

## INTRODUCTION

This thesis is about the long quest by Australian farmers for unity; to unite their many organisations into a national pressure group that would speak with a strong voice.

My interest in farm organisations was stimulated in the mid-1960s when I became agriculture writer for the *Australian Financial Review* and began reporting on their activities and attending their conferences. I was both intrigued and confused by the deep divisions between farmer and grazier organisations. Broadacre primary producers had a choice of which to join, as the majority of farmers who grew wheat also ran livestock, and in the 1960s many graziers had, because of a spell of low wool prices, dropped their aversion to cropping and grew wheat as a major sideline enterprise.

The reasons why people producing the same commodities chose to organise into distinct associations were historical, philosophical and social, and included a dash of class warfare and snobbery. The roots of the divisions can be traced back to last century when pastoralists used their political muscle and guile to tie up large tracts of arable land for sheep runs, denying small farmers land for cropping. The farmers organised in 1893 under the banner of the Farmers and Settlers' Association to change the colonial land laws and wrest land from the pastoralists, who only a few years earlier had united to oppose the demand of shearers that they employ only members of the Amalgamated Shearers' Union.

To small farmers, as well as bush unionists, the pastoralists, known disparagingly as "squatters", represented a despised establishment. There was concern about their strong influence in the colonial parliaments, envy of their wealth and social position and resentment at what many saw as their superior attitude to employees and neighbouring farmers. As the decades rolled by many of the old attitudes changed. Some changes were engendered by the decline of grazier influence with legislators, the courting by politicians of the numerically superior farmers and a campaign by the graziers' associations to recruit small woolgrowers. One example of the latter was the decision by the NSW Pastoralists' Union in

1916 to change its name to the Graziers' Association. The term "grazier" was supposed to soften the image of an organisation established by prominent wealthy pastoralists. However, from my observations in the 1960s, the word "grazier" was to many farmers as much a term of derision as "pastoralist" or "squatter".

On the grazier side there remained a feeling of superiority and this will be clearly demonstrated in Chapter Five when I discuss the Graziers' Association of NSW's *Report of the Unity Study Committee* (1968). This stressed a number of reasons why graziers and farmers should not unite, including differences in education standards, social attitudes, marketing philosophies and the claim that graziers were swayed by reason while farmers tended to respond to demagogues. Attending the conferences of both groups was an eye-opener. There was rarely any controversy at a graziers' conference, with the agenda and candidates for the executive decided by an inner circle. Delegates were usually dressed in expensive suits, many spoke with educated accents and were tactful in their remarks about politicians, public servants and farmers. The graziers exuded an air of self-confidence and placed themselves above petty bickering.

Many delegates to farmers' conferences wore sports jackets, some were coatless, there was a sprinkling of beards, broad Australian accents and fiery speeches. There was a "chip-on-the-shoulder" atmosphere that was lacking at graziers' conferences where facts and logical argument were considered more important than hyperbole and tub-thumping. The fact that new farmer presidents and executives were elected by conference delegates encouraged candidates to play to their audience and point the finger at those allegedly working against the interests of farmers, such as politicians, bureaucrats, academics and graziers.

As press secretary to the Minister for Primary Industry, Ken Wriedt, in the Whitlam Labor Government (1972-75), I was able to view the organisations from a different perspective. It was clear that many graziers had immediate difficulty dealing with a Labor Government, so deep was their conservative bent and distrust of the left side of politics. Farmers generally had fewer problems and

I put this down to the fact that Labor politicians and farmers were closer in social attitudes, with some on both sides sharing a long running hostility towards graziers. Among farmers was a core of Labor Party supporters although they were swamped by the majority who traditionally backed the Country Party. The graziers were harsh critics of the Country Party's high tariff policy and this caused tension between them and party leader, John McEwen.

It is little wonder that in the 1960s and early 1970s I, like most other observers of the rural sector, regarded a united farm voice as out of the question. Research for my M.Ec. thesis, published as *The Australian Wheat Industry: Its Economics and Politics* (Armidale, 1972), reinforced my opinion. The Australian Wheatgrowers' Federation displayed a deep hostility to grazier organisations and resisted their efforts in the 1960s, when many graziers began growing wheat, to have any voice in the industry. The fact that farmers and graziers did unite as the National Farmers' Federation in 1979 presented me with an important and interesting new thesis topic, one that would allow me to delve into the historical and social reasons why farmers and graziers had remained apart for so long and what caused the belated drive for unity. Because the saga of farm unity in Australia has been written in detail for the first time, some description of major events was unavoidable to set this thesis in context. However, this has been hopefully matched by analysis of rural pressure groups in Australia and new insights into their behaviour.

Farmers were victims of their own diversity. Not only were farm organisations split along commodity lines but it was possible to find two or more organisations representing producers of one commodity. Wool was the prime example. From 1939 there were two federal bodies, the Australian Woolgrowers and Graziers' Council and the Australian Wool and Meat Producers' Federation, claiming to speak for woolgrowers at the federal level where government decided policies concerning one of the nation's largest export industries. The AWGC, representing predominantly the large wool producers, known as graziers, and the AWMPF, representing the smaller wool-wheat farmers, gave government conflicting advice. The two were deeply divided over the marketing of the

annual wool clip. The graziers supported the free auction system and the farmers wanted government intervention in the industry to put a reserve price on all wool sent to auction. This fundamental division between woolgrowers was a major factor leading to calls from ministers of state for them to unite and speak with one voice. Then, supposedly, governments could devise and implement policies that would have wide industry acceptance. However, many primary producers believed it was not their role to make life easier for the government of the day, and that politicians who asked farmers "to speak with one voice" really only wanted them to "listen with one ear": that is, to accept what the government decreed without argument.

The divisions between farmers and graziers went well beyond their marketing preferences. There were differences in social status reflected in property size, private or state school education, whether an employer of permanent or seasonal labour, recreation pursuits, club membership and the role of wives as working partners or social hostesses. In addition, there were political differences with farmers tending to be strong Country Party supporters and the graziers split between the Country and Liberal parties. There was an element of distrust between graziers and the Country Party. The party came under frequent attack from the graziers over its policy of high tariff protection for secondary industry. This policy exacerbated divisions between farmers and graziers because farmers muted their criticism of the impact of tariffs on their production costs in return for their own "protection". The five year wheat stabilisation schemes that began in 1948-49, under the Chifley Labor Government, and the annual \$27 million butterfat production bounty were prime examples of such "protection". Graziers, relying predominantly on the free wool and beef markets for their livelihoods, were "unprotected" and sought an Australian economy free of the inflationary impact of tariffs walls and national wage increases. The gulf between the primary producers known throughout most of Australia's agricultural history as "farmers" and "graziers" was deep. Until around 25 years ago the differences looked insurmountable.

Yet, the desire for unity remained just below the surface and some farmers looked to the trade union movement as a model. This was despite the fact that primary producers had, from the start, seen trade unions as an enemy determined to recruit bush workers and bring them under federal industrial awards. Unions formed the backbone of the Labor Party that, in its early years, raised the ire of farmers by advocating leasehold land against freehold. Australia's trade unions exhibited a solidarity that farmers could not match. As wage earners, unionists had a common enemy in their employers and, unlike primary producers, they were not divided by wide variations in wealth and social status. Many trade unions came under the umbrella of the Australian Council of Trade Unions more than 50 years before the establishment of National Farmers' Federation as the "one voice" for farmers at the federal level. It took farmers until the second decade of the 20th Century to establish state Country Parties and the third decade for a federal Country Party. Trade unions had the Labor Party established around the start of the century and many have remained linked with the party, through their affiliation with the ACTU. By the mid-1940s there were no farm organisations retaining official links with the Country Party, such connections being seen as both a disadvantage in dealing with Labor Governments and putting the Country Party at risk of being seen as only a party of sectional interests and of little concern to the non-farmers living outside the major cities. The ACTU's commitment to the Labor Party has never been at risk, even when the party has been out of office for long periods.

Unfavourable comparisons between the organisational ability of trade unions and farmers came early. In February, 1918, Nationalist Prime Minister and former Labor Prime Minister, W.M. Hughes, told a meeting of wheatgrowers that if they spoke with one voice the Government might be able to do something for them but they were too divided with too many options. Hughes said:

I can bring into one room three men who represent all the labour of Australia. I can bring into one room all the representatives of the metal industry although there are engaged in it thousands of men all over Australia.....I have

preached to labour the necessity for organisation.....and the wheat industry, like every other, must save itself by organisation.<sup>1</sup>

Some years earlier, the journal of the Farmers and Settlers' Association of NSW, *The Land*, editorialised in its second edition of February 3, 1911, "that it was to self-sacrifice and loyalty that the Labour (sic) Party owes its success" and went on to criticise farmers for "going on your own", for being too individualistic and warned that they must change, not as a matter of choice but of necessity. Farm organisations not only envied the solidarity and influence of Australian trade unions but also the farmers of Britain who belonged to the National Farmers' Union of England and Wales, a body widely accepted as the voice of British agriculture and never seriously challenged by any other farm organisation. The NFU has been described as "one of the most powerful trade unions in the nation".<sup>2</sup> Australian farm organisations from their beginnings would have enjoyed such a reputation. They quickly learnt how to organise and recruit members and, while some understood the importance of exploiting the political process, they found it hard to unite and so achieve the political muscle of the British farmer.

A later chapter will detail efforts to form a British-style organisation in Australia that farmers joined because they were farmers and not because they grew a particular commodity. The Australian Primary Producers' Union, established in 1943, was an idealistic attempt to embrace all farmers (in this context the term "farmer" includes graziers) into the one national organisation to work for the common good of agriculture. This attempt, to allow farmers to speak with one voice, came decades before its time. The national commodity-based organisations opposed it from the start and politicians saw little benefit in talking to the APPU on farm policy when their links with farmers were predominantly through bodies such as the Australian Wheatgrowers' Federation, the Australian Dairy Farmers' Federation and the AWMPF.

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<sup>1</sup>John Entwistle, *The FAS Movement: What It Is and What It Stands For*. Adelaide, 1919. p.15.

<sup>2</sup>Peter Self and Herbert J. Storing, *The State and the Farmer*. London, 1962. p.37.

The commodity organisations established their own national voice in 1943, the National Farmers' Union of Australia, but it had less in common with the British NFU than the APPU. Australia's NFU did not accept farmers as individuals but only as members of the established commodity-based organisations. It was a federation of commodity federations and its affiliates gave so little power to the NFU that it was almost a non-entity as a rural pressure group. Its public comments were confined to matters of general interest, such as taxation, farm safety, rural education and international trade. When the federal government had matters to discuss with wool, beef or wheat producers it by-passed the NFU and went straight to the commodity organisations. This was how it had always been done in Australia. The AWMPF and the AWGC did not attempt to use the forums of the NFU to sort out their bitter battles over wool marketing. They preferred their own conferences and the public stage.

There was only one federal organisation with a lower profile than the NFU and that was the APPU. Australia had two bodies purporting to speak with one voice for Australia's primary producers, but they were not only divided but muted. The APPU's policy was to unite all farmers under the one roof, but when it sought to negotiate unity with the NFU it was forced to compromise its unitary system of membership and succumb to the dominant commodity-oriented Australian farm organisations. The APPU constitution was amended to give its produce divisions complete control of matters affecting their particular commodities without fear of being over-ridden by others in the organisation. After almost two decades of negotiations, the NFU and the APPU combined in 1969 as the Australian Farmers' Federation, which was merely the NFU under a new name after the APPU had written off its chances of uniting all farmers as vocational members of a body promoting the common good of the rural sector. The APPU went out of existence in the interests of farm unity. It had an undistinguished past and a bleak future because the task of coming to grips with the powerful commodity organisations was beyond it.

The AFF was destined for a short life. It was born at a time when changing economic and political circumstances forced the commodity organisations to look at the unity issue through fresh eyes. Not in some idealistic way to emulate British farmers but in a more practical sense that made them realise that unity was vital for their survival as a effective pressure group. More farmers believed, that because of disunity, they lacked a strong voice in Canberra where they competed for government attention with long-established pressure groups such as those representing manufacturers, importers, the welfare lobby and the trade union movement.

In July, 1979, the National Farmers' Federation opened its doors in rented premises at the National Press Club in Canberra, within a short walk of Parliament House. The NFF was deemed the "one voice" farmers had long sought. It was an organisation that saw the commodity federations dissolve into NFF commodity councils and the NFF executive gain powers denied the NFU and the AFF. The achievement of farm unity in Australia, almost 90 years after the first federal organisation, the Pastoralists' Federal Council, was established, is basically a saga involving deep philosophical and social divisions within Australian agriculture, such as those exemplified between "farmers" and "graziers", and how such divisions were eventually overcome.

## SUMMARY

### PART ONE: THE EMERGENCE OF FEDERAL FARM ORGANISATIONS

This topic is restricted to just one chapter, *THE THREE STRANDS*, to allow more space to analyse later changes in farmer unity. The chapter takes us back to the beginning of farm organisations in Australia and discusses the three main branches. They were:

1. The graziers who united in 1890 as the Pastoralists' Federal Council to combat the growing militancy of bush unions, especially the Amalgamated Shearers' Union, and remained primarily an industrial organisation until well into the next century.

2. The Farmers and Settlers' Associations whose prime concern was changing the land laws of the Australian colonies to break up



the large pastoral holdings for arable farming and closer settlement and;

3. The radical wheatgrower organisations which came to prominence between the two world wars to demand government intervention in their industry to protect the livelihoods of the thousands of farm families placed on marginal wheat land under inefficient closer settlement schemes. These families were left to struggle for a living selling their harvests on volatile international markets. In contrast to the pastoralists, who adhered to the free market and had close ties with woolbrokers, the wheatgrowers demanded government-backed marketing schemes that would provide price guarantees and rid the industry of the middlemen they distrusted.

## PART TWO: FARMERS, POLITICIANS AND PUBLIC SERVANTS

Chapter two, entitled, *RURAL PRESSURE GROUPS AND THE COUNTRY PARTY*, relates how farm organisations performed the ultimate act of a pressure group and formed their own political party, in imitation of their "enemy", the trade union movement which established the Labor Party. However, the Country (later National) Party had its own agenda to ensure that it shared government with other conservative parties and could not always please the farm sector. Farmers also found that affiliation with the Country Party had its drawbacks in dealing with Labor Governments and, by 1945, there were no farm organisations left with official party links. However, cross-membership of branches of the Country Party and farm organisations remained strong.

This chapter discusses the trends running against the Country/National Party that weakened its ability to represent non-metropolitan Australia. Such trends include the steady decline in the number of farmers, the drift of people from country towns to cities, the movement of retirees and alternative lifestyle people to coastal electorates and, significantly, the changing nature of media. The fiercely pro-National Party local newspapers have been taken over by city-based media companies resulting in the National Party "making" less news and fewer farmers seeing it as their voice. It will be pointed out in a later chapter that the party has become

concerned over recent years with the media coverage given to the National Farmers' Federation compared with what it receives. There were even fears that the NFF could establish a rival rural-based political party.

There was, however, a rather cosy relationship between leaders of Australia's farm organisations and Cabinet ministers during the unbroken 23 year rule of coalition governments between 1949 and 1972, but this ended with the election of the Whitlam Labor Government. From that time most farm organisations not only stressed they were apolitical but acted as if they were.

Chapter three on *WHO MADE RURAL POLICY?* examines policy making between 1949 and 1972 and gives examples of how the Country Party exploited farmer disunity to get its own policies implemented; how the public service was used in the political interests of the Country Party and how policies, devised within the public service, were "planted" with farm organisations to promote as their own.

Two of the big issues of that era, production quotas for wheat and the reserve price plan for wool, are discussed in some detail because of the insight they give into the interaction of politicians, public servants and farm organisations in policy-making. One thing became obvious: the claim of the Country Party leader, John McEwen, that it was the function of his party to merely put into effect the desires of farmers, was less than true. This chapter will mention, and later chapters will highlight, how the end of 23 years of Coalition Government brought dramatic changes to decision-making and the relationship of farm organisations with government and political parties. The establishment of the NFF and its style of operation is symbolic of that change.

### PART THREE: THE POST-WAR SEARCH FOR ONE VOICE

Chapter four, entitled *THE TWO BIG UNIONS*, is the first of four chapters devoted to the post-war movement towards achieving one voice for Australia's farmers. This chapter records the unique situation of two organisations, both striving to be the federal voice

of farmers, emerging in the same year, 1943. One, the Australian Primary Producers' Union, wanted to unite all farmers as individuals working for the common good while the other, the National Farmers' Union of Australia, was a federation of commodity-based federations. The NFU had little but contempt for the APPU for attempting to break tradition and enrol farmers as individuals and for allowing all its members to have a say on policies affecting particular commodities. When the two groups amalgamated in 1969 into the Australian Farmers' Federation the outcome was merely the NFU under a new name. The APPU discarded its unitary principles for the sake of unity but the "one voice" for farmers was no closer. The large commodity federations gave as little power to the AIF to speak for farmers as they had given the NFU. Apart from that, the graziers of the AWGC had left the NFU before the amalgamation took place. Only when farmers and graziers buried their differences on marketing and believed that the old social divisions were no longer important would speaking with one voice become a real possibility. It had to start at the state level.

Chapter five is about *FARMERS AND GRAZIERS* and concentrates on NSW, the richest agricultural state with the two most powerful organisations of farmers and graziers, respectively the United Farmers and Woolgrowers' Association and the Graziers' Association of NSW. They provided roughly a third of the funding needed to operate the exiting federal farm organisations and therefore would have the major say in how they were represented federally. If NSW united, then federal unity would surely follow and the promoters of state unity made no secret of the fact that their real target was the establishment of a National Farmers' Federation. The pro-unity forces had to counter almost 100 years of deep divisions, and the difficulty of that task was evident by the fact that, even in the 1970s, the word "grazier" was still one of derision in farming circles, and that many graziers were appalled at the idea of accepting farmers as equal partners in decision-making.

However, growing numbers on both sides were aware that not only would federal unity eliminate costly duplication of effort but the election of the Whitlam Labor Government, in 1972, changed the

very nature of rural lobbying. That Government had a small rural constituency, strong links with the trade union movement and, unlike the Country Party, its priorities centred on improving the welfare of people living in metropolitan Australia. No longer could farm leaders telephone a Cabinet minister and pursue policy changes. Labor demanded detailed submissions, as did its creation, the Industries Assistance Commission. This took time and money. Unity would help in tackling the new tasks.

Chapter six takes its title, "*OH, THE FARMER AND THE COWMAN CAN BE FRIENDS*", from a song-and-dance item featured in the musical *Oklahoma*. The show lightheartedly portrays hostility between croppers and ranchers and how this was hindering Oklahoma's move from territorial status to statehood. In real life, the deep divisions between farmers and graziers were hindering the achievement of farm unity in Australia.

In 1968 the Graziers' Association of NSW produced a unity study report that raised a number of reasons why farmer-grazier unity would be difficult to achieve. Among them was the superiority of graziers as men belonging to the employer class, having higher education standards and being the type of people who, unlike UFWA members, were swayed by reasoned argument and not mob oratory. Yet unity remained on the agenda and a major impediment was removed within two years of the report's completion when graziers succumbed to low wool prices, rising costs and political pressure and accepted what farmers had long desired, a reserve price scheme for wool. However, it took until January, 1978, before the farmers and graziers of NSW were united as the Livestock and Grain Producers' Association and the "one voice" for Australian primary producers, the National Farmers' Federation, was only 18 months away.

Chapter seven is concerned with *THE THREAT FROM THE NORTH* and describes how federal unity did not automatically fall into place once farmers and graziers were united in NSW and several other states followed suit. In Queensland, the farm unity movement suffered a serious setback when a large section of the United Graziers' Association defected in 1976, established the Cattlemen's

Union of Australia, and set out to make itself the national voice of cattle producers. The union was a throwback to the 1930s when radical wheat organisations split from the more conservative Farmers and Settlers' Associations to demand government intervention to ensure a "fair" price was paid for their produce. The Cattlemen's Union demanded a fixed price for beef sold on the domestic market.

The union was weak on research and logic in pushing its barrow but it displayed skills in using the media to promote its cause as never seen before within the farm lobby. Accommodating the maverick Cattlemen's Union within the NFF and its Cattle Council was the biggest problem faced by those working to make the NFF a reality. However, the old enemy of primary producers, trade unionists, ensured that the momentum for federal unity was given additional drive in 1978 by placing a ban on live sheep exports. Farmers from all around the nation rallied to combat the ban bringing the point home to doubters that farmers, whatever their background, could work in harmony. The Cattlemen's Union held aloof from the encounter and did the unthinkable in striking a deal with a trade union "at war" with other farmers to ensure that the live cattle exports from Queensland were not disrupted. The Cattlemen's Union, by refusing to support fellow farmers, did its cause irreparable damage. Its interstate expansion plans came to a sudden halt and, to have any voice at all in the affairs of the national beef industry, it had to be a part of the NFF.

In July, 1979, the NFF opened its doors in Canberra and Australian farmers could now "speak with one voice". That is what the NFF said about itself, but outsiders noted that elections for positions on the NFF Council and its various commodity councils were hotly contested with "farmers" competing against "graziers". However, while farmers were the victors in the ballots, senior staff positions were filled by the economists and other professionals from the now-defunct grazier organisations. This had a major impact on the style and directions of the NFF.

Chapter eight debates whether primary producers are *SPEAKING WITH ONE VOICE OR TWO?* It discusses the farmer-grazier rivalry

within the NFF in more detail, asks if the first NFF election was their last fight and were they now really speaking with one voice? More battles with trade unions in the 1980s cemented NFF unity and boosted its popularity with farmers under the aggressive leadership of Ian McLachlan. However, anti-Government demonstrations, union "bashing," and the association of McLachlan and senior NFF staff with the right wing H.R. Nicholls Society caused a break down of NFF-Government relations, thereby weakening its position as a pressure group. Australia's primary producers had their "one voice" but the Government was not listening.

McLachlan's successor as NFF president, John Allwright, mended fences with the Hawke Government but was faced with a sharp decline in NFF popularity with farmers. The NFF's task became one of surviving as an efficient pressure group in the absence of mass demonstrations and big events, like the confrontation with picketing meatworkers at Mudginberri, to stir the rank-and-file farmer. By the 1990s, however, the NFF was turning away from confrontation with trade unions, seeking their co-operation in reducing disputes over industrial awards and in working together for the common good of country people, especially farmers and unionists. The NFF also sought the cooperation of other interest groups, notably the conservation and consumer lobbies, in influencing government policy.

#### PART FOUR: SUMMING UP

CHAPTER NINE, *WILL THE NFF SURVIVE?*, comprises the concluding comments of this thesis. It reviews the reasons why farm organisations developed along distinct lines in Australia, what factors kept them apart and how they united to gain a reputation as a strong voice for agriculture. An important point covered is the changed relationship between the National Party and the farming community which established it. The NFF, with an economic agenda running well ahead of the National Party, a non-party political stance and its sizeable fighting fund, has widened the gap between farmers and the party.

The NFF has held together for 15 years with no major defections, but the risk of a "rebel" organisation emerging during a severe recession in farming remains. However, such a body would have a difficult task in rivalling an organisation of the reputation of the NFF. Rarely has a national pressure group gained the respect of government and the public service as has the NFF in its dealings with the Federal Labor Government. I put this down to the efforts the NFF made in re-establishing itself as a genuine non-political organisation after a serious breach with the Hawke Government (see Chapter Eight) and the high quality of its research. In late 1994, the Minister for Primary Industries and Energy, Bob Collins, requested the NFF to hold a "grains summit" to estimate grain stocks in drought-hit Australia and the quantity of imported grain required. This, to me, emphasised Collins' faith in the NFF as a genuine research organisation. Collins attended the meeting on October 18 and addressed it, but the NFF and not a government agency conducted the summit, issued a press release on the outcome and took the credit.

## PART ONE: THE EMERGENCE OF FEDERAL FARM ORGANISATIONS

### CHAPTER ONE

#### THE THREE STRANDS

INTRODUCTION This history chapter is important in understanding why Australian farmers began the 20th. Century disunited and remained apart for almost another 80 years. The scars caused by the fight between farmers and graziers over land ownership took a long time to heal, but by then the two groups had discovered that the question of controlled or free markets was just as divisive.

As the 19th. Century drew to a close the small associations of pastoralists scattered around the countryside saw themselves as inadequate to deal with a burning issue of the times-the growing militancy of the trade union movement. Having lost much of their power in the colonial parliaments through the extension of suffrage and democratic reforms the pastoralists, who for so many decades had comprised the economic and social elite of Australia, were now being threatened by their own "servants"; the shearers, farm labourers and wool carriers. They had little choice other than to organise against organised labour.

The smaller settlers also began to stir but they had the pastoralists in their sights as much as the bush unionists. They wanted greater access to the arable land locked up by pastoralists in large sheep runs so that they could grow wheat and viable rural communities could develop with independent yeomen as their backbone. The settlers were unhappy that the colonial land laws had failed to significantly loosen the grip of the squatter over the Australian countryside. In 1893 the first Farmers and Settlers' Association was established in NSW to demand greater access to land. This was followed by the emergence of sister organisations in other states.

The pastoralists' and the farmers and settlers' organisations were joined in the early 20th. Century by another group who saw



organised marketing and government intervention as essential for the survival of farmers. They were the battling wheat farmers of the Mallee, the Wimmera and other areas where governments implemented their ill-conceived closer settlement schemes, leaving many to struggle for survival on undersized blocks in marginal wheat country. These groups, spurred on by radical organisations like the Victorian Wheat Growers' Association, enticed many farmers away from the free enterprise philosophy of the pastoralists, by demanding that governments intervene to shelter them from the harsh laws of supply and demand. In 1931 wheatgrowers united nationally as the Australian Wheatgrowers' Federation.

Australia's farm lobby effectively began with three major strands; the pastoralists who united to oppose militant shearers, the farmers and settlers seeking land reform and the wheatgrowers demanding government intervention. However, by the fourth decade of the 20th. Century there were only two strands. The pastoralists, now calling themselves graziers, had remained true to their free market philosophy but the small woolgrowers of the farmers and settlers' movement had joined the radical wheatgrowers in the quest for "orderly marketing". For them that meant grower-controlled marketing boards with monopoly trading powers and government-backed price guarantees. Farmer organisations became affiliates of the Australian Wheatgrowers' Federation and argued that orderly marketing should be extended beyond wheat to wool. The deep rift between farmers and graziers over wool marketing entrenched the distrust that had arisen earlier over land policy and added to the tensions generated by differences in social status, wealth and education. A later chapter will show that these were difficult barriers to overcome when serious moves were made in the 1970s to unite all sections of agriculture so that Australian farmers could finally speak with one voice.

### CLOSED SHOP OR FREEDOM OF CONTRACT?

The strident call by the Amalgamated Shearers' Union in 1890 for all shearing sheds to be "closed shops" and for the imposition of union bans on the handling and shipment of wool shorn by scab labour, stirred the pastoralists to respond with the establishment of their own unions and a counter demand for "freedom of contract", in other words, to employ whoever they wished.<sup>1</sup>

In December 1890, the pastoralists unions of NSW, Victoria, South Australia and Queensland united as the Pastoralists' Federal Council. The first formal meeting was held in Brisbane the following March. In its edition of March 16, 1891, *The Australasian Pastoralists' Review* warned those graziers yet to join their pastoralists' union that:

the landowners of Australia will not be safe until every owner of sheep and cattle throughout the colonies is a member of his provincial union, and a bond between the federated unions is felt by the labour leaders to be indissoluble. If once the pastoralists fall apart again into their old isolation, their doom is sealed<sup>2</sup>

The PFC and its affiliates were industrial relations bodies with the single purpose of fighting the closed shop principle and what they considered the excessive pay demands of the ASU. They originally called themselves employers' unions, with the Pastoralists' Association of Central and Northern Queensland coming into existence in April, 1889, as the Queensland Employers'

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<sup>1</sup>For details on the emergence of shearer militancy, the establishment of the Amalgamated Shearers' Union and its demands on pastoralists for "closed shop" shearing sheds see John Merritt, *The Making of the AWU*, Melbourne, 1986, Chapters Four, Five and Six, and R. Gollan, *Industrial Relations in the Pastoral Industry*, Chapter 39 of *The Simple Fleece: Studies in the Australian Wool Industry*, edited by Alan Barnard, Melbourne, 1962.

<sup>2</sup>*The Australasian Pastoralists' Review*, while independently owned, was recognised as the voice of the Pastoralists' Federal Council. See J.O. Randell, *Teamwork, A History of the Graziers' Associations of Victoria and Riverina*. Melbourne 1982, p.19.

Union. Their obsession with industrial relations remained until well into the 20th. Century when, with the shearers less troublesome, they took a more active interest in such issues as lower tariffs, transport, land laws and combating the Australian Labor Party and its "socialist" agenda. This turned their attention towards the political arena and how to be effectively heard there.

The rise of shearer militancy, as reflected in the strikes of 1890-91, united the colonial pastoralists while almost 100 years later, another major industrial dispute, the meatworkers' ban on live sheep exports in 1978, rallied both graziers and farmers behind the concept of a national single voice for all Australian farmers. The live sheep dispute and its positive influence on farm unity will be discussed in a later chapter, but when that dispute ended, with defeat for the Australian Meat Industry Employees' Union, the birth of the National Farmers' Federation, the long-sought after "one voice", was less than 18 months away. Nothing seems to stir Australian farmers into cooperative action more than trade union interference in the flow of farm produce to market.

The pastoralists' defeat of the shearers in 1890-91 continues to give inspiration to modern day graziers. The former chief executive of the NSW Graziers' Association, John White, saw history repeating itself with the live sheep dispute, claiming that "the spirit of unity that first emerged in 1890 was rekindled again in 1978".<sup>3</sup> White lamented that only the pastoralists united in 1890. Wool was the only commodity under threat and pastoralists, in those days, would have expected little support from farmers whose prime concern was to prise arable land from their clutches.

The growing indebtedness of pastoralists late last century put them in no mood to grant shearers concessions that would increase their production costs. Piggin claims that pastoralists, as a class of "inveterate borrowers", took advantage of the easy money available in the 1880s and that advances outstanding more than trebled in that decade, reaching a peak in 1890 and leaving many

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<sup>3</sup>Ninth C.B. Alexander Memorial Address, Tocal College, NSW, November 9, 1979.

pastoralists in dire financial strife as the bloom went off the wool industry. He argues, however, that despite the significance of shearing costs, the pastoralists' struggle with the ASU centred on its demand that all shearing sheds be union sheds.<sup>4</sup> The pastoralists did not want to be dictated to by the working classes, especially when it came to a question of who they could employ. According to Ruth Kerr, pastoralists were determined to maintain their control over labour in the form of "freedom of contract", but were prepared to pay a few more shillings for shearing just to get it done.<sup>5</sup>

Kerr makes the interesting point that the majority of men attending meetings of Queensland pastoralists to oppose the shearers were managers (the employees of absentee landlords, banks and finance houses), not owners.<sup>6</sup> On this basis it seems reasonable to assume that the situation in Queensland, where there were particularly bitter clashes between strikers and law officers, was exacerbated by the fact that so many properties were run by managers on behalf of absent landlords and finance houses. Unlike many owner-operated properties, the company-owned sheep stations had the financial resources to survive a shearers' strike. The determination of the companies not to cave in to union demands was reinforced by the events of the previous year when some Queensland properties accepted the closed shop principle after waterside workers refused to handle wool shorn by non-union labour at Jondaryn station. It was then that the decision was made to unite pastoralists federally and fight the shearers from a position of strength. They were determined to stop union militancy in its tracks and found allies among other employers, notably shipping companies, who had earlier that year beaten an attempt by ships' officers to align themselves with the trade union movement.

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<sup>4</sup>Stuart Piggin, *An Enquiry into the Reasons for the Formation of the Pastoralists' Union of New South Wales and its Policies and Actions in its First Year*, B.A. honours thesis, University of Sydney, 1965. pp.4-17.

<sup>5</sup>*Freedom of Contract: A History of the United Graziers' Association of Queensland*. Brisbane, 1990. p.1.

<sup>6</sup>*Ibid.* p.1.

In a later chapter it will be noted that about 100 years after the Pastoralists' Federal Council joined other employers to fight union demands, the National Farmers' Federation, the "one voice" for Australian agricultural, was playing a similar role. In the 1980s, it became a leading player, if not the leader, in the employers' fight against centralised wage fixing, in demanding faster reform of the industrial relations system and especially the introduction of individual contracts between employers and workers.

Manning Clark recorded that on June 20, 1891, at Barcaldine, the strike committee of the Queensland Shearers' Union gave up the struggle because it lacked the funds to carry on and "the rebel flag was taken down; the rebel voice was silenced. Using the instruments of the bourgeois state, the capitalists won a crushing victory against the strike weapon".<sup>7</sup> The lack of money was not the sole reason for the shearers' surrender. There were arrests of strike leaders and, after a trial at Rockhampton, 12 men were sentenced to three years jail for conspiracy. The shearers' strike of 1891 became part of the labour movement's folklore and its anthem was Henry Lawson's poem, *Freedom on the Wallaby*, published in *The Worker* on May 16, 1891. The final four lines read:

We'll make the tyrants feel the sting  
 O' those that they would throttle;  
 They needn't say the fault is ours  
 If blood should stain the wattle.

The strikes of 1890 and 1891, however, took the much of the fight out of the shearers and in August, 1891, a conference between the Pastoralists' Federal Council and the ASU in Sydney saw the shearers accept freedom of contract as a pre-condition for an industrial agreement to cover shearing throughout the colonies. The union's dream of all union shearing sheds had ended in bitter defeat and the shearers, while able to organise another strike over pay and conditions in 1894, were a weakened force until revitalised after Federation and the introduction of federal awards

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<sup>7</sup>C.M.H. Clark, *A History of Australia*, Volume V, Melbourne, 1981, p.86.

for shearing and other rural industries under the Commonwealth arbitration system.

While the pastoralists celebrated their victory and gloated in the pages of the *Australasian Pastoralists' Review* <sup>8</sup>, they did not drop their guard and the PFC and its state affiliates remained basically industrial relations organisations long after the great strikes. The pastoralists, possibly anxious not to lose membership and funds after the 1891 strike, accused the ASU of insincerity and of accepting the pastoralists' terms only because of their weakened state. *The Australasian Pastoralists Review* of December 15, 1891, stated that while it was not hostile to moderate trade unions, "there is no greater fraud anywhere" than the leadership of the ASU. It claimed that the ASU agreed to terms only to gain time for "a further go at the squatters". The pastoralists did not want the ASU to be seen as completely routed in case membership of their associations dropped off and, with it, a loss of subscriptions. With the gift of hindsight this seemed a wise tactic considering that in the 1980s the National Farmers' Federation, having defeated the shearers in the wide combs dispute and the meatworkers picketing the Mudginberri abattoirs, found its popularity slipping and, with it, a tightening budget as membership fell in its state affiliates.<sup>9</sup>

On September 2, 1891, the secretary of The Pastoralists' Union of New South Wales, Whiteley King, wrote to members informing them that the PFC had established a fighting fund based on a levy of 10 shillings per 1000 sheep, and "it becomes my duty to ask that you will kindly forward me your cheque for the amount set out in the accompanying debit note".<sup>10</sup> The fighting fund, King wrote, was necessary because of the large expenditure incurred in maintaining freedom of contract in Queensland and NSW. He then stressed that the ASU could not be trusted and that it had only

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<sup>8</sup>See September 15, 1891, edition which declared that in one year ASU leader, W. G. Spence, changed from one who dictated terms to humiliated sheepowners to one who was dictated to.

<sup>9</sup>These industrial disputes and their aftermath for the NFF are discussed in later chapters.

<sup>10</sup>A copy of the letter is held at the Australian National Library, Canberra. Reference number, F13901a.

declared a truce, not a treaty. The ASU, he said, was already instructing rouseabouts not to sign work agreements, the Carriers' Union was making unreasonable demands and Mr Williams, M.P. "was flatulently attacking magistrates who happened to be members of this union". As a final argument for the fund, King warned that Queensland shearers were contributing three shillings from every 20 shillings earned to be used as a fighting fund in 1892. The Pastoralists' Union of New South Wales had actually beaten its federal body to the punch when, in December, 1890, it levied its members 10 shillings per 1000 sheep and one shilling and three pence per 100 head of cattle.

History repeated itself in 1985 when the National Farmers' Federation organised a farmers' mass rally in Canberra against the policies of the Hawke Labor Government. As thousands of farmers thronged outside the old Parliament House, to coincide with the National Tax Summit being held inside, the NFF's fighting fund began with "a bucket brigade" as volunteers moved among the crowd with plastic buckets.<sup>11</sup> The fund, which peaked at around \$14 million, has been used by the NFF in its freedom of contract campaign and against trade unions involved in secondary boycotts. The NFF fighting fund will be discussed in a later chapter.

### UNLOCK THE LAND

Just three years after the after the birth of Australia's first national organisation of primary producers, the Pastoralists' Federal Council, small groups of farmers scattered around NSW united as the Farmers and Settlers' Association. This formalised the deep division in NSW between farmers of the FSA and the graziers of the Pastoralists' Union of NSW, a PFC affiliate. They remained divided for almost 90 years as the original battle over land ownership gave way to bitter contests over marketing farm produce, with farmers demanding government intervention and graziers adhering to the free market. The gulf between the two groups was widened by

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<sup>11</sup>Information supplied by the NFF president at the time, Ian McLachlan, in interview, Canberra, October 16, 1991.

differences in wealth, property size, education levels and social status. These factors will be examined in some detail in a later chapter.

NSW, the state in which farmers and graziers first established rival organisations, remained the home of the two wealthiest and most influential farm organisations, later known as the Graziers' Association and the United Farmers and Woolgrowers' Association. Unless they united, the dream of Australian primary producers speaking with one voice would remain just a dream.

Despite the increased availability of land for selectors after the NSW Parliament passed the Robertson Land Acts of 1861, the cry, "unlock the land", was still heard. The selectors remained unhappy about the pace of change and the administration of the land laws. They saw their hopes resting on organisation and associations of selectors sprang up in the colony. The man described by Bayley "as perhaps the greatest champion of the selector class and the greatest country advocate of land law reform" was James Gormly, who represented first the seat of Murrumbidgee, and then Wagga Wagga, in the NSW Legislative Assembly between 1885 and 1904. Gormly was a driving force in the establishment, in 1875, of one of the first farmers' associations in the colony, the Wagga Free Selectors' Association. Bayley reports that Gormly was present at the first general conference of free selectors in Sydney in October, 1877, when 40 delegates discussed land law reform "which was not achieved until a great amount of agitation had been conducted during the succeeding quarter of a century".<sup>12</sup> The Wagga Association lasted only three years, lapsing when Gormly resigned as president and moved from Wagga, but the selectors were stirring and in 1883, when representatives of free selectors' associations met in Sydney, it was suggested they should form a central organisation to "continue watchfulness in the matter of land laws".<sup>13</sup>

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<sup>12</sup> W.A. Bayley, *History of the Farmers and Settlers' Association of NSW*, Sydney, 1957. p.31.

<sup>13</sup>*Ibid.* p. 32.



The selectors and their supporters constantly complained of the vast acres of arable land held by woolgrowers and they were backed up by the report of a Commission set up by the NSW Government in 1882 to inquire into land administration. It found that "arable land was being alienated to graziers at an alarming rate" and urged steps to stop the process.<sup>14</sup> The Government then brought down the Crown Lands Act of 1884 which required pastoral lessees to divide their runs into leasehold and resumed areas, the first to be set aside for re-leasing but with the second to be held only under annual licence and then be available for selection. As expected, the pastoralists counter-attacked and Graham records that this bore fruit with the Crown Lands Act of 1889 providing loopholes for some pastoralists to retain land threatened with sub-division under a preferential occupation license and for others to apply to Land Boards to extend their leases.<sup>15</sup>

Graham credits the 1889 Act with finally stirring the selector associations to unite across NSW, with selector conventions in Wagga and the Riverina in 1890 and 1892 demanding the repeal of provisions permitting leases to be extended and seeking the election of selectors to the Land Boards which they said were dominated by pastoralists.<sup>16</sup> In June, 1893, 130 delegates travelled to Cootamundra in NSW to amalgamate all selectors associations and farmers' unions. Bayley records that "great numbers of delegates and pressmen from Sydney, Albury and Temora flooded the town and the business paper was principally based on the land laws and Central Division leases".<sup>17</sup> Unity was achieved and the name chosen for the first Australian union of selectors was the Farmers and Settlers' Association of New South Wales. The major resolutions passed at Cootamundra reflected the obsession of delegates with the land question. The conference expressed its opposition to perpetual leasehold, declared the need for finality of selection to be

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<sup>14</sup> See D. B. Graham, *The Formation of the Australian Country Parties*, Canberra, 1966. p.32.

<sup>15</sup>*Ibid.* p.56.

<sup>16</sup>*Ibid.* p.56.

<sup>17</sup>Bayley, *op. cit.* p.44.

embodied in future land legislation and demanded that Central Division leases should be open for *bona fide* settlement.<sup>18</sup>

The FSA, from its humble beginnings amid the small selectors' associations of the southern slopes and plains, grew into one of the nation's most powerful rural lobby groups. Its fight with the pastoralists and their political supporters over land reform eventually bore fruit and this is demonstrated by the rise of NSW, around the turn of the century, as a major wheat producer and exporter. NSW wheat acreage increased from 357,000 acres in 1891 to 2,129,000 in 1911 as more selectors took up land and pastoralists, keen to diversify their sources of income, opened up parts of their sheep runs to sharefarmers.<sup>19</sup>

As wheat acreage expanded in NSW, predominantly in the Riverina and Western Slopes, so did the strength of the FSA and its interests moved beyond land reform and rabbit control to wheat marketing, rail transport and tariff reductions to hold down the costs of wheat production. The FSA, almost from its very beginning, was embroiled in a long and, at times, bitter debate over the place of the organisation in the political arena and, like its counterparts in other states, took a long time to develop strategies that would make the farmers' voice heard on land policies and other issues in the legislatures of Australia. Playing politics involved much more than FSA branches supporting individual candidates and expecting them to operate within parliament as a tight-knit group under a "country party" banner. The question of farm organisations and political parties is discussed in detail in later chapters.

### THE FSA LOOKS BEYOND NSW BORDERS

The FSA of NSW had, from the early years of Federation, looked for the development of similar bodies of settlers and small farmers in other states. These, it hoped, would join it in battle against the rural-based trade unions seeking national awards under the

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<sup>18</sup>*Ibid.* p.44.

<sup>19</sup>See M.E. Robinson, *The New South Wales Wheat Frontier 1851 to 1911*. Department of Human Geography, Australian National University, publication HG/10, 1976. p. 143.

Commonwealth Conciliation and Arbitration Acts and for improved wheat marketing and lower tariffs on farm inputs. The FSA saw political action through a central body, which united the farmers of the new Commonwealth, as the best way of achieving common goals. However, many decades would pass before the FSA was prepared to consider unity with graziers for the good of Australian agriculture.

In 1912 unity moves in Western Australia brought farmers together under the banner of the Farmers and Settlers' Association of Western Australia and it declared itself ready to join kindred farmer unions in other states in common action. Unity in Western Australia was not inspired by a fight with the state Pastoralists' Association over land reform or class attitudes but by a letter to many of the state's farmers from the general secretary of the Rural Workers' Union of Australia, D.L. McNamara. Sent from Trades Hall, Carlton, Victoria, on December 18, 1911, it told farmers they had 14 days to adopt a new log of claims for their RWU employees, otherwise the union would seek an award governing pay and conditions under the Commonwealth Conciliation and Arbitration Acts. The claims covered workers in agriculture, viticulture, fruit growing, market gardening and dairying. Farmers were incensed not only at the demands of the RWU but at the time given for a response. Fourteen days was unreasonable in an age when it took mail a week to arrive in Perth from Melbourne by steamer and could then take another week to reach a farmer.<sup>20</sup>

Mercer reports that on February 4, 1912, Mr R. M. Leake, secretary of the Kellerberrin Liberal League, wrote to members of the Producers' Union, the Fruitgrowers' Association, the Liberal League of W.A. and the Pastoralists' Association declaring that "the rural workers are organised, the farmers are not" and urging them to organise at a district level against the RWU threat and to select delegates for a meeting to be held on March 28 at the Liberal Club in Perth.<sup>21</sup> There, delegates pledged to form a Farmers and Settlers'

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<sup>20</sup>The letter is reprinted in full in R. F. Mercer, *On Farmers' Service: A Short History of Farmers' Organisation in Western Australia*, Perth, 1955. p.14.

<sup>21</sup>*Ibid.* p.15.

Association and its first conference was held the following June. The Pastoralists' Association, formed in 1907, remained aloof and the farmers and graziers in Western Australia have never united. A later chapter will discuss why.

The FSA of NSW welcomed the establishment of a namesake body in Western Australia and Bayley wrote that the general secretary, T. I. Campbell, "mentioned the uniformity of the title and added the hope that other states would adopt the same title".<sup>22</sup> Campbell had mixed luck. The Farmers and Settlers' Association of South Australia was established in 1915, but the body set up in Victoria in 1916 to represent the wheatgrowers and small farmers was called the Victorian Farmers' Union and to the north of NSW there was the Queensland Farmers' Union. The Western Australian FSA changed its name in 1920 to the Primary Producers' Association and, much later, to the Western Australian Farmers' Federation.

With the FSA of NSW providing the secretariat, these groups came together as the Australian Farmers' Federal Organisation in 1916 with the main aims of confronting the RWU and combining the various loosely-termed "country parties" into more effective parliamentary representatives of farmers. By that stage, only the FSA of Western Australia had, in the face of hostility from Liberal Premier, John Forrest, formed an official Country Party. The loosely-termed "country party" factions in the other states were still trying to co-habit with the Liberals who resented the emergence of third parties, especially when first-past-the-post voting came into force. Third parties were seen as a risk to non-Labor unity and, of course, a risk to Liberal seats and ministries. Graham noted that:

It is one of the paradoxes of Australian political history that the first determined attempts to form country parties with permanent electoral organisations occurred at the very time the Liberal

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<sup>22</sup>Bayley, *op. cit.* p.104.

Parties were trying to establish a united front to resist the advance of the Labour movement.<sup>23</sup>

In 1910 Labor won government federally and in NSW and South Australia and a year later took office in Western Australia. The Liberals won the 1913 federal elections by one seat but Labor took power again just a year later. The Labor ascendancy was supported by many small farmers but most were alienated when Labor governments showed a preference for leasehold over freehold land, supported the extension of the arbitration system to cover rural workers, were unashamed protectionists and the Federal Labor Government introduced its Land Tax Act of 1910. According to Graham, while the land tax was to apply only to landed properties with an unimproved value above 5000 pounds, it frightened many small settlers who were encouraged to see it as the start of land nationalisation.<sup>24</sup>

While farmers were hostile to Labor they remained suspicious of the Liberals, who were seen as city-dominated, on the side of the wealthy squatters and anxious to please their financial backers within the manufacturing sector by generous tariff protection against imports. The campaign of the FSA of NSW and its state counterparts to develop an effective third party that, while allied with the Liberals, would remain a powerful rural voice, is discussed in a later chapter.

### THE NAKED WHEATGROWER

More than any other group, the wheat farmer is economically naked completely exposed to the vagaries of the price system. There is no doubt that many farmers in other parts of Canada and the world are in a worse financial position but few experience the chronic alternation between wealth and poverty of the farmers of Saskatchewan.....The pattern of life of the mixed-

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<sup>23</sup>*Op. cit.* p.75.

<sup>24</sup>*Ibid.* p.76.

crop farmer may be upset by severe depression but food, clothing, and shelter are secure, and price fluctuations are not so great as in the wheat belt. But it is the "boom and bust" character of wheat production that unhinges life's plans".<sup>25</sup>

In some ways Australian wheatgrowers were as "economically naked" as their counterparts in Saskatchewan, especially after the turn of the century when they became heavily dependent on the volatile export market for their livelihood. Predominantly relying on the proceeds of an annual harvest to pay debts to local traders, service their loans to the banks, finance their next crop and provide a full year's living expenses, wheatfarmers became the radicals of rural Australia. Such radicalism took the form of breakaway groups of growers that saw organised marketing, with compulsory wheat pools and price guarantees, as the panacea to their problems. Constant pressure on Governments and their gradual realisation that wheatgrowers, widely dispersed throughout rural electorates, should be courted in the run down to elections, eventually produced five year wheat stabilisation schemes. While some of the breakaway wheat organisations struggled to survive against the established farmer and settlers' associations, a major outcome of their efforts was the birth in 1931 of the Australian Wheatgrowers' Federation, which eventually became the "one voice" for wheatgrowers.

While wheatgrowers achieved national unity under the AWF banner, this actually increased divisions between Australian primary producers, adding to the difficulties of achieving the "one voice" for all farmers. Many wheatgrowers produced wool as a sideline enterprise and, having seen a stabilisation scheme put in place for wheat, argued that there was no reason why organised marketing could not be extended to wool. Woolgrower members of the farmers and settlers' associations began agitating for a reserve price for wool and this produced a split in the federal wool lobby. In 1939 small growers decided that the Australian Woolgrowers'

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<sup>25</sup>S.M. Lipsett, *Agrarian Socialism: The Cooperative Federation of Saskatchewan. A Study in Political Sociology*, paperback edition, Los Angeles, 1968. p. 47.

Council (later the Australian Woolgrowers and Graziers' Council), which had retained the free market philosophy of the Pastoralists' Federal Council, should no longer represent them federally. Suddenly Australia had two organisations claiming to speak for woolgrowers, the AWC and its breakaway, the Australian Wool and Meat Producers' Federation. As later chapters relate, it was divisions over wool marketing which led to the bitter fighting among farmers and graziers between the end of World War Two and the 1970s, and encouraged many to believe that the idea of Australian farmers speaking with one voice was highly fanciful.

It would be far-fetched to claim that without the success of wheatgrowers in obtaining radical marketing reform that small woolgrowers would have remained true to the free market and content with the AWC as their national voice. However, the transfer of the wheat trade out of the hands of grain merchants to the control of an AWF-dominated Australian Wheat Board with fixed domestic prices and export price guarantees was, without doubt, inspirational.

### FARMERS TAKE TO THE PLOUGH

In Australia wheat expansion followed in the wake of the dominant wool industry. The Farmers and Settlers' Association of New South Wales was born in 1893 as wheatgrowers and other small farmers battled the pastoralists for a larger share of the colony's arable land and sought legislative changes to gain secure title and prevent pastoralists dodging the provisions of closer settlement acts. However, the next wave of wheatgrowers faced a tougher set of circumstances. These radicalised them to the extent that many broke away from the FSA and its interstate counterparts and declared the Country Party, which was part-parented by the FSA movement, antagonistic to their needs. Between the two world wars new wheatgrower organisations emerged to challenge the established farm bodies and argue that only industrial action, free from association with a Country Party that compromised its position for the sake of coalition harmony, would improve their welfare.

The new wheatgrowers of the early 20th. Century often ended up on the most distant and marginal land. Many were migrants enticed to Australia by assisted passages and the offer of land on generous terms as the new states responded to Federation with a population drive. Dingle writes that if finance were to be allocated by the Federal Government to the states on a per capita basis, Victoria had to boost its population to ensure a reasonable share for itself.<sup>26</sup> With concern already being expressed about excessive urban growth, the land was to be the sponge to soak up more immigrants. The other states held similar views.

With the end of World War One in 1918, Australian Governments were faced with the task of absorbing the returning soldiers into civilian life without adding significantly to unemployment. At a time when the soil, rather than manufacturing, was seen as Australia's source of real wealth and economic growth, the planners again turned to the land. The failures of earlier closer settlement schemes in Australia were forgotten in an effort not only to give soldiers a piece of the land they had defended but, in an indecent haste, to steer them away from overcrowded labour exchanges and from possible unruly behaviour on city streets.

The massive influx of soldier settlers into the wheat industry to join the already disgruntled civilian settlers, was a guarantee of rural unrest.<sup>27</sup> The generous terms of purchase, giving soldiers 32 years to pay off their farms, was little compensation for low export prices, the costs of farm improvement, drought and the heartbreak of farming in marginal land such as the Mallee country of Victoria and South Australia. There they had an endless battle trying to preserve the shallow topsoil, surviving the sand storms that lifted

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<sup>26</sup>Tony Dingle, *The Victorians: Settling*, Melbourne, 1948. p.125.

<sup>27</sup>The number of post-World War One soldier settlers was estimated at 37,560 by Robin Brumby, *Unlocking the Land*, Melbourne, 1989. p. 103. For more on soldier settlement and closer settlement generally see Dingle, *op. cit.*, especially pp.185-193, Marilyn Lake, *The Limits of Hope: Soldier Settlement in Victoria 1915-38*, especially Chapter 1, Gordon Taylor, "The Problems of Closer Settlement in Victoria", *Economic Record*, Vol. 12, June, 1944 and Tom Connors, "Closer Settlement Schemes", *The Australian Quarterly*, Vol. 42, No. 1, March, 1970.



the topsoil skyward and stopping the re-growth of the Mallee scrub.

Dry years, low prices and crippling debt radicalised many wheatgrowers with the farmers of the Mallee and Wimmera in the forefront. During World War One, wheat farmers got a taste of organised marketing when the Federal Government established compulsory wheat pools under an Australian Wheat Board. Many wanted the pools to be permanent and, along with this, fixed home consumption prices and guaranteed export prices established under legislation. They believed the economic problems of the wheat industry should be solved, or at least greatly ameliorated, by politicians responding to industrial pressure from wheatgrowers. It was here that the emerging wheatgrower organisations put a considerable gap between themselves and the older established primary industry groups, such as the pastoralists' associations and the FSA. Farm politics had turned radical.

The radical streak within the Australian farming community was engendered by the pace of development of the wheat industry which thrust it into the unpredictable export arena. From an average annual harvest of 26 million bushels over the years 1881-85, Australian output expanded to 75 million bushels during 1911-15. By this final period, dependency on world markets ranged from 38 per cent of production in NSW to nearly 80 per cent in South Australia. According to Graham "the sheer pace of this expansion and the dependence on export earnings which it created altered significantly the character of agrarian politics".<sup>28</sup>

#### ORGANISED MARKETING: THE PANACEA

Wheatgrowers turned their minds to organised marketing as the answer to financial insecurity. The wartime compulsory wheat pools were the catalyst which shook many growers out of their despondency. The wheat organisations attracted more members and found new vigour as debate raged over the worth of compulsory pools in peace time and how wheatgrowers could get

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<sup>28</sup>D.B. Graham, *op. cit.* p.34.

representation on the federal and state pool committees. Policy debates on tariffs and land laws slid into the background as growers focussed on nation-wide marketing schemes: devices that offered the chance of shelter for the entire wheat industry in the lean years.<sup>29</sup>

Growers were turning to government for help. In the past they had welcomed government-owned railways pushing out into the wheat belt and government loans, but there was a legacy of mistrust towards government over the introduction of the basic wage, the rising tariff wall and a perceived squandering of public money on facilities for urban populations. But once growers had a taste of government-backed organised marketing many saw it as offering a brighter future than regional co-operatives or selling through the private grain merchants. Unlike their counterparts in North America, Australian wheatgrowers did not see answers to marketing problems in co-operatives. Dunsdorfs explains:

As in other countries, Australian farmers' co-operatives were not supported by political parties. The Nationalist Party, which later became the United Australia Party, supported the open market system; the Labor Party supported compulsory pools. Thus all the parties regarded the voluntary co-operative movement as an obstacle to the implementation of their favourite scheme.<sup>30</sup>

Dunsdorfs left out the Country Party which supported voluntary wheat pools but upset radical growers by equivocating on the question of compulsory pools.

There was another element in the push for organised marketing—the prospects for significant grower involvement in wheat marketing and policy making through the appointment of growers to the wheat board and other agencies. These prospects were

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<sup>29</sup>See Tom Connors, *The Australian Wheat Industry: Its Economics and Politics*, Armidale, 1972. p.3.

<sup>30</sup>Edgars Dunsdorfs, *The Australian Wheatgrowing Industry, 1788-1948*, Melbourne, 1965. p. 425.

fulfilled when the Australian Wheatgrowers' Federation gained 10 of the 13 seats on the Australian Wheat Board and often enjoyed an 11th. seat when a grower was appointed chairman. The 10 grower seats were apportioned two to each of the five wheat-growing states, with growers electing their representatives. By the late 1940s, the AWF had not only achieved its aim of a wheat stabilisation plan but dominated the Australian Wheat Board, the sole seller of the annual harvest. Sharing in this arrangement were the state farmers and settlers' associations as affiliates of the AWF. Outside were the graziers' associations and, as will be demonstrated in a later chapter, when many graziers diversified into wheat in the 1960s, the AWF stoutly resisted their demands to affiliate with it. The AWF saw the graziers as a potential "Trojan horse" which, once inside, could attempt to undermine wheat stabilisation.

In 1948 came the introduction of one of the most remarkable demonstrations of "agrarian socialism" in the Western world, the unbroken run of five year wheat wheat stabilisation schemes that continued virtually unchanged until 1968 when the cost-of-production formula for determining guaranteed prices was drastically revised.<sup>31</sup> It was a year of triumph for the battling wheatgrowers who had obtained the "Holy Grail" of wheat stabilisation with the support of all political parties. Politicians had come to realise that the votes of wheatgrowers, their families and the country businessmen who needed their custom, were important in winning government. No party could afford to ignore an industry of such significance and spread throughout the mainland states. The birth of the AWF with the FSA organisations as affiliates gave politicians greater concern about their election prospects in rural seats. Whatever the free enterprise graziers might have thought of the marketing philosophy of wheatgrowers, they were given a demonstration, by way of the introduction of wheat stabilisation, of how speaking with one voice could ensure that the government listened.

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<sup>31</sup>Connors, *op. cit.*, discusses each of the five year stabilisation schemes operating between 1948 and 1972. 14-112.

However much the UAP Government may have originally resisted calls for intervention in the wheat market because many of its supporters, including the grain merchants, flour millers and graziers, opposed intervention, it was drawn into the stabilisation net when the Country Party again became a partner in a governing coalition in November, 1934. Smith points out that the Country Party leader, Earle Page, became Minister for Commerce and immediately tried to involve state governments in plans for intervention. At the August elections that year, Page had campaigned vigorously for votes in wheat electorates and, back in coalition with the UAP, he had a duty to push the cause of stabilisation.<sup>32</sup> This was a clear signal that wheatgrowers were to be taken more seriously by the conservatives as a group to be courted and that it should not be left to the Labor Party to exploit their discontent.

On the initiative of Page, the Australian Agricultural Council came into existence in December, 1934. This brought state and federal ministers responsible for agriculture together in formal discussions and with the technical support and advice of the Standing Committee on Agriculture, comprising senior government advisers. The AAC, long advocated by Page as the instrument that could give Australia a single governmental voice on agriculture and marketing, gradually reduced the number of ad hoc discussions and negotiations that went on between prime ministers and premiers and between commonwealth and state ministers.

The AAC formalised commonwealth-state negotiations on agriculture and in doing so put rural industries, and especially the troublesome wheat industry, in a forum with the task of finding national solutions and implementing them. In effect governments had their "one voice" on agriculture many decades before the National Farmers' Federation was established to give farmers a strong united voice. It would be naive to say that the AAC always spoke with "one voice" but it was able to negotiate marketing

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<sup>32</sup>R.F.I. Smith, *Intergovernmental Aspects of Wheat Stabilisation: The Evolution of the 1948 Scheme*, Chapter V of *Political and Administrative Federalism*, Centre for Research on Federal Financial Relations, Australian National University, Research Monograph No.24, 1976. p.87.

schemes requiring complementary state and federal legislation and make other vital decisions affecting the welfare of farmers. That would have been more difficult without a forum which brought both ministers and their advisers together both formally and informally.<sup>33</sup>

In her comparison of Australian and Canadian farm organisations, Dawson cited the AAC as one major reason for the relative ease with which Australian farmers could influence agricultural policy-making and achieve national solutions.<sup>34</sup> She argued that the very existence of the AAC encouraged the exchange of information on common problems that helped the emergence of co-ordinated policies. The input of farm leaders come through the pre-AAC briefings they gave their respective state ministers. Whereas some state ministers saw themselves as virtual spokesmen for farm organisations, Canadian farmers found it hard to participate in federal-provincial discussions.

#### AT LAST: THE HOLY GRAIL

There were many factors behind the eventual achievement of wheat stabilisation, including the two world wars that saw the introduction of controlled marketing under wartime defence powers. The wartime experiences convinced many doubters that compulsory pools could be effectively managed and that the private grain traders were no longer needed. But of greater significance were the increased stature of the AWF by war's end, the growing importance of the wheat vote to all three major parties and the wide acceptance of the fact that governments had the right to intervene in the Australian wheat industry. The AWF, formed in 1931 at the instigation of the noted rural organiser, P.G. Stewart, had a lot of trouble during most of the 1930s getting itself heard in the corridors of power as a voice for the wheat industry. One problem was that it often spoke with several voices, had sudden changes of mind and that its leaders lacked the resources and

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<sup>33</sup>For a detailed, although friendly, assessment of the AAC see F.O. Grogan, "The Australian Agricultural Council: A Successful Experiment in Commonwealth-State Relations", *Public Administration*, Vol. XVII, 1959. pp. 1-21.

<sup>34</sup>Helen Jones Dawson, "Canadian and Australian Farm Interest Groups", *Politics*, Vol. 17, 1982. p. 15.

experience to make convincing submissions. When up against the bureaucrats who serviced federal and state ministers for agriculture, as well as prime ministers and premiers, the AWF performed poorly and, for a number of years, was rarely consulted on wheat policy in face-to-face negotiations.

Many of the divisions within the AWF on wheat policy were political, with the FSA and the PPA tending to side with the Country Party and oppose measures put forward by Labor. The Victorian Wheat Growers' Association made it clear from the beginning that it was non-political and would consider wheat policy on its merits no matter what the political colour of the government proposing it. The VWGA embraced the Scullin Labor Government's "grow more wheat" policy in 1930, and a member of its executive, Alex Wilson, voted with another independent, A.A. Coles, to bring down the short-lived Fadden Government in 1941.<sup>35</sup> War or no war, Wilson wanted Labor's wheat policy and gave a dramatic demonstration of the obsession of Victorian growers with government intervention in their industry.

Many wheatgrowers entered the depression deep in debt and their situation was dramatically worsened by the "grow more wheat" campaign that was meant to encourage greater harvests and hopefully higher exports earnings to ease the chronic balance of payments problem. Growers were promised four shillings a bushel but received about half that amount. They had earlier been the victims of inefficient land settlement schemes. Those rare occasions when good harvests coincided with good prices were not enough to stop many slipping over the brink and into the grip of their creditors. Many politicians and others thought Australia owed its wheatfarmers a better deal but the depression left a lot of wants unsatisfied because money was tight and the Federal Government was itself heavily in debt to overseas lenders. Sympathy was not enough to convince government that wheatgrowers deserved guaranteed prices which returned them a profit but, towards the end of the decade, the pendulum began to swing the way of the growers.

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<sup>35</sup>See Paul Hasluck, *The Government and the People, 1939-1941*, Canberra, 1952. p.518.

As Australia began to shrug off the worst of the recession, the wheat debate continued to occupy an excessive amount of time both inside and outside Parliament. The feeling that something had to be done to devise a permanent support scheme for the industry gathered pace. It was helped considerably by the fact that wheatgrowers at last found they had political muscle. Smith writes that during the 1930s the states could resist federal initiatives on wheat without fear of a political backlash but, by the 1940s, support for the principle of wheat stabilisation had grown to such an extent that no government wanted to be labelled anti-stabilisation.<sup>36</sup> The success of Page in establishing the Australian Agricultural Council had a bearing on the rising importance of the AWF and its state affiliates. Wheat was a regular topic on the AAC agenda and state ministers for agriculture were briefed by representatives of wheat organisations. This drew them closer to government and added to the pressure on the AAC to actually find solutions to the industry's problems.

Despite Page's efforts, the 1930s drew to a close with wheatgrowers generally unhappy with the inability of the Country Party to persuade the UAP to take positive steps on behalf of their industry. Grower discontent was demonstrated by the protest meeting in John McEwen's Victorian rural electorate in 1939, his prediction that the fate of the Government depended on its attitude to wheat and the move from within the Country Party, on the eve of the war, to oust the Menzies Government because of its poor record on wheat.<sup>37</sup>

In the 1940 election, Labor won several wheat belt electorates and the Government's majority was reduced in some other seats. Wheat was very much on the political agenda, even without the action of Wilson in joining Coles to bring down the Fadden Government in 1941. Everyone knew a post-war stabilisation scheme was a certainty and this helped to unite the AWF in its grab for the Holy Grail. At the same time, the approach of government to intervention had changed. The feeling of hopelessness in the ability to direct the economy engendered by the recession was replaced by the

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<sup>36</sup>*Intergovernmental Aspects of Wheat Stabilisation*. pp.112-113.

<sup>37</sup>See *John McEwen: His Story*, transcribed oral history recorded for the National Library of Australia in October-November, 1974. Private publication. pp.19-20.

confidence to make changes brought about by wartime emergency powers. This was not confined to the Labor Party, which had an in-built interventionist approach but also surfaced very strongly on the other side.

McEwen's so-called "protection all round" policy was spelt out in 1934, his first year in the Federal Parliament. McEwen has recalled his maiden speech in which he stressed that while wage earners could approach the Arbitration Commission for fair wages and manufacturers could approach the Tariff Board for higher protection, exporters like wheatgrowers had no appeal tribunal. McEwen claimed that protection for wheatgrowers was long overdue. This, he wrote, was "a line of thinking that I was to come back to again and again in future years".<sup>38</sup> This was certainly true and "McEwenism" became a common term used to describe the situation that later developed under McEwen's long reign as Country Party leader and Minister for Trade, whereby he sought to silence the rural critics of his high protectionist policies for industry with farm support schemes. Little criticism of industrial protection was heard from the AWF during the McEwen years when they were enjoying the security and good returns of wheat stabilisation.

In 1969, when the AWF economist, T.S. Jilek, prepared a document critical of McEwen's protectionist stance, the AWF executive tried to suppress it with secretary, T.C. Stott, claiming that the circulation in Canberra of the report (*Views on Tariff Making In Australia*) "could only do the AWF and the wheat industry immeasurable harm and would have repercussions for many years to come".<sup>39</sup> Stott's fears proved exaggerated but nevertheless the reaction of the AWF to its economist's report was an example of one major farm organisation's reluctance to bite the hand that fed it. It was the relative silence of wheatgrowers and other subsidised farmers on tariffs that helped create deep division between them and graziers, who sold their produce on the open market.

State governments held ballots of their wheatgrowers in the lead up to the first five year stabilisation scheme in order to gauge their

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<sup>38</sup>*Ibid.* pp. 12-13.

<sup>39</sup>Minutes of a special AWF meeting, Melbourne, October 27, 1967. They were prepared by Stott for limited circulation. Copy held at the Noel Butlin Archives Centre, Australian National University, Z83, Box 36.



level of support. The first ballot in South Australia in 1946 proved embarrassing for the AWF when stabilisation was rejected. However, later ballots gave state governments an assurance that they, by supporting stabilisation, were carrying out the wishes of growers. Later McEwen was to declare that the job of Liberal-National Party Government was to "see that the will of those who produce and own the product is carried into legislative and administrative effect".<sup>40</sup> This was a rather flexible policy that included the Government and the bureaucracy devising policies that farm organisations were encouraged to declare their own work. But more of this in a later chapter.

McEwen remembered the embarrassing losses for the Country Party in wheat electorates in his early years in Parliament, the growers' protest meeting in his own electorate and Wilson's part in bringing down the Fadden Government. He set out to bring the farmers, who had strayed into non-political organisations, back into the Country Party fold, and government intervention proved a successful strategy.

Australian wheatgrowers were no longer "economically naked" and had found political answers to their economic problems. However the political answers did not always produce the optimal profits. In the early years of wheat stabilisation, growers lost heavily when guaranteed prices were fixed well below international prices to hold down domestic inflation. If growers had operated in a free market they would have produced larger quantities of wheat and boosted their profits. In later years, guaranteed prices were above world levels and growers were encouraged, despite bearish world markets, to shift resources from other farm enterprises into wheat to the nation's cost. Over-production led to the implementation of wheat delivery quotas for the 1969-70 season. This was preceded by radical changes to the cost of production formula to remove some of the inflationary elements.

Since then the trend, although slow at first, has been back towards the free market. The McEwen era has gone and today some prominent members of the Country Party concede that the

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<sup>40</sup>Address to the United Farmers and Graziers' of South Australia, Adelaide, September 9, 1966.

protection all round policy was bad for Australia because it sheltered inefficient industries and added to production costs. Both industrial protection and rural support measures are being wound down. The domestic market for wheat has been deregulated, growers are now in a minority on the board and there is pressure from the private grain traders to remove the wheat board's export monopoly. The board does not intend giving up its export monopoly powers but, by the turn of the century, when Government guarantees for board borrowings end, the board is expected to be privatised and possibly acquired by wheatgrowers through accumulated levies paid on their deliveries of wheat.<sup>41</sup> Wheatgrowers may soon be "naked" again but this time with the approval of the National Farmers' Federation, their "one voice" in Canberra.

**CONCLUDING COMMENTS** The wheatgrowers who split from the farmer and settlers' associations initially added to divisions within the already fractured farm lobby. They were then instrumental in establishing another federal farm organisation, the AWF, which united Australian wheatgrowers and had the FSA bodies as affiliates. The introduction of the first five year wheat stabilisation scheme in 1948 sharply increased numbers of "protected" Australian farmers and rallied the smaller woolgrowers to demand similar treatment. Holding or fiercely to their free market philosophy were the graziers who saw yet another reason why unity with farmers was virtually impossible.

Between 1890 and the early 1940s, Australia's national farm lobby was dominated by three large commodity-based organisations, the Pastoralists' Federal Council (later the Australian Woolgrowers' and Graziers' Council), the FSA movement (later the Australian Wool and Meat Producers' Federation) and the AWF. Other farm organisations, of dairyfarmers, sugar and fruit growers, which were competing for the attention of federal governments, were also commodity-based. There was little thought given to farmers uniting as a vocational group. The fact that farmers thought of themselves as producers of specific commodities rather than "farmers" as such, was a major factor to be overcome if they were ever to speak with

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<sup>41</sup>See comments by outgoing Australian Wheat Board chairman, Clinton Condon, and incoming chairman, Trevor Flugge, in *The Land*, March 30, 1995.

one voice. A later chapter highlights the failure of the Australian Primary Producers' Union, set up in 1943, to unite all farmers on a vocational basis for the common good of all. Its ambitions were scuttled by the hostility of the powerful commodity organisations and real unity remained a dream.