Venus Fly Trap. Once inside you were trapped, the sweet music stopped and a new monotonous beat started.

During the late Eighties this tempo increased in tune to the extravagant interest rates and penalties, making it impossible for you to reduce capital debt even with the good seasons being experienced. Interest took everything from you and every country town in Australia. From this they made their super profits of the Eighties.

Of all the so called money in the system more than 90% is credit which the Banks created out of thin air by the practice of fractional banking, that is, they lend their credit at the approximate ratio of \$15 to every \$1 deposited by their customers.

The Banks did not lend money, they effectively lent their own credit which is only as good as their future performance. They did not tell you this!

The Banks knew interest rates would go through the roof because they control the economy. But they did not tell you this when they assured you they would look after you!

No customers could sustain the doubling or trebling of their interest bills – subsequently the Banks stop giving credit.

They refused to restructure existing loans into long term low interest loans which built Australian agriculture – but told you, the customer, that you were no longer viable.

**Your position is a direct result of the Bank's actions.**

If a Commercial Bank lent a customer \$500,000 of their credit and the asset is foreclosed and eventually sold for

\$250,000, the Banks only exposure from the outset was approximately 8% of the \$500,000 (\$40,000), for which they took your property as security.

If you invested \$40,000 for seven years your investment would normally double to \$80,000.

For the Bank's probable exposure of \$40,000 they have, over a seven year period, achieved :-

(1)	7 years interest (average 15% + penalties) conservatively	
	.....	\$525,000
(2)	Proceeds from sale	\$250,000
(3)	150% tax write-off credits on \$250,000 loss of capital	
	.....	<u>\$375,000</u>
		<u>\$1,150,000</u>

If Ned Kelly was alive today he would not take the risk of robbing a Bank, he would operate a Bank, making the robbery legal!

What the Banks have done is put you through a "boom/bust" cycle. The sole controlling factor of this cycle was the amount of credit they pushed into the market and the amount they withdrew to manipulate loan defaults.

The price of your farm in the Eighties was not set by supply and demand, but directly by the amount of credit pushed into the Agricultural sector. Virtually everyone had access to this credit. Some were given millions on a mere phone call. Prices escalated and crashed when this credit was withdrawn. Was this explained to you?

Their credit was honoured by other Banks and if someone accepts another person's credit it is perceived to be as good as cash. Credit achieves all the benefits of cash, but has strings attached.

The Banks told you they were lending money but they gave you their credit. So what is the difference between money and credit?

Money is regarded as "hard cash" or "legal tender" produced by our Reserve Bank.

Credit is what each and every Bank has because everybody in the community believes the Bank can pay in legal tender, if necessary, every cheque drawn by every Bank customer whose account is in order, according to the Bank's records.

This belief of course, is totally false and the Banks are guilty of deceit, misleading conduct and misrepresentation if they say or pretend otherwise.

Debt is a form of slavery, you make it, they take it, no matter how hard you work it is not enough. Banks have put rural Australia in a position that with the slightest seasonal downturn there is no surplus set aside to handle bad seasonal times – the slightest hiccup has you begging for help from your Bank or Government.

Deregulation gave us the worst banking system probably in the world – we have an industry exploitive in its nature with no rules whatsoever.

Banks "make you and break you" and maintain profits by giving and taking their credit. We believe that this act is illegal, immoral, exploitive, and deceitful, therefore we do not apologise for defying the Banks when they attack farmers.

## Chapter 6.

### STRATEGY TO WIN

You should be wary at the first sign of your Bank manoeuvring for extra security, by demanding crop liens, bills of sale over plant or stock mortgages. Such a request, if granted, can be considered in the current climate of Bank activities to be putting the noose around your neck by taking away your ability to control future income.

Obviously if you realise you can no longer pay interest you must position yourself to ride out the tough times ahead.

At no time do you admit to the Bank, verbally or in writing, the amount of your debt. You must not admit liability as legally such an admission can be used against you.

Farms structured as sole traders, partnerships and companies must at this point tie up all of these assets in such a way that they can be used to obtain future working capital, as security to parties whom you can trust, preferably family. If you are drawn into a battle your ability to produce income must not be destroyed. These assets must be put legally in a safe place,

where they cannot be seized or attacked. This can be simply done by offering a crop lien, bill of sale or stock mortgage to parties who you trust or family who can be assigned assets to cover wages, considerations never paid etc. They however must not be a party to the loan agreement or have offered guarantees.

The assets should never be given away, but should be transferred for a consideration. This consideration or payment can be made over a period of time, or be for past, present or future undertakings. For instance children or other members of the family have almost certainly worked for years on the farm without proper payment.

### **BOGUS RESTRUCTURE PROPOSALS**

If the Bank is prepared to restructure or write off debt your main concern should be that they are not offering a short term facility and have you back in the same position within six to twelve months. I have seen cases where a Bank has made such approaches and advised clients that on the Banks figures that the client could service the proposal. They of course wanted fresh securities and guarantees. On checking the Banks figures we found that they had over estimated income and if the customer had accepted the proposal they would have been in default within a few months. This would have put the client in a very

difficult position, as the new securities and guarantees demanded were extensive.

A bogus restructure is often an attempt to legally tidy up the Bank's own paper work and wipe out your argument about its past devious conduct and misrepresentations to you, before they launch an attack.

If the Bank cannot tie you up further, security wise, they have three options open to them.

- (1) Let you carry on and adjust your debt, reduce your interest to a fair rate and perhaps write off accumulated interest.
- (2) Do nothing, especially if you are in drought conditions.
- (3) Advise you that they are going to close your overdraft cheque account down, and demand repayment of the debt in full, and that it is in your interest to sell the farm now!

### **THE MANOEUVRES START – SO POSITION YOURSELF**

If you are told to sell, your main thoughts should be to preserve your assets (plant, stock and crops). This must be done if you have not already put them in a safe place.

**Any fight with a Bank must be fought over the land and the land alone.**

To trade in the future it will be necessary to open another cheque account, preferably in a Credit Union or Building Society. This account is to be run in credit, unless you can procure a small overdraft which may be doubtful.

If the Bank phones for a meeting and you attend, Head Office personnel normally will be present and they will control the meeting. They will attempt to establish your level of fear and stage of stress and play on it. They will reiterate that you can no longer service the debt and that if you sell voluntarily they will assess their position after the sale in regards to the sale proceeds not clearing the entire debt. They will insist that you list the property for sale or offer at auction to "test the market". You should leave the meeting and state that you wish to consider your position and will get back to them in the near future. The Bank will probably have the last word by saying "we want this cleared up quickly as interest is running up at so much per day - and your position is getting worse every minute".

At any such meetings you must be accompanied by your adviser, friend or a member of the Action Group. What you

want from this meeting is confirmation of the Banks commitment to sell you up.

*Once you know this your course of action is clear – you must run or fight.*

## **RUN**

If you decide, for whatever reason, you are prepared to leave the farm you should commence negotiations with the Bank to obtain a fair settlement with a statement in the following context.

"I would only consider selling on the basis that I would leave with a sum of money, Eg \$100,000, plus plant, and that any outstanding liability is extinguished."

If you are getting on in years or in poor health and the Bank accepts such a proposal you have a ticket – which may be an acceptable compromise.

If you are prepared to go on the basis that after the land is sold the Bank will review its position you may leave with nothing, so if you decide to go, go with a deal. Insist on a written arrangement otherwise they can still come back at a later date and bankrupt you.

## **FIGHT**

Your instincts are to throw a punch or a blow but legally this is impractical at this stage. What you must do now is delay the Bank. Buying time will always work in your favour and against the Bank.

If you choose to attack the Bank legally you are playing right into their hands. Many people have attempted to do this with disastrous results. By paying lawyers around \$50,000 and losing. By attacking you effectively move the time frame forward which is to the Banks distinct advantage. The lawyer will do the Banks job for them.

The most successful method is to go along with the Bank and advise that you are prepared to list the property with an agent you nominate and see what happens. As you are legally in possession the Bank cannot force you to do anything, they will try to talk you into a low "fire sale" price and look towards other assets to clear the debt. You are not putting yourself at risk by listing the property on the basis that all offers will be submitted to you the owner. If any offers do come, you reject them.

Be very careful of the real estate agent you select as some have their hands in the pockets of the Banks. You must choose the agent, preferably one you know, one who will follow your instructions as the Bank will phone the agent regularly to see what is going on.

### **DIRTY TACTICS – FROM THE BANK**

If the Bank Head Office has not already started the routine they may now commence to phone every few days at around 4 – 4.30pm, just as the kids get home from school. They know the husband would normally not be present and they play a stress out game on the wife. Some working wives have even received these phone calls at their place of employment. This puts most wives on edge to such an extent immense pressure builds up between husband and wife, sometimes resulting in marriage breakdown. This particular practice is reportedly widespread around Australia.

The technique is to threaten that unless something happens soon the Bank will evict them from their farm and home and take everything except their clothes. A wife and mothers worst fear is the threat of being thrown out of your family home.

If this practice starts it must be stopped immediately.

The best way to accomplish this is to have the Action Group phone the Bank and demand that the practice stops instantly otherwise similar action will be taken against the offending Bank Officer at his home, the address of which is easy to find out. (This will halt this antic immediately.)

The Bank may now threaten and insist that you auction the farm or they will take legal steps for possession. You can agree to go to auction voluntarily. You still have possession and still control the situation.

Your auction presents you with an opportunity to pay the Bank out by attempting to re-finance with family help or by forming a Company with friends which can buy back the farm. For example, if the Bank claims you owe them \$600,000, but if the farm was sold at auction the current best price may be \$300,000, therefore you would be in a position to buy back the farm at half the debt. If you can finance the \$300,000 the Action Group advises any likely prospects who are attending the auction not to bid because the auction is under threat of eviction which the Action Group will not tolerate. If a buyer wants to buy in

your area there are many farms for genuine sale available but this particular property/home is not.

### **FARM BUY BACK – DO IT PROPERLY**

If the friendly party bids and is successful at the auction, your problems are over, providing before you go to auction you have agreed with the Bank that if the reserve is met, you will only allow the sale to go through if any outstanding liability in regard to the debt is removed. In other words the Bank takes what proceeds come from the auction and the whole episode is finished with you having no outstanding debt.

The bank will only accept this type of proposal if they know you are prepared to fight and are involved in an Action Group. Otherwise why should they do the right thing, you cannot put them under any pressure?

### **STILL STUCK WITH THE BANK**

If you were unable to finance your buy back of \$300,000 or \$200,000 the auction should receive no bids or bids below the reserve which YOU set – leaving you still in possession and the Bank in a worse position with no likely buyers.

Time gained by appearing to be going along with the Bank could be between three months to one year.

You have manoeuvred the Bank with the help of the Action Group into a bad situation. They may now put a proposal to you in order that they can start receiving interest again. However let us assume they want to attack you to obtain legal possession.

### **THE REAL FIGHT STARTS SOON - SO GET READY.**

It is necessary to understand why Banks do not like to restructure your debt at this stage but add penalties to accelerate your eventual collapse.

Their reason for pushing for sale is the Bank's own financial position will benefit far more by receiving a large lump sum of their capital back rather than an interest payment. If you are strapped for cash what would you prefer? A large lump sum to overcome your problems or a little interest which does not really improve your position? Many farms today could service their debt if interest was adjusted to current rates, but few Banks will do this. The reason - they want you to sell.

OK – You know you are facing a fight so you must organise all your paper work in a big binder in date sequence order.

The most important task to undertake now is to put together the circumstances of the original loan, how was it set up, who was involved, what were the undertakings of the Bank and all relevant facts which resulted in the loan. Ask yourself how, when, where, what, why and with whom at the Bank were conversations conducted? Make notes of what assurances you were given that you could manage the debt. Was any mention made of changes of interest rates, etc?

If the loan was established many years ago do not try to put the picture together at one sitting. Put down what you remember now and add to it when memories come back to you. A n accurate history of the circumstances of the original loan is critical.

The next move by the Bank is to issue a "First letter of Demand" which is usually posted by certified mail. A second letter of demand usually follows 14 to 30 days after the first letter.

## THE FIGHT STARTS

A "Letter of Demand" is a procedure notice. Many are faulty notices with no legal basis which makes the notice invalid.

**You are now being confronted by aggressive legal documents, probably for the first time in your life. This will certainly tie your stomach up in knots. *Your whole future now depends on how you handle the oncoming legal attack.***

Many people ignore these notices and the following notice of "Application for possession" and find the Sheriff on their doorstep with an eviction notice. It is almost impossible to save the farm in these circumstances, so whatever you do, don't go down this track.

Your best course of action is to do it yourself, which initially scares you stiff, but the average person can do it themselves, with assistance. Most of the legal work is procedural and little of much consequence happens until a trial date is set, which would be eighteen months to two years down the track. If a trial does go ahead, which is very doubtful it would be appropriate to appoint a lawyer with a proven track record to see you through the trial.

As an example I will detail the procedures on how to handle the legal attack from the point of view of a farm trading as a sole trader or partnership.

Companies and Trusts are subject to similar procedures however you cannot appear for yourself without special leave of the Court.

On receipt of your first and second letters of demand you have the option of handing the entire matter over to a lawyer, in which case you are likely to spend up to \$50,000 and still lose.

What you do is lodge certain documents on time and take part in low key procedure meetings with a minor Judge, usually in the Supreme Court perhaps 6 times a year for about 10 - 30 minutes.

It is critical that you do not destroy your income source paying legal costs, plus it is more practical to pay little by little as you go. Costs may run into \$2,000 or \$3,000 per year.

### **HOW DO YOU GET HELP**

We feel that with coaching on the sidelines and the preparation of legal papers for you to lodge, the strategies, the correct

defence and a counter claim which will put the Banks back to the wall will be carried out on a much larger scale than at present.

The Union of Farmers will establish for their members legal contacts. Lawyers committed to assisting farmers who are prepared to network together and assist people with the legal procedures for minimal costs. This is the only practical way to get the end result.

To be attacked legally can be the most stressful time of your life but by knowing the game and with people committed to stand by you, your position will become very safe although you will not really relax until the final settlement is achieved.

It is far less stressful in doing it yourself at a low cost to a game plan, than have a lawyer keep you in the dark and under constant stress to come up with thousands of dollars every month.

You don't need to learn any legal talk.

The sequence of events leading up to a trial are as follows.

- (1) **THE BANK** issues a first and second "Letter of Demand"
- (2) **YOU** respond, requesting full accounting of the Banks claim. This may lead to denying of amount owed on the letters of demand.
- (3) **THE BANK'S LAWYERS** will then serve an "Application for Possession" notice.
- (4) **YOU** lodge an appearance to contest the application for possession.
- (5) **YOU** lodge a defence and counter claim. Your defence is a full statement against the other party, your counter claim is for damages and all the money you paid the Bank, plus interest. **THIS IS YOUR FIRST ATTACKING MOVE.**
- (6) **INTERLOCUTORIES** - Questions and orders that the Court and both parties ask each other to provide - such as :-
  - Discovery (of documents)
  - Inspection (of files)
  - Application for better particulars
  - Interrogatories
  - Other Applications.

- (7) **DIRECTIONS HEARING** - Court orders either party to supply information
- (8) **PRE-TRIAL CONFERENCE** - to see if parties will settle without a trial proceeding.
- (9) **TRIAL DATE SET.**
- (10) **TRIAL**

### **THE COURTS**

If you do it yourself and go to the Court for a procedural meeting you have a major advantage over the Banks lawyers. The Judge will assist you because you are representing yourself, and he will go out of his way to be fair to you.

You will be asked why you have no legal counsel assisting you. The standard truthful answer is "I would have counsel if we could afford it". It may then be suggested that you should apply for legal aid. Experience has shown that legal aid is never available to fight Banks.

You defending and ultimately attacking frustrates the other side, because you are not playing *their* game. You know nothing of the law and the Judge is seen by the other side as looking after you.

The legal battle involves mountains of paper generated by the Banks lawyers to scare the living daylight out of you.

Once the Bank take the legal avenue they put the matter in the hands of their lawyers and the lawyers charge the Banks up to \$10,000 per month to keep the action going. (The Banks can pay up to \$240,000 in legal costs before a trial date is set.) The Banks position becomes very shaky if your debt is substantial and the value of the land is very low.

***Their bottom line is "they cannot get blood out of a stone".***

Your actions of Denying, Delaying and Traversing (Legal DDT) puts the Bank in a position where they are forced to make a commercial decision.

The only money they can finally get is from the sale of the land. The Bank must then face the Action Group who may stop a sale from proceeding or impose a Black Ban on the property.

You may feel a little sorry for the Bank at this point because even if they win in Court they have no place to go.

From experience the legal road will contribute if you win only 20% of the result, 80% of your result will come from the activities of the Action Group on the sidelines which is explained in the next chapter.

*Win or lose, legally you have "checkmated" them.*

### **CHECK-LIST (OF THE WIN STRATEGY)**

- (1) Put yourself in the right frame of mind by not accepting guilt.
- (2) Work out your true current financial position .
- (3) Control your present/future income and assets
- (4) You must now
  - \* Have an open mind
  - \* Listen to ideas/advice which may not make sense now, but probably will tomorrow.
  - \* Allow time to think.
  - \* Bounce ideas off each other.
  - \* Go into Courts and see how the game is played. It is educational and will strengthen your resolve.
  - \* Never make rushed decisions and always seek advice.

- \* Work out what it is going to cost without putting future income at risk.
- \* Have a fall back position.
- \* See the Banks for what they currently are.
- \* Use the weapons of CLIP (Commercial, Industrial, Legal and Political Power) by joining or starting an Action Group.

Do not rely on someone else to solve your problems for you by simply trusting them – *you must understand them, not trust them*. By taking this attitude you are responsible for your own destiny, and cannot blame someone else for your failure.

### **PROBLEM AREAS**

You must understand that you are being pushed into a foreign and unknown environment when you are being attacked. If your dog attacks you, you shoot it. When the Bank attacks you, you do the same thing but with a barrage of "CLIP", which includes a lethal dose of legal DDT. The end results are similar.

Deciding to fight a bank is a real crunch time. Facing the situation will either make or break you.

## Chapter 7.

### HOW TO START AN ACTION GROUP

If you are prepared to put in you will find Action Group participation hard but very rewarding.

There are several ways to get groups started.

- (1) Approach personally or by phone or letter anyone who you think could be interested. Try to come up with six starters, men or women.
- (2) Place an advert in the local press advising that if anyone is interested in helping to form an Action Group that there will be an informal meeting at a certain venue, plus times and date.

Your position should be that you have a six initial starters from personal contact plus whoever attends the advertised meeting. At the advertised meeting it should be discussed if your area needs an Action Group - the answer has to be "yes" otherwise you would not be at the meeting in the first instance.

By this time the group would have selected an Acting Chairman and Secretary. These people should be given the job of putting together a public meeting with speakers who can explain what Action Groups are about and how they work.

You hold your public meeting and at the end of the meeting ask for nominations to go on a committee of about six people. At these meetings there are often people from another area who have no Action Group but would like to be involved but feel that they may be getting out of their territory and into someone else's. Put these people in the Action Group as they can learn the ropes and start a new Group within their own area at a later date.

At this point there are probably a few people who would like to get really involved but have not been nominated. The Chairman of the meeting should address this and announce "if any individuals would like to get involved but are not on the Committee to please see a nominated committee member immediately after the meeting".

The Chairman then advises that the Committee meets plus interested individuals for their first meeting in 10 minutes time

and nominate where (in the hall). He then thanks the speaker and people for attending and closes the public meeting.

I would suggest that a Question time be left out. When this is announced it should be said that the speakers will be available at the close of the meeting to answer any questions and please feel free to approach them.

The reason for leaving out question time is that every town has at least one person who will ask question after question, usually completely irrelevant to the purpose of the meeting. When this happens you can see the audience say to themselves, not so and so AGAIN, here we go ....., and the meeting grinds out to a painful end. Do not allow this to happen, aim to finish the meeting on a bright and positive note that generates the energy and confidence to get moving into the next phase.

Advise that all people who attended the meeting that they will be sent a communication in regards to the activities of the Group (from the registration list taken at the door when people entered the venue).

Do not let your Group get tied down with procedures - remember you are an ACTION Group.

## **KEEPING ON TRACK**

OK, you now have an Action Group so you must select a Chairman, Secretary and you may have a spokesperson (to handle any media). Do not get too tied down with formalities because in reality two people in the Group will do most of the work. This the most effective way to work when the pressure is on.

No 1 Rule = Keep on Track.

Do not get distracted by side issues or pet subjects. Adopt the straight line approach, don't beat about the bush and waste energy.

The essential elements of an Action Group are :-

### **(1) STRUCTURE – Who does what?**

Keep it flexible. If you require someone in the community to assist putting proposals together or whatever, and they have the knowledge in this particular area, advise them that their input is required, 99% of times they are only too happy to help. If you are one of the main contacts it is necessary that you try to get into a working pattern so that people know when is the best time to phone you.

(2) **POLICY** - Drawing the Line

Keep it simple and achievable. Only set a policy which you cannot back off from or compromise. In drawing the line a policy as follows leaves little to the imagination :-

**"This group will not tolerate forced sale of farming land, eviction of farmers or small business people"**

The only way to make this statement stick is to have a second policy of :-

**"We do not play God, and we will assist whoever asks for help".**

This is an internal discipline policy. *If you break it your Group will self destruct*, if you start debating the pro's and con's of why you should or should not help a particular individual. This policy is a very bitter pill to swallow. All of us will have to bite our tongues sometimes and control our prejudices. The Banks well know the best way to break up a Group is to have them fight internally on the basis that he or she is not a fit person to save.

The Banks have thrown this at us frequently - "how could you be seen assisting this person? He is a hopeless farmer". When asked this question we reply "The past may not look

rosy, we don't know the true facts and it is none of our business, even if we did not like the man or woman's habits, politics or social skills. We are committed to save the family and we don't play God – end of subject"

### (3) **STRATEGY**

The first job is to advise all the local Banks and Stock Agents of how you expect them to behave in the future and personally deliver a letter to the local Manager. Two people from the Action Group should deliver this letter.

## **SAMPLE LETTER TO BANKS**

**[once Action Group formed]**

Dear Sir,

A public meeting was held at ..... on the ..... to address community concerns regarding the serious breakdown of this community which is directly attributable to the actions of Financial Institutions.

As a result of this meeting the ".....Rural Action" Group was formed. The objectives of the Action Group are to retain our neighbours and maintain the infra-structure of towns within this area.

We are formally advising your organisation the resolutions of this meeting were that this group will not tolerate forced sales of farming land, eviction of farmers or small business people. We are also advising that the practice of supplying carry-on credit on the condition a document is signed forcing the customer involved to undertake that they are prepared to sell the farm at a future date is not acceptable.

We believe the community in this area can only survive if more responsible financial practices are adopted forthwith. If you ignore this approach the Action Group will use what ever political, industrial, commercial and legal avenues available to frustrate your actions

Yours Sincerely

**[Mr I.V.E.Hadenough]**

**[CHAIRMAN ..... RURAL ACTION GROUP]**

The Managers will read the letter, you should request that it be passed to the authorities in Head Office.

The letter is a clear statement, it does not need discussion at this point. It should be said to the Manager that we realise what he has done in the past has been Bank policy, that he and his staff are part of the community and if the Bank sacks him for going too soft on local farmers that the Action Group would support him (as we don't play God), by considering a Bank blockade or similar campaign until he is reinstated.

If the Manger is of arrogant disposition he may well go off his rocker. Do not get drawn into a screaming match, simply request that the letter be passed on to the people with authority and leave.

The sentiments of the letter should be advised to the local media who should be told at the same time that if they mis-quote what you say, "A Black Ban will be placed on that paper in regards to future information, until a public apology is made".

Lenders who are doing the right thing should also be approached and thanked for their responsible attitude.

Strategies are :-

- \* Defend your territory.
- \* Support all people who need help.
- \* Do not waste energy in side issues.
- \* Do not use Banks rules and terminology - create your own.
- \* Think of what response (outcome?) you want before you make a move.
- \* Use CLIP - a barrage of strategies in Chapter 8.

**(4) COMMUNICATION**

Due to time constraints most communication is over the phone. It is often appropriate to send out a short newsletter advising activities and successes.

Build a network with other Groups.

**(5) POLITICS**

You must introduce to your Action Group the politics of standing up for yourself and keeping families on the land.

*The only thing you can control is yourself and the future of your local community.* Forget Party Politics as both sides have allowed the country to degenerate to its current pitiful state.

**No Government will solve your problem.**

The solution is 100% in your hands – only you can save your farm and your town.

**ONCE YOU ARE IN AN ACTION GROUP REMEMBER THAT YOU ARE A "SERVANT"**

PS. Retain a sense of humour. It is good medicine for your own health and it frustrates the hell out of the other side when they see you enjoying yourself.

## Chapter 8.

### PEOPLE POWER – CLIP

When you form an Action Group you acquire people power. A small group can generate as much people power as a large group simply by using different techniques.

When an individual is attacked and forced down the litigation track you are not allowed to do certain actions such as write letters to the paper, appear on TV because the matter is before the Courts. In other words they can legally pour all the heat in the world on you, but you are gagged and cannot fight back to alter or weaken the Bank's position. Ultimately you go quietly, however if you are involved with an Action Group you have access to a full armoury of weapons which will turn the situation around in your favour.

The Action Group has four weapons at their disposal and selectively fires each at the appropriate time and place.

The four weapons are :-

C = Commercial Power

L = Legal Power

I = Industrial Power

P = Political Power

**CLIP - means cut down to size or cut short.**

To help you grasp the importance of CLIP I will explain how the various weapons are used to put the attacker on the retreat, to force the Commercial decision and common sense.

### **COMMERCIAL POWER**

The most effective commercial action that can be taken against a Bank is have the community transfer their credit balance accounts to a Credit Union or Building Society. Have the children close down the School Bank account and also transfer savings. When you think about it, why should our country children be putting savings into a Bank which is in many cases directly destroying their parents. This campaign should be made public so that people can see the Banks for what they really are.

You analyse the business of the party attacking. For example, if it is a Stock Agent you can withdraw future trading, send your wool and stock to another agent etc. A letter should

be sent to the State Manager explaining why you have been forced to take this action. You also have other clients of that particular company take similar commercial actions. The Group should make it public what they are doing and why. This particular action will not involve much time or energy but will certainly make Management re-think the consequences of their policies, especially if this type of action is spread state or country wide.

### **LEGAL POWER**

The Action Group itself does not take legal action against anyone. The reason is that the Group has no basis or status for commencing legal action against any Bank.

However, every individual who has signed mortgages or documents with any Bank has clear legal rights to be heard.

The legal steps can be taken by any person without the necessity or costs of using a lawyer. The Action Groups, through the Union of Farmers can advise as to what formal documents need to be prepared.

We show each person how to give the Banks a well known poison – DDT. This is a legal poison, prescribed for Banks only.

It means :-

### **DENY, DELAY and TRAVERSE (Cross Up)**

In short, you DENY that you owe the money or whatever the Bank says you owe. (You will be right about this)

You DELAY by asking for details of how the Bank has made up its claim. The Bank will avoid this at all costs if it can, but ultimately it will have to comply. You write letters with assistance.

You then TRAVERSE the Bank - that is, when they take action in the Court you enter a defence and counter claim damages for the losses the Bank has caused you through its creation of credit conduct (Sections 52 and 53 of the Commonwealth Trade Practices Act) and its careless or negligent advices to you or its charging of fees and interest to which it is not entitled and to which you have not agreed. You can also, at your choice, start an action yourself so that you are the applicant of plaintiff (or the person complaining). You can choose either the Federal Court or the State Courts. This action is almost impossible for a Bank to knock out easily.

You may not get a trial for up to two years, in which time the Bank may come to its senses.

Of course you will be threatened and issued with reams of paper - Interlocutories, Summonses, Applications, Directions, Orders, Interrogatories, Subpoenas, Appearances, Discoveries and Inspections.

As the Chinese say, a heap of Paper Tigers, the object of which is to intimidate and frighten you and keep you out of your depth.

All these things are quite easily handled. Keep in the forefront of your mind how much it is costing the Bank and how much you are helping the Bank's lawyers to run their Porsches.

### **YOU CAN WIN - IF YOU DON'T GIVE IN.**

#### **INDUSTRIAL POWER**

The blockade of a Bank is a very effective exercise. This was one of the main strategies used by Bankwatch on the Eyre Peninsula of South Australia. This type of action results in widespread TV coverage which represents a forum to explain why law abiding people are being forced to take this action. This

really hurts the Banks who spend millions telling people how good they are.

Blockades to stop service of notices and evictions are effective but should not be put in place as a reaction. They should be part of an overall plan where you call the tune and make the moves. When you reach this stage the Banks have real problems.

In instances if a family has been put out on the road because the Sheriff and Police came in the dark and slipped by your defences our ultimate weapon is that of "Black Ban" which is explained further in the "Union of Farmers" section.

### **POLITICAL POWER**

*Debt is a political problem, not a financial problem* - therefore it will only be solved politically.

As the Action Group has no political affiliations, as a group you cannot be labelled Labour or Liberal, you will however be called extremists or even radicals - especially when you are being effective. So if you stand up for yourself and neighbour you will probably initially be labelled a radical.

Galileo was a radical mad man because he said the Earth was round – so take heart and do not let this distract you.

The political manoeuvre is necessary to bring the specific problem into the open. Governments all run on the principal of "Duck Pond Management" which is; all is OK, and we don't want any ripples do we? Well the Action Group throws a big rock into these stagnant waters and creates waves, or it may even throw several rocks in different areas of the pond which causes several waves to crash into each other!

This type of action can be triggered by publicly stating

- **"The Government does not support family farms".**
- **"Government setting a programme to destroy family farms".**
- **"Banks in bed with Government to get rid of family farms".**
- **"Banks rip into farmers, Government looks the other way".**
- **"Government gives farmers who must go exit grant of \$45,000 so Banks can sell up farm and get back their capital, which never existed".**

- **"Farmers can no longer get Social Security payments, they must accept household support and undertake to leave farm and home". (Sacked city workers get Social Security without being forced by Government to sell homes in order to collect Social Security.)**

Government/Banks stepping up programmes to get farmers off the land, by cancelling Social Security, they must *not* work in the Agricultural industry so do they finish up wards of the State?

You could go on and on, it is political but it is true. Such press/radio releases as these headings would create waves. You just tie the headings in with the community under attack as the current victim.

**"CLIP" is the selective use of COMMERCIAL, LEGAL, INDUSTRIAL and POLITICAL POWER.**

## Chapter 9

### THE UNION OF FARMERS

When we think back we all went to school with kids who eventually went down different career paths. As adults some finished up as farmers – some as unionists, seemingly on opposite sides on the fence. They tended to keep their distance and did not trust each other.

The Union movement protected their membership while the farmers were completely at the mercy of the markets. During hard times this apparent inequality built the resentment of the farming community.

If there was a war tomorrow the Farmers and Unionists would go off again together exactly as they did as kids at school. The only hope and expectation that each would have of the other would be that they could shoot straight!

The Trade Union movement has been the only organisation to offer tangible assistance to farmers in trouble. The first offer originated from the Seaman's Union at Whyalla in South Australia and was followed by offers in two other States.

From these first tentative steps a strong relationship is growing that will replace the distance and distrust of the past.

A Union of Farmers is the only vehicle we have which will stand up for and save the family farm when under attack. Industrial Unions protect their members, the Union of Farmers can protect country people in a similar manner.

The Union of farmers was officially launched at Mildura on 8th March 1993.

The main thrust of the Union is to keep family farmers on their land. To achieve this the Union is committed to protect its members and assist Action Groups.

The Union of farmers, from the outset, will have no political affiliations but will form alliances with whoever is committed to preserving family farms.

Only with a strong membership base will the Union be effective in giving rural Australia the protection it must have to hold its very existence.

## Chapter 10.

### THE BOTTOM LINE

#### **There are no short cuts or magic solutions.**

Our biggest disadvantage in life is the amount of excess baggage we all carry in our minds - our hang ups and our prejudices.

When challenged our pre-conceived ideas are mostly idealistic and not based on the truth. They stop us from facing up to the problems and take our "eye off the ball".

The solution to how you hold your farm when attacked comes back to the most simple answer. Experience has shown, time and time again, that if your family is united, you stand together and are prepared to stand with your neighbours - you are unbeatable!

Chapter 11.

**QUESTIONS AND ANSWERS**

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**HOW DO YOU FIGHT A BANK TO SAVE YOUR FARM?**

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Like a boxer in the ring when fighting to win you must first preserve your income and protect your assets. The opposition is an institution, and appears a formidable foe. Therefore you must have a strategy, a game plan and coaching from the ringside, similar to a boxer, defending by using one arm to guard the body, manoeuvre and position yourself with footwork and only throwing a direct salvo at the right place at the right time.

You only attack throwing blows with both fists when your opponent has committed blatant fraud, and you have strong evidence to prove this. In these instances if your opponent cannot intimidate you they will throw in the towel and make a discreet offer whereby up to two thirds of the debt is written off rather than see it come out into the open publicly.

If fraud is not the issue but deceit is, you may have to go the full fifteen rounds. The referee will keep you off the ropes

but the longer the fight goes the weaker your opponents position becomes.

***The prize is your land. No matter how big the debt you can win - if you know how!***

**WILL OUR POSITION GET WORSE BY TRYING TO HOLD ONTO OUR FARM, OR WOULD OUR EQUITY ERODE EVEN FURTHER?**

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The longer you selectively defend or attack the worse the situation for the Bank becomes.

Financially if you can keep the Bank at bay for two years without paying interest, and funding your own working capital from farm income you will have funds which could be used as part of a final settlement with you still on your land.

Your position can only strengthen as long as you continue fighting the Bank.

**I HAVE ALWAYS BEEN AN INDIVIDUAL, AND I REALLY DO NOT WANT TO BE SEEN INVOLVED WITH ANY ACTION GROUP etc.**

**WHAT ARE MY CHANCES OF RETAINING MY LAND WITHOUT LOCAL SUPPORT?**

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If you had a strong case of fraud against the lender, with legal assistance you should be successful in retaining your land. However if this is not the case your chances would be extremely poor, because as an individual you have no people power alongside you.

If you have a hang up about an Action Group we would suggest that you have not come to grips with what they are doing and why.

Briefly Action Groups are formed to offer a protective mechanism to keep farmers on their land. These groups will not discriminate against anyone who asks for assistance. An Action Group is simply a neighbour helping a neighbour through rough times.

**THERE ARE RUMOURS THAT BANKS HAVE STATED THAT "IF ANY OF OUR CUSTOMERS BECOME OPENLY INVOLVED WITH AN ACTION GROUP THE BANK WILL GIVE THEM A PARTICULARLY HARD TIME, AND MAKE AN EXAMPLE OF THEM.**

**HAS ANY EVIDENCE BEEN SEEN OR HEARD OF THIS HAPPENING?**

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When a new Action Group becomes established there have been overtures along the lines of the statement above, as an attempt to keep people out of the new Action Group. This strategy is aimed to scare those people who are intimidated and fearful of the Banks.

In areas where Action Groups have been present for long periods we have experienced situations where the pendulum has turned the full cycle. Bank Managers are now phoning Action Groups advising that Jo Blow will have pressure brought to bear by the Bank, can the Action Group approach Jo Blow and help him get his act together.

Basically threats are in instinctive first reaction by the Banks because **until now no one has ever stood up to them before.**

**ABOUT 12 MONTHS AGO I WAS LISTENING TO AN ABC NATIONAL RADIO PROGRAMME –; THE TOPIC BEING ABOUT THE 2,000 ACTION GROUPS SCATTERED THROUGHOUT RURAL INDIA.**

**THE INTERVIEWER ASKED: "WHY ARE THESE GROUPS THERE?"**

**THE REPLY WAS: "WE HAVE BEEN FORCED TO FORM ACTION GROUPS TO SIMPLY STOP THE EXCESS OF CAPITALISM AND SOCIALISM WHICH HAVE BEEN DESTROYING OUR VILLAGES."**

**MY QUESTION IS THIS: ARE AUSTRALIAN ACTION GROUPS ON ABOUT THE SAME THING, HAVING SIMILAR POLICIES?**

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We often regard India as a backward nation, but the answer to the reporter's question is "Spot On".

Current action of Banks could be labelled excessive, which we are not prepared to tolerate. It is destroying not only families but the infrastructure of rural Australia.

**THE BANK ARE INSISTING WE SELL OFF 50% OF OUR HOLDINGS TO REDUCE DEBT.**

**SHOULD WE GO ALONG WITH THIS?**

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Experience has shown that if you sell one paddock today the Bank will be forcing you to sell another tomorrow until eventually you have nothing left.

You should only go along with the Bank if it is what you really want and what is left can still support your family, with little or no debt, that you can handle with comfort.

Never half solve a problem with a Bank just to get them off your back. Solve your problems with the Bank to YOUR satisfaction.

**THE BANK ADVISED THAT I MUST SELL. THEY WILL NOT SUPPLY CARRY-ON, THEY CLAIM WE OWE THEM \$500,000 ( WE ORIGINALLY BORROWED \$250,000). OUR FARM WHICH WAS WORTH \$1,250,000 3 YEARS AGO, WOULD BE LUCKY TO ATTRACT A BID OF \$350,000.**

**SURELY WE WILL LOSE EVERYTHING?**

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	3 YEARS AGO	NOW
Price	\$1,250,000	\$350,000
Debt	\$ 250,000	\$500,000
Equity	80%	-30%

Your choice is to stand up for yourself, or run by handing your farm to the Bank. There are many thousands of farmers in this equity position so you have the safety in numbers on your side – if you unite.

Organise a win strategy to keep the Bank from attempting to take possession. To enable the family, at a future date, to buy back the farm at a debt level that can be comfortably serviced.

WE HAD VERY LITTLE DEBT THREE YEARS AGO [\$50,000 OVERDRAFT] BUT DUE TO NEGATIVE CASH FLOW AS A RESULT OF THE WOOL COLLAPSE WE HAVE HAD TO BORROW WORKING CAPITAL , PLUS WE HAVE JUST EXPERIENCED A POOR SEASON. WE HAVE NEVER MISSED ANY INTEREST PAYMENTS BUT THE BANK CLAIM WE NOW ONLY HAVE 50% EQUITY AND AS OUR POSITION IS DETERIORATING WE MUST SELL BEFORE WE LOSE EVERYTHING.

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WHAT CAN WE DO ?

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	3 YEARS AGO	NOW
Price	\$500,000	\$300,000
Debt	\$50,000	\$150,000
Equity	90%	50%
Interest		\$20,000 pa

Normal lending policy during the Eighties was 50% of valuation, but this now means you are no good as your position is still deteriorating. Your current position has been brought about by the actions of the Bank by withdrawing credit and by

not assisting with a policy of low interest to keep you on the land.

If Banks can get capital back by intimidation it improves the Banks position overall. They are better off financially to sell you up now rather than accept your interest payments. I am aware of many instances where families who have never defaulted on interest payments are being pressured to walk.

What they are doing to you is taking your interest when times are good and your farm when times are bad.

The only way you will retain your land is to join an Action Group and put a win strategy in place.

**I CANNOT UNDERSTAND WHY WE ARE BEING ORDERED BY THE BANK TO SELL. WE HAVE 50% EQUITY ON CURRENT LAND VALUES AND OUR NEIGHBOUR WHO HAS NO EQUITY AT ALL, HAS PAID NO INTEREST FOR OVER TWELVE MONTHS IS NOT BEING PRESSED LIKE WE ARE.**

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### **WHY US?**

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You will probably find that your neighbour has stood up to the Bank and they are not game to stir them up because he may have been poorly advised by the Bank on certain occasions. I feel the Bank is just trying you out.

Banks often target who ever they perceive is fearful of them. If one of the partners is seen as the weak link which may be due to overwork, bad seasons or sickness they are considered easy to intimidate. If they are successful in intimidating you into selling, your demise is not connected to any actions of the Bank.

Another possible reason why they are pressing you could be that your property may be more saleable than your neighbours and they are just testing how you will react.

**WHEN IS A BANK IN A DISASTER POSITION IN REGARD TO GETTING ITS MONEY BACK?**

**IS THERE REALLY SUCH A THING?**

There is such a thing and it is perhaps best explained by comparing it to a position where they will get all their money back.

ADJOINING IDENTICAL PROPERTIES			
		FARM A	FARM B
Price	1989	\$1,000,000	\$1,000,000
Debt	1989	\$100,000	\$500,000
Equity	1989	90%	50%
			(normal lending)
Price	Current	\$ 500,000	\$500,000
Debt	Current	\$ 250,000	\$1,000,000
Equity	Current	50%	- 100%
If farm sold for \$500,000		If farm sold for \$500,000	
Bank would get 100% of advance back.		Bank would be in a disastrous position with \$500,000 shortfall.	

There have been many cases where the customer, who has given the Bank the "disaster position" as Farm B above, has ultimately had this debt reduced by 70%, ie, \$1,000,000 back to \$300,000.

If the Bank attempts to take legal possession of Farm B, providing Farmer B knows the game, the Banks position of being owed \$1,000,000 plus legal costs of \$250,000 which may get them possession in 2 years for a property worth \$500,000 is a disaster position for the Bank. This forces them into a position where they must do a deal to cut their losses..

**WE OWE THE BANK \$1,000,000 AND IF THE FARM WAS SOLD TODAY WE WOULD BE LUCKY TO GET A BID FOR \$250-300,000.**

**THE BANK WILL OBVIOUSLY NOT SUPPLY CARRY ON AND WE HAVE NOT SERVICED DEBT FOR 15 MONTHS.**

**WE HAVE KEPT THE FARM GOING BY USING INCOME TO COVER RUNNING COSTS SO WE DO NOT NEED WORKING CAPITAL.**

**WE CANNOT RESOLVE OUR DEBT PROBLEM BUT HOW LONG CAN WE KEEP GOING LIKE THIS?**

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From a commercial sense you do hold a few aces! So the question is, how do you play your hand?

For a start don't feel lonely! People who held 50% equity when things were good now hold little or no equity and there are thousands of farmers in this position in all states.

Establish how much debt you can service at, say 10%. if you can service \$300,000 of debt on interest only, you must, with the help of Rural Action, put yourself in a position to buy back the farm.

**IS IT LEGAL FOR THE BANKS TO COMPOUND INTEREST OR TO CHARGE INTEREST ON INTEREST ON OUR MORTGAGE?**

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Interest on a term loan mortgage account cannot be added to the principal without a new loan document being established.

To overcome this Banks, when offering loans of Eg, \$300,000, normally set up two accounts – a Fixed Term account or Bank Bill of \$250,000 plus an Overdraft account of \$50,000. This allows them to add interest to the overdraft account and compound that interest.

**WHEN THE BANK THREATENS THAT THEY ARE GOING TO SELL US UP AND TAKE POSSESSION BY KICKING US OFF, HOW MUCH TIME DO WE HAVE?**

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If you are prepared to leave you set a date for a voluntary auction and perhaps possession in 60 days thereafter - you may have 4 - 6 months depending on the date of auction.

If you are prepared to fight the Bank and improve your position *it is highly likely that you will never lose your farm.* Even if legal action commenced immediately it would be 12 - 18 months before you came to trial and the Banks do not want to go to trial if they can avoid it.

**WE HAD A FRIEND WHO TOOK THE BANK TO COURT WHEN THEY MADE OVERTURES THAT HE SHOULD "PACK UP AND GET OFF".**

**HE SPENT OVER \$50,000 USING THE MOST EXPENSIVE LAWYERS AND HAD ARRANGED FOR A HIGH PROFILE Q.C. TO HANDLE THE TRIAL.**

**PRIOR TO THE TRIAL, WHICH WAS TO COST ANOTHER \$15,000 HE RAN OUT OF FUNDS AND WAS LEFT TO FIGHT THE TRIAL HIMSELF. HE LOST.**

### **DOES THIS HAPPEN OFTEN?**

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Yes it does. If you react to a Bank and undertake that you will fight them in the Courts to the end. The end is your end, when you run out of money.

What effectively happens is that the lawyers have done the Banks job for them.

You cannot buy yourself out of this situation.

## DO BANKS AND LAWYERS WORK TOGETHER?

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The high profile legal practices best customers are the Banks. The Banks need them to intimidate you with their legal jargon and to make their actions respectable.

You should regard the higher the profile of the Legal Firm the Banks engage as in your favour because the Banks legal cost realistically improves your position as it is pushing the Bank towards a commercial decision to settle. The Bank can be up for \$250–300,000 in legal costs before trial if you can give them an overdose of legal DDT ("Deny, Delay and Traverse).

**WHAT IS THE HARDEST PART OF STANDING UP FOR YOURSELF WHEN FIGHTING A BANK?**

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The hardest part of fighting the Bank is not the fight itself but the waiting game of doing nothing for weeks on end until it is time to respond or make the next move.

The longer you wait the more you tend to feel inadequate. The only way to overcome this is to get involved in Groups and really understand what is happening to you and everything you have built your life and family around. You must build your resolve.

You have to believe that you are part of changing a destructive, unjust system and it may take 1-2% of your life's time, but ultimately it will probably be the most rewarding time of your life.

**WHY DO SOME PEOPLE WHO ARE ATTACKED BY BANKS NOT ASK FOR HELP BUT JUST COMMIT SUICIDE?**

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They probably suffer from a massive dose of things going against them, plus fear, a sense of failure, helplessness and guilt.

It is important to bring the problem of debt out into the open, our society is collapsing due to debt! In order to survive we must find a way to change our money system which is working against us.

At school we were taught nothing about how the money system really works but when we leave school and start a new life it is the most essential thing we should have been taught, otherwise we go through life learning by our mistakes.

If people had a better understanding of how our money system actually works they would handle the stress far easier without the destructive feelings of guilt and shame.

**WE ARE TRYING TO RESTRUCTURE OUR LOAN. SHOULD WE GO AND SEE THE BANK BY OURSELVES OR TAKE A FRIEND, ADVISER OR COUNSELLOR WITH US?**

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10 years ago it was safe to do a "handshake" deal with your Bank Manager and you could trust him to do what ever he undertook to do - he looked after his customers.

Today the Managers have little or no authority and are under immense pressure from Head Offices to extract whatever they can from their customers (in regards to how much interest is charged, charges, penalties and risk margins etc).

Always take a friend, adviser or counsellor when you are talking of restructure, or even Bank reviews.

**OUR BANK HAS TOLD US THAT "WE ARE THEIR ONLY BAD CLIENTS" AND WE MUST SELL. WE MAY BE A LITTLE ROUGH AROUND THE EDGES BUT WE ARE CONSIDERED BY MANY OF THE LOCALS AS TOP OPERATORS. HOW CAN THE BANK SAY THIS?**

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This is very common. The strategy is to put you down as failures – it is very hard to handle when you are told you are the *only* bad customer. This is an intimidation move to see how you react, you would normally feel defensive immediately and perhaps flounder for words.

Establish the real problem and call the meeting off and work out your most appropriate course of action.

**OUR ACCOUNTANT AND LAWYER, BOTH OF WHOM WE RESPECT, ADVISED THAT IT WOULD BE A WASTE OF MONEY TO FIGHT THE BANK, AND THAT WE REALLY DO NOT HAVE ANY HOPE OF RETAINING OUR FARM.**

**SHOULD WE BELIEVE THEM?**

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If you attempt to fight the Bank in what Accountants and Lawyers would consider the appropriate traditional manner we would agree - you would have little chance of winning and no money left either.

We are not suggesting that anyone rely solely on the law to give you justice.

**WE HAVE OUR MORTGAGE ACCOUNT WITH OUR BANK, AN OVERDRAFT ACCOUNT AND A HARVEST ACCOUNT WHICH RUNS IN CREDIT MOST OF THE YEAR**

**OUR QUESTION IS, IF THE BANK CALLED UP OUR LOAN COULD THEY TAKE OUR CREDIT BALANCE OF \$80,000 FROM OUR HARVEST ACCOUNT WITHOUT OUR APPROVAL?**

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The answer is YES! It is reasonably common practice for the Banks to do this. Your best method of securing the safety of your credit balance is to transfer it in another Bank or preferably a Credit Union or Building Society.

**DO BANKS PUT SELECTED ARROGANT STAFF THROUGH TRAINING COURSES SO THAT THEY BECOME HARDENED TO SPECIALISE IN THE "DEBT RECOVERY" AREA, AND WHAT TYPE OF PERSON WOULD DO THIS FOR A LIVING?**

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Some Banks have had their "debt recovery section" staff trained to handle stress and how to apply intense stress to the customers they target.

The only humorous thing about this subject is that the people who work for the Banks and finish up in this line of work believe that they are doing it for the good of society, and that if someone makes the hard decisions to cull then some responsible citizen must do the job. If they really believe this it is easier for them to sleep at night.

## **ARE SOME RURAL COUNSELLORS BEING MANIPULATED BY BANKS?**

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We have advice that certain Bank Officers are put through "Recovery Section" training and taught how to get the best out of the rural counsellor because he is seen to be partially neutral. A counsellor is an agent for the client he is assisting.

The Rural Counsellor is put under pressure by the Banks coming on very strong on a particular client. This often forces the counsellor and farmer to do a deal they would have previously regarded as not acceptable.

The technique is based upon an old Police tactic known as Bad Cop/Good Cop, in which one is a mongrel and scares the daylights out of the suspect with threats and abuse and then leaves the room. The other, Mr Nice Guy, then moves in with calm, seemingly rational and logical suggestions and the suspect compromises himself rather than face the Bad Guy again.

The Counsellor is put in this position by the antics of the Bank, without being in on the trick, and the Bank achieves the result they wanted without exposing themselves to accusations of conspiracy.

**IF OUR RURAL COUNSELLOR IS BEING  
MANIPULATED BY THE BANKS AND GOVERNMENT  
HOW DO WE STOP THIS?**

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Rural counsellors as a whole have not been trained in high pressure marketing negotiations, or been put in a position where he can learn the tricks or tools of this trade.

The majority of Counsellors are doing the best they can but feel that they are only getting something resolved when they give in to the Banks a bit more, or the clients eventually cave in just to get the Bank off their backs.

If you have a genuine, well meaning Counsellor perhaps you should all put in a few dollars and send him or her to a special high pressure marketing negotiations seminar – the results will be worth it.

## HOW DOES THE PRESENCE OF A RURAL ACTION GROUP AFFECT THE RURAL COUNSELLORS JOB?

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The policy of Rural Action is that no-one will be forced to leave their land or homes - this applies to all the people in a given Community.

If an Action Group exists in your area this leaves the Counsellor with the job of assisting to genuinely restructure debt - because leaving is not an option.

Counsellors do not have the power to threaten a Bank in regard to doing the "right" thing, but an Action Group normally backs up a demand with a threat which gets results.

**WE HAVE BEEN DEVASTATED BY HIGH INTEREST RATES AND DROUGHT. WE ARE STILL EXPERIENCING DROUGHT AND THE BANK HAS CLOSED OUR CHEQUE ACCOUNT. THEY ARE STILL CHARGING INTEREST OF 16% BECAUSE WE CANNOT SERVICE ALL DEBT. OUR PROPERTY WAS WORTH A MILLION DOLLARS 3 YEARS AGO, NOW IT IS VIRTUALLY UNSALEABLE. IF WE WENT TO AUCTION WE WOULD WE WOULD BE LUCKY TO GET \$100,000.**

**THE BANK IS NOT PUSHING US TO SELL UNTIL THE DROUGHT BREAKS AND THINGS HAVE IMPROVED. DO WE WALK OR STAY?**

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This is an ideal opportunity to get rid of your debt burden that will surely strangle you when things do come good!

If you can service a debt of \$80–100,000 you must try to put this amount together. You claim you are servicing part of your debt – the interest you are paying is pushing your farm further away from you – stop paying interest and accumulate whatever you can. If you can manage \$80–100,000 have a friendly party approach the Bank with a contract for you to sell

for \$80,000 plus full release of any liability in regard to your existing mortgage loan.

This is the only logical economical course you can take.

LAST YEAR OUR BANK MADE US LIST OUR PROPERTY FOR SALE. OUR ANNUAL WOOL CHEQUE IS DUE WITHIN TWO WEEKS. THE BANK HAVE ADVISED THAT THEY WILL REVIEW OUR SITUATION AFTER OUR WOOL CHEQUE CLEARS THE OVERDRAFT ACCOUNT.

CAN WE TRUST THEM TO LOOK AFTER US FOR NEXT SEASONS WORKING CAPITAL UNDER THESE CIRCUMSTANCES?

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**NO!** Do not deposit your wool cheque until you have assurances in writing as to their long term commitment to you. **Deposit the cheque in a Credit Union or Building Society account until you have such an assurance.**

Put yourself in the Bank's position and ask when would be the best time to sell you up? The answer is obviously after major income is credited to your account.

Your short/long term survival depends on how YOU control YOUR cash flow.

**THE HEAD OFFICE OF A CITY BASED AUDITING COMPANY HAS SENT US A LETTER STATING THAT THEY ARE CARRYING OUT A PERIODICAL AUDIT OF OUR BANK. THE AUDITOR HAS REQUESTED CONFIRMATION THAT THE BALANCE OF OUR ACCOUNT IS CORRECT.**

**OUR BANK HAS MADE THINGS VERY DIFFICULT FOR US RECENTLY. DO I ANSWER THIS LETTER OR ARE THEY UP TO TRICKS AGAIN?**

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Throw the letter in the waste bin. There is every possibility that what is really wanted is for you to acknowledge your liability and legally this can be used against you at a future date.

**HOW COME WE DON'T SEE DETAILS ABOUT DEBT WRITTEN OFF BY BANKS? WE HEAR RUMOURS BUT CAN NEVER SEE EVIDENCE OTHER THAN SMILING PEOPLE STILL ON FARMS THAT THEY WERE SUPPOSED TO VACATE SOME TIME AGO!**

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The reason is that when a final settlement is reached it is subject to a secrecy agreement between all parties involved. This is insisted on by the Banks because they do not want to be seen giving preference to one client, or one industry, over another.

People in the recovery area will swear black and blue that they never write off debt. The truth is they do it on a daily basis.

They will only write off part of your debt if you put them on the ropes in a commercial sense.

**THE LAWYER WE USE ALSO ACTS FOR THE BANK. WHEN QUESTIONING OUR LAWYER ABOUT THIS, HE ASSURED US THAT HE WAS ACTING FOR BOTH PARTIES COMPLETELY SEPARATELY AND THAT NO CONFLICT OF INTEREST EXISTED IN HIS MIND.**

**MY QUESTION IS "CAN A DOG HAVE TWO MASTERS"?**

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A clear conflict of interest **DOES** exist. You should express your feeling to him and ask that he relinquish either you or the Bank as his client.

His reply will confirm who his real master is!

**WE ARE BEING THREATENED WITH EVICTION BUT LUCKILY OUR PARENTS ARE PREPARED TO HELP FINANCIALLY. BY HELPING ARE THEY EXPOSING THEMSELVES IN A LEGAL SENSE TO THE BANK AS THEY INTEND TO BORROW AGAINST THEIR RETIREMENT HOME?**

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If parents or family want to assist you must not allow them to sign guarantees or become a party to your debt.

They should only be allowed to assist financially on the basis that their money is used by a new "identity" to buy back the farm, or if they advance working capital it should be secured by a crop lien, a bill of sale over plant or a stock mortgage.

### WHAT IS

(1) A CROP LIEN?

(2) A BILL OF SALE?

(3) A STOCK MORTGAGE?

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#### CROP LIEN

A crop lien can apply to any agricultural crop. Credit or cash can be advanced on the basis the lender secures himself with a "lien" which is only effective on the current crop.

#### BILL OF SALE

When machinery is offered as security a credit or cash advance is made available usually to 50% of the value of the plant in question.

#### STOCK MORTGAGE

A stock mortgage is a security given normally to a stock agent, private individual or Company. It covers nominated stock, their offspring and produce. Credit is normally advanced against the stock at the rate of 50% of total stock value.

**OUR BANK IS INSISTING THAT WE FURNISH AN UPDATED CASH-FLOW EVERY MONTH. WE HAVE NEVER DEFAULTED ON INTEREST PAYMENTS BUT WHEN THE LOAN WAS ESTABLISHED TWO YEARS AGO WE STATED WE INTENDED TO REPAY SOME OF THE CAPITAL. WITH THE STATE OF THE ECONOMY IT IS IMPOSSIBLE TO REPAY CAPITAL SO WE HAVE BEEN ACCUSED OF GOING BACK ON OUR WORD.**

**IT IS VERY TIME CONSUMING AND COSTLY TO PREPARE FIGURES ON A MONTHLY BASIS. ALL WE SEEM TO BE DOING IS RUNNING TO THE BANK ALL THE TIME WHICH IS STRESSFUL AND WASTING OUR PRODUCTIVE TIME WHICH HAS TO BE MADE UP.**

**WHY DO THEY WANT ALL THESE CASH-FLOWS?**

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A cash-flow is an important business record. It can be used by someone to assist you or sink you. It clearly shows when your income is at its strongest and its weakest.

Your only defence, if you wish to continue servicing debt, is to prevent your income going into the Bank in lump sums. Put your lump sums into a Credit Union/Building Society account initially and siphon it back into your Bank just before commitments become due.

If you have a readily saleable asset the Bank are probably softening you up by applying pressure to ultimately make you sell.

**THE BANK IS PREPARED TO INCREASE OUR OVERDRAFT BY \$30,000 TO ENSURE WE CAN GET OUR NEXT CROP IN, BUT THEY WANT US TO SIGN A FRESH LOT OF GUARANTEES.**

**ARE THEY PUTTING A NOOSE AROUND OUR NECKS?**

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You are probably right!

There is nothing wrong with signing fresh guarantees providing your debt has been restructured to your satisfaction and the guarantees are acceptable. If any clauses in the new agreements do not meet with your approval put a line through them.

I would be very wary about fresh guarantees and mortgages as you cancel any right of legal arguments in regards to previous conduct and misrepresentations to you.

You would be far safer to procure this advance from another source, preferably family and offer them a security via a lien, bill of sale or stock mortgage.

WE HAVE INSISTED THAT OUR BANK RESTRUCTURE OUR DEBT FROM VARIOUS TERM LOANS THAT MATURE SOON. THEY ARE NOT PREPARED TO OFFER ANY FACILITY OTHER THAN A VARIABLE LOAN WITH A REVIEW IN TWELVE MONTHS. THEY ADVISED THAT NEW GUARANTEES WILL BE NEEDED AND THEY WILL BE LOOKING FOR EXTRA SECURITY.

THEY ARE CALLING THIS A RESTRUCTURE. WHAT WE NEED IS A TEN TO FIFTEEN YEAR, LOW INTEREST, TERM LOAN. ACCORDING TO THE MANAGER THIS IS "JUST NOT ON IN THE PRESENT CLIMATE".

**DO WE HOLD OUT AND FINISH UP FIGHTING THE BANK OR DO WE GO ALONG WITH THEM?**

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What you are requesting is reasonable and I would suggest you stick to this line. They may offer a term loan from one to five years at a fixed rate and roll out to fifteen years.

If they put you under pressure I would suggest you join an Action Group and let the troops assist you.

**IF OUR BANK RESTRUCTURED OUR CURRENT DEBT TO THE SAME RATES THEY ADVERTISE FOR NEW BUSINESS CUSTOMERS WE COULD HANDLE OUR DEBT.**

**WE HAVE REQUESTED THEM TO RESTRUCTURE BUT THEY SAY OUR EQUITY, BECAUSE OF CURRENT LOW LAND VALUES, DOES NOT MEET THEIR CRITERIA, WHICH PUTS US IN A RISK SITUATION AND OUR CURRENT INTEREST RATE OF 15% REFLECTS THIS PENALTY.**

**I FEEL THIS IS CRIMINAL AS IT WILL PUSH US OVER THE WALL.**

**ARE WE BEING SET UP TO SELL?**

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Banks have a criteria for new lending and a criteria for existing customers.

Common sense would normally tell us that if you were given a current market deal, which you could service with comfort, that this would be the obvious way to go.

If the Banks do not take up such proposals they are giving a strong indication that after another six months you will be requested to sell because of your deteriorating position.

## WHAT IS MEANT BY MORAL DEBT?

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The definition of moral debt is a figure which the customer arrives at and is, in his opinion, what the Bank should accept as full settlement.

It is usually based on the original capital advanced after charges and penalties have been removed and their compound effect taken out.

## **ARE RURAL ACTION AND UNION OF FARMERS A MOB OF BANK BASHERS?**

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We do not believe we "Bank Bash". This term originated from the Banks when some of their practices were questioned.

Banks are in a privileged position because they create and control our money system.

They believe that with such divine power that divine wisdom comes automatically, so if you question their most blatant acts of documented fraud and corruption, you are Bank Bashing.

We demand that our Banking Industry is regulated so that the innocent are not asset stripped as is happening today on a grand scale!

## WHAT IS THE DIFFERENCE BETWEEN VALUE AND PRICE?

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Most of us believe value and price are the same.

The value of a fully established farm with improvements and a home never really changes. Over a period of years, providing it is maintained, its value is to produce income and provide shelter.

The price however alters drastically over the same period due to *one influence*, that being the amount of credit being made available to that particular industry.

If returns are high the level of credit is high, which pushes prices even higher. When commodity prices drop credit becomes very tight and the price of that enterprise may fall by 50% within twelve months.

**WE ARE IN A DROUGHT AREA, THE BANK HAVE CLOSED OUR WORKING CHEQUE ACCOUNT, ARE NOT SENDING STATEMENTS AND ARE IGNORING OUR VERY EXISTENCE.**

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**SHOULD WE GO OR STAY?**

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The Bank realise that it would be fruitless to try and sell you up in a drought. They will wait until the drought breaks before moving on you.

If you left the property and the home was left vacant for anything up to two years it would start to fall down and perhaps be vandalised, depreciating the Bank's asset even further.

Your best bet is to pay no interest at all and strengthen your position to do a buy back at a later date.

**WE ARE IN POSSESSION OF OUR LAND BUT THE BANK WE HAVE BANKED ON ALL OUR WORKING LIVES ARE THREATENING TO SELL THE FARM FROM UNDER US.**

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**CAN THEY DO THIS?**

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If you are in possession and the Bank does not hold a Notice of Possession Order against you, they can only sell to another party with your consent.

If they do not have your consent they must apply to the Courts for a possession order. This is when their problems will start especially if you start giving them regular doses of legal DDT.

**THE BANK ARE ASKING THAT WE SELL. OUR FARM HAS TWO HOUSES, WE LIVE IN ONE AND OUR ELDERLY PARENTS STILL LIVE IN THEIR ORIGINAL COTTAGE.**

**WE ALL HAVE NO WHERE TO GO, WHAT CAN WE DO?**

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Elderly people are a headache to Banks because Banks want to protect their clean image. The pressure of your parents puts them in a very difficult position.

The last thing a Bank wants to be made public is that they are throwing elderly people out on the roadside.

Their presence on the farm can guarantee you holding the farm if you use and understand the "CLIP" strategy correctly.

**SURELY IF WE KEEP ALL THE FARMERS ON THE LAND WE ARE INTERFERING WITH THE NATURAL PROCESS OF THE STRONG SURVIVING AND THE WEAK BEING FORCED TO GET OUT?**

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There is a natural "attrition" process where people come and go, but in this instance the vast majority of farms are not viable in the short term. Do we really want to see the majority of our farmers leave Agriculture?

The Banks are directly responsible for the current financial position of farmers and small business, is this a natural process?

**WE READ ARTICLES IN NEWSPAPERS WHERE HIGH PROFILE BANKERS ARE PUSHING FOR RESTRUCTURES OF DEBT, AND APPEAR TO BE ON SIDE WITH FARMERS.**

**NOTHING EVER HAPPENS, SO WHAT IS THEIR GAME?**

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There are many Bank people genuinely pushing in this direction, but their pleas are falling on the deaf ears of their superiors.

Their superiors will only change policy when they see that the game is over and they can no longer make the easy dollar by selling up farms.

## HOW COME THE ACTIONS OF BANKS ARE KEPT SO QUIET IN THE MEDIA?

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The major Banks spend around \$20 million per year on advertising. They are the media's best customer, so it is easy to look the other way.

The Australian media is controlled by a few companies who are heavily indebted to the Banks.

IT WAS REPORTED IN THE NATIONAL PRESS IN 1991 THAT THE ADELAIDE STEAMSHIP COMPANY HAD DEBTS OF AROUND \$6 BILLION, WHICH IT COULD NO LONGER SERVICE. AT THE SAME TIME THE TOTAL RURAL DEBT IN AUSTRALIA WAS ESTIMATED AT APPROXIMATELY \$13 BILLION.

THE ADELAIDE STEAMSHIP HAS NOT BEEN CLOSED DOWN, PART OF THEIR DEBT HAS OBVIOUSLY BEEN WRITTEN OFF.

WHY IS DEBT WRITE OFF NOT AVAILABLE TO FARMERS

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Farmers and small business, like the Steamship Company, **will** have debt written off when the pressure is applied.

Otherwise both these sectors will disappear.

IT WAS REPORTED THAT THE [Illegible] STEAMSHIP COMPANY  
THAT THE [Illegible] STEAMSHIP COMPANY  
DEBT OF ABOUT \$1 MILLION, WHICH IT COULD

NO LONGER SERVICE AT THE SAME TIME THE  
TOWER [Illegible] [Illegible] [Illegible]  
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[Illegible] [Illegible] [Illegible]

THE [Illegible] STEAMSHIP HAS NOT BEEN  
CLOSED-DOWN, PART OR OTHER DEBT HAS  
OBVIOUSLY BEEN WRITTEN OFF IN [Illegible] [Illegible]

WHY IS DEBT WRITE OFF NOT AVAILABLE TO  
PARTNERS

Partners and small business like the Steamship Company  
will have debt written off when the pressure is applied

Otherwise both these sectors will disappear



# **DEFY AND WIN !**

**Like a boxer in the ring when fighting to win you must first preserve your income and protect your assets. The opposition is an institution, and appears a formidable foe. Therefore you must have a strategy, a game plan and coaching from the ringside, similar to a boxer, defending by using one arm to guard the body, manoeuvre and position yourself with footwork and only throwing a direct salvo at the right place and the right time.**