Social democracy and the agrarian issue: Australia, 1870 - 1914

Ray Markey

University of Wollongong
DEPARTMENT OF ECONOMICS
WORKING PAPER SERIES
1997

SOCIAL DEMOCRACY
AND THE AGRARIAN
ISSUE: AUSTRALIA
1870-1914

Ray Markey
The dramatic rise of the Australian Labor Party (ALP) as the single largest electoral force in the country between 1890 and 1910 has traditionally been associated with the mobilisation of the votes of the urban and mining working class. However, this paper argues that, in fact, the ALP relied heavily on support from farmers and rural workers for its parliamentary success. The pattern of rural support for the ALP was affected by the varying geography of land tenure and of rural industry. The Australian Workers' Union (AWU) was also central in organising Labor's rural support. The AWU was probably unique amongst unions anywhere in the world in organising small farmers as well as rural workers, and in this way brought a culture of collectivism to farmers. Because of the AWU's success in delivering rural parliamentary seats to the ALP, it assumed a dominant position in the leadership of the party, and as a result of this it brought a rural culture to bear upon Labor ideology and policy at the turn of the century. Some of the 'typically Labor' policies for which it provided major momentum were state support for small farming, republican nationalism, white Australia, and the compulsory state arbitration system.
This paper was originally presented to the Conference on Social Democracy and the Agrarian Issue, 1870-1914, International Institute for Social History, Amsterdam, 2-3 September 1994.
1. INTRODUCTION

The dramatic rise of the Australian Labor Party as the largest single electoral force in the country between 1890 and 1910 has traditionally been associated with the mobilisation of the votes of the working class. This support for the Labor Party was seen particularly in the cities and mining areas, but where there was country support, it was interpreted as being based mainly upon the rural working class. This classical interpretation was based largely on two facts. First, the trade unions formed the Labor Party in each colony, after a period of rapid expansion in membership in the 1880s. Secondly, a high proportion of the Labor Party's parliamentary seats were in urban working class and mining regions, especially in the early years. As a result of this influence, the policies of the Labor Party were seen to reflect the concerns predominantly of workers and trade unionists, particularly in a commitment to industrial legislation. Socialism, nationalism and radical republicanism all contributed to the ideology of the early Labor Party, but tempered by the sober pragmatism of the dominant trade union influence, which sought practical legislative gains gradually accumulated through parliamentary political action. Although the original expansion of working class organisation in the 1880s and early 1890s was based on a growing class consciousness and militancy, the ravages of the 1890s depression and major defeats at the hands of the employers and the state emphasised a more moderate parliamentary mode of political organisation, to neutralise the state and create an environment in which unions could achieve industrial gains.¹

Until recently there was little serious examination of the basis of electoral support for Labor, or the shifts in, and class origins of, much of its ideology and policy. The popular classical interpretation failed to take account of the facts that many working class seats did not return Labor candidates until well into the twentieth century, that in most rural seats there were few working class voters, and that much of Labor's policy was not of direct interest to urban workers.

In the early 1970s two diverging interpretations attempted to account for these apparent contradictions. McQueen argued that the Labor Party was never working class in origins, because there was not a genuine Australian working class, but only a 'peculiarly Australian petit [sic] bourgeoisie'. This ludicrously historicist position did not seriously engage the class basis of Labor's support or ideology. Writing at about the same time, Nairn indicated the importance of the country vote for the Labor Party, but without analysing the class implications. He avoided this by describing small farmers as members of the working class because they were not prosperous and were exploited by capitalists.

More recently, Markey has argued that the support of small farmers was essential for the success of the early Labor Party, with marked impact on Labor policy. He described the social composition of Labor's supporters and their ideological impact upon Labor's policy as populist, emphasising the similarities with United States Populists, who influenced key elements in the early

---


Labor Party. Since then, Hagan and Turner have reinforced the importance of the small farmers’ vote for Labor, and the attempts by the Party to directly appeal to them with suitable policies. Nevertheless, neither of these studies systematically examines the relationship between farmers, the system of land tenure, Labor Party organisation and policy for the entire period 1890 to 1914.

All of these works also concentrated upon New South Wales, where the Labor Party was first successfully established. However, recent historians have also noted the strong rural influences in Queensland, where the Labor Party’s early successes were second only to New South Wales. The situation was somewhat different there, partly because most Queensland rural seats held by Labor included miners and or large provincial towns with significant groups of workers. Small farmers' votes were important to Labor in Queensland, and the Party's policies were designed to attract them. However, this strategy did not reach fruition until 1915 and the subsequent forty years.

The details of land tenure, the nature of the Labor Party, and the relationship between it and farmers varied considerably between colonies and states in this period. Until 1901, the British colonies of Australia were politically and economically distinct. The history of settlement, and the structure and composition of


rural industry differed between the colonies, and to some extent even after they became states in the Commonwealth of Australia in 1901. Labor Parties were formed independently, and under slightly different circumstances in most of these colonies during the early 1890s. These parties formed the Australian Labor Party (ALP) in 1901 for the purposes of representation in the new Commonwealth parliament, but the ALP retained its state organisational basis, and did not form a national extra-parliamentary organisation until 1915. Furthermore, after 1901 most unoccupied land remained under state, rather than national control. Land legislation was principally the jurisdiction of the states, although the national government did attempt to influence the nature of land tenure, principally through a land tax.

For all of these reasons, it is difficult to draw other than the most general conclusions for Australia as a whole concerning the historical relationship between the Labor Party and farmers. More detailed analysis requires colony or state-based studies. For reasons of space it is not possible to provide that level of analysis for all of the states of Australia in this paper. Consequently, I will concentrate upon one colony/state, New South Wales.

New South Wales was one of the two most populous colonies, its Labor Party established the most substantial independent political presence in the 1890s and early 1900s, and land tenure remained an important political issue there for longer than in most other states. As a result of its early strength, the organisational methods, policies and leaders of the New South Wales Labor Party were particularly influential in the fledgling ALP in the early 1900s. Finally, agrarian influences were probably strongest in this most important of the ALP's state branches.
2. BACKGROUND

Economic and Social Structure of Australia

Australia enjoyed material prosperity from 1870 to 1914, based largely upon export income from wool and mineral wealth, with a forty-year economic boom ushered in on the east coast by gold rushes in the 1850s. The relatively high wages and working class living standards of the era, supported by a high rate of unionisation, earned the Australian colonies the reputation of a 'workingman's paradise'. There were always significant groups who did not experience paradise, notably women and juveniles in the clothing trades, and underemployment was common in most occupations. However, the general prosperity of the boom was not seriously interrupted until the 1890s depression, when the colonies' financial and economic structures reeled from the combined impact of falling wool and metal prices, the bursting of a speculative land boom, and the cessation of foreign capital inflow as a result of Britain's economic problems. Conditions for labour declined dramatically, unemployment affected about 30 per cent of the workforce, and the unions were decimated as a result.7

This situation was exacerbated because by the end of the nineteenth century Australia was shifting from a predominantly pastoral-mining society to a predominantly industrial-commercial society. This structural shift varied considerably between colonies/States. New South Wales and Victoria, the two most populous, were also the most advanced in the development of manufacturing. Manufacturing lacked a heavy industrial base, but its rate of growth nevertheless exceeded that for GDP and the rapidly growing pastoral industry in the second half of the nineteenth century.

---

7 Markey, Making of the Labor Party, pp. 19-44.
The other States' economies were dominated by varying mixes of pastoral, agricultural, forestry and mining pursuits, which also remained very important in New South Wales and Victoria. Together with Queensland, New South Wales accounted for the bulk of wool production, which expanded rapidly in the 1870s and 1880s because of the attraction of British capital by good wool prices. Coal and precious metal mining were major industries in New South Wales and Queensland. From the 1890s agriculture also expanded as sheep numbers declined in New South Wales. In Victoria agriculture had always been important, as had gold mining.

One indication of the structural economic shift occurring at this time was in the occupations of the people. The proportion employed in the primary sector fell from over 40 per cent of breadwinners to about 30 per cent in this period. Those employed in industrial pursuits (including building) rose from about a quarter to 30 per cent at the same time, and those in commerce, transport and communications from about 12 to 23 per cent.8

The growth of secondary industry was concentrated in large cities. The rate of growth of Australia's cities, which made her one of the first highly-urbanised societies, was a major contributor to the economic boom from 1851 to 1890. Sydney never accounted for less than a quarter of the population of New South Wales of which it was the capital, and by 1901 this proportion rose to 36 per cent. A similar degree of metropolitanisation occurred in other colonies. Between 1881 and 1901 Sydney's population more than doubled to reach 496,000, only marginally more than Melbourne. Sydney and Melbourne were large cities by any standards. However, outside the capitals there were few urban centres of any

8 Commonwealth Census Reports, 1911, 1921.
magnitude. Newcastle, with 55,000 inhabitants in 1901, was the second city of New South Wales. 9

The source of much of this population growth was immigration from the British Isles. Unlike the European experience of industrialisation, where peasants or rural workers were attracted to the city to provide industrial labour, in Australia the farmers and rural workers had to be attracted from the city, where they were born or had landed from immigrant ships. A high proportion if not a majority of these immigrants was from the cities of Britain. There were also many Irish peasants, but these seem to have disproportionately remained in the Australian cities as unskilled labourers, or worked on railway construction. It is one of the great ironies of Australian cultural history, that its dominant national imagery has been rural in character, when that bore so little relation to the lives of the vast majority of its people.

Indeed, a recurrent problem for rural industry was the attraction of labour from the city. It is largely for this reason that Master and Servants legislation, which governed the employment contract in the nineteenth and early twentieth centuries, paid particular attention to regulation of rural labour; for example, in penalties for absconding without proper release from an employer. Although this legislation was derived from Britain, its application in this regard was harsher in the colonies. Rural labour shortages also encouraged a high level of capitalisation in rural industry. In the pastoral industry, for example, the early use of extensive fencing reduced dependence upon many shepherds. In the wheat industry Australia led the world in the development of mechanical forms of sowing and harvesting at the turn of the century. This situation, therefore, shaped the structure of these

---

industries and created possibly the most highly productive rural industry sector in the world.¹⁰

Nevertheless, the existence of land which was apparently far more readily available than in Europe was a powerful attraction for immigrants to the New World in Australia. The lure of the land was a main part of the opportunity for independence from wage labour which the workingman's paradise was supposed to offer. Even if only a minority attempted to endure the harsh realities of rural Australian life, in a little-known, sparsely settled and often semi-arid land, this dream of independence was a powerful political force throughout the second half of the nineteenth century. It often weighed heavily with colonial legislators who regulated the pattern of land settlement in the colonies.

The original form of land settlement after the formation of the first colony, New South Wales, in 1788, had been on the basis of freehold grants from the Crown. As stockholding increased, settlers occupied the land on the basis of short term leases and payment of annual rentals. In 1829 this was restricted to a limited area designated as the settled counties, largely because beyond those boundaries the government could not practically exercise authority or protection. From 1831 some land was also sold at auction by the Crown at a minimum price per acre. This price was supposed to be fixed at a level sufficient to finance the settlement of what was conceived as Britain's surplus population in the colonies. The policy was influenced by Edward Gibbon Wakefield, whose theory emphasised that the 'sufficient price' should also be set high enough to restrict landholding to a minority. Although Wakefield envisaged that some workers may eventually acquire their own land, his principal concern was that capitalist relations of production should also be transferred to the

colonies. In practice this was occurring in the early decades of the nineteenth century, but the process was hastened by other trends.\textsuperscript{11}

By the 1830s settlement had already extended beyond the nineteen counties, and in the succeeding years more settlers illegally occupied vast tracts of lands, principally to run sheep. These settlers became known as 'squatters'. From 1847 the impracticality of this situation led to a compromise, whereby the squatters were given grazing licences and/or leasehold security for up to fourteen years at a time, with the pre-emptive right to purchase the area of the homestead and other improvements to the land at the end of the lease, plus compensation for any improvements not purchased. In essence this situation gave squatters a permanent hold on the majority of colonial lands. This general pattern of events prior to the advent of responsible and democratic government characterised the early history of land settlement in all of the colonies, with minor variations. However, the interpretation of the British legislation relating to these provisions was controversial.

From the early 1850s the context for land settlement changed dramatically. First, in 1851 gold was discovered in New South Wales and Victoria, leading to the gold rushes of the 1850s in those two colonies. Under these circumstances the total population of Australia almost trebled to 1,200,000 in ten years, although the vast majority of this increase was in Victoria. Most of this new population ended up in the cities, providing an expanded market for agriculture and manufactured goods, as well as a workforce. Secondly, from 1852, beginning with New South Wales, the colonies gained self-government from Britain. This meant that the issue of land settlement became directly

\textsuperscript{11} Except where otherwise indicated, this and the following description of land settlement is based upon S. Roberts, \textit{History of Australian Land Settlement}, Macmillan, Melbourne, (1924) 1968.
susceptible to popular political pressure. The newly expanded urban population also meant that the smaller numbers of large landholding squatters could not dominate politics as they sometimes did in the governor-nominated Legislative Councils prior to democratic self-government. Political conflict between the squatting interests and those supporting closer settlement for agriculture became more intense.

From 1860 all of the colonies attempted to encourage closer settlement, through providing for selection of cheap land by smallholders, often at the expense of the squatters' holdings. The most ambitious reform was attempted in the New South Wales Land Acts of 1861. These provided for free selection of Crown lands before survey, leased or not, in blocks of 40 to 320 acres at a minimal price of one pound ($2) per acre. Once the land was occupied, the selector could apply for a survey to be made. If not surveyed within a year, he could relinquish the land and receive a refund of his deposit, or have it surveyed privately at government expense. Only town and suburban lands, and land which had been 'improved', by construction of homesteads, fencing, dams and the like, were exempt from selection. One quarter of the total purchase price of a selection was payable immediately, with the remainder paid in deferred instalments over three years. Completion of payments, together with bona fide residence and improvements to the value of one pound per acre, entitled the selector to permanent title to the land. As an alternative, payment could be deferred indefinitely with payment of five per cent interest per annum on the amount outstanding.

However, at the same time leaseholds were also made more secure under certain circumstances. Leases were available for one year in the settled parts of the colony, and five years elsewhere. The annual rent was two pounds ($4) per acre in the settled

---

districts, and based on the sheep-carrying capacity in other areas. A system of pre-leases was also created in favour of selectors, who could lease Crown land adjoining their selection, up to three times the area which they selected. These pre-leases took precedence over other forms of leasehold. Gollan notes that the outcome of the Acts was that 'the same land was offered to two different sets of people: to the squatters under lease, to selectors under conditional purchase and pre-lease'. Consequently, they intensified the feud between smallholders and the squatters.

Ultimately, the Acts failed in their intention of establishing a substantial yeomanry. Twenty years after their passage, a parliamentary committee of inquiry reported that out of 170,242 applications for land selections, only 18,000 to 20,000 new homesteads had been permanently established. Otherwise, the majority of selections had been made by squatters or their agents, selectors who used their conditional purchases to blackmail squatters into re-purchasing their selections because of the strategic value of the block, or selectors who simply failed to establish themselves. From 1878 to 1886 alone the number of holdings over 10,000 acres increased by 86 per cent, with a much lower increase for smaller holdings. By 1886 a mere 552 men had acquired freehold possession of over eighteen million acres, which represented more than half of the land alienated from the Crown. Titles to the remainder of the land alienated were held by 44,380 people 'of whom a little less than half had properties of from fifteen to two hundred acres, and the rest larger areas.' As the government statistician commented: 'settlement in New South Wales has hitherto tended towards the concentration into comparatively few hands of the lands alienated to a large number of individual selectors'.

13 Gollan, Radical and Working Class Politics, p. 44.
14 ibid., p. 45.
15 quoted in ibid.
There were a number of reasons for this concentration of land ownership. The squatters employed skilful tactics to retain and extend their holdings, including 'dummying' and 'peacocking'. The first occurred when nominal selectors acted as agents for squatters by residing on the land to fulfil the conditions of the Act. 'Peacocking' occurred when the best parts (the 'eyes') of the land, such as those with access to water, were picked out, rendering the remainder in the area useless by itself. Millions of acres also continued to be sold by auction after the 1861 Acts, but it was mainly landholders with capital who could afford this. Squatters enjoyed strategic advantages over small selectors in already occupying land, in enjoying immunity from selection for land on which they had erected improvements, in benefiting from the high prices for wool, and in having greater access to capital. Selectors commonly lacked sufficient capital, and often occupied land unsuitable for intensive agriculture. Most of the land available for selection was more suitable for grazing, in that it was in lower rainfall belts and/or had relatively poor quality soil.

Other colonies adopted variations on the New South Wales selection process, generally with limited success. In Western Australia a system of selection in smaller blocks failed as completely as its New South Wales counterpart. In Victoria the selection Acts of 1860, 1862 and 1865 had similar objects and outcomes to those in New South Wales. However, further legislation in 1869 designed to overcome these shortcomings eventually proved far more successful in settling smallholders on the land, and encouraging more intensive agriculture. South Australia only attempted selection in limited areas. In Queensland land legislation encouraged smallholders for agriculture in some small eastern coastal areas, and granted
squatters more substantial security of tenure, leasehold and freehold, than in any other colony.\textsuperscript{16}

By the 1880s, therefore, large landholders owned the majority of Australian land, with the exception of Victoria. Small and medium-sized landholders were concentrated in particular pockets, such as the Riverina and North Coast districts of New South Wales, and the Darling Downs in inland southern Queensland. To a large extent, the pattern of land ownership and usage corresponded with its rainfall and fertility. Hence, in Victoria the land was more suited to closer settlement because of greater availability of water, higher coverage by richer soils and a cooler climate. In contrast, only a small proportion of Queensland's land mass, around the Darling Downs regions and in some coastal areas, was suitable for agriculture. The remainder was far more suited to grazing sheep and cattle. Since the land became drier as one moved inland from the coast, until in the west of the colony it became semi-arid, the size of properties became larger in order to carry sufficient feed for stock. Similarly, in New South Wales the colony was divided between three divisions: the Eastern Division closest to the coast was characterised by the most fertile land and small to medium holdings engaged in mixed farming, with sheep, dairy cattle and agriculture, often on the same farm. This land had been largely taken up prior to the selection Acts. The far Western Division was composed of predominantly large landholdings engaged mainly in the pastoral industry, usually owned by squatters. The Central Division in between these two, was more mixed, because it was here that selectors' efforts to become established had been concentrated. It was in this Division that the Riverina district was located, and that wheat growing became important from the end of the nineteenth century.

\textsuperscript{16} \textit{ibid.}, pp. 47-49.
These patterns of land ownership affected the rhythm and workforce structure of the main rural industry in New South Wales and Queensland, the pastoral industry. Because of its capital intensity, the pastoral industry required only a small workforce; fencing, for example, had allowed the replacement of large numbers of shepherds with a few boundary riders. The main workforce requirement of the industry was for shearing the wool from the sheep, but this was only a temporary requirement of at most a few weeks on the largest sheep stations. Most shearing occurred between August and December (late winter to early summer), beginning early in the west and moving eastwards to the coast and southwards to Victoria. A smaller movement also occurred between Queensland and north-west New South Wales. Seasonal uniformity and workforce migration were determined partly by climate, but also offered advantages in optimising availability of labour and transport.\textsuperscript{17}

During the shearing season the industry relied on an itinerant workforce of at least 25,000 in the 1880s in New South Wales alone. It was varied in origin. Some were rural workers in other jobs for the remainder of the year. Many were urban folk, and others included metal miners and New Zealanders. However, the largest single category of shearers were small landholders and their sons, who attempted to earn extra cash to keep their homestead going. They comprised about 35 per cent of the workforce, but were concentrated in the east and the Central Division. In the west, itinerant landless bushworkers predominated, as they did in Queensland, where the opportunity for smallholding was as limited as in western New South Wales. Together with urban shearers, selectors were largely responsible for the 'out-in' workforce migration corresponding with the

\textsuperscript{17} This and the following description of the industry and smallholding is based upon Markey, \textit{Making of the Labor Party}, pp. 57-2; and J. Merritt, \textit{The Making of the AWU}, Oxford University Press, Melbourne, 1986, chs. 1-2.
season's movement. Victorians beginning in the Riverina, and eastern selectors in the Central Division, shore their way home. Some selectors simply shore when the season reached their district. Far-western itinerants, on the other hand, tended to move north and south across the Queensland border region, rather than eastwards.

Prior to the 1880s the wool industry was highly profitable and highly productive because of high prices from overseas buyers in relation to land and labour costs. Consequently, the industry expanded very rapidly, with new South Wales sheep numbers alone growing from six to almost 62 million from 1861 to 1891. During the 1880s, however, the industry became crisis-ridden and profitability dropped markedly. Falling wool prices were largely responsible but there were other contributing factors. Pastoral expansion in the 1880s relied mainly on utilization of less efficient land in the west. With lower sheep carrying capacity per acre, dry western lands required higher capital outlay on water facilities and fencing for larger holdings, and transport costs rose. Overall productivity declined, as lambing rates fell, average stock life increased and the general quality of sheep deteriorated. Increased stocking rates and a rabbit plague exacerbated pasture deterioration caused by drought in the 1880s. Because of land clearance, pastures became susceptible to soil erosion, and in the great drought of 1894-1902 whole areas of the west became a desert of hard dirt or clay, which did not recover for decades.

Land legislation in 1884 which was designed to encourage smallholding further increased pastoral costs in the Western Division of New South Wales. Half the squatters's leasehold became liable for resumption by small homestead lessees. The remaining half, secured under a twenty-one year lease, was subject to increased rent. However, this policy, and further legislation in 1889 designed to assist smallholders, failed to settle large numbers of smallholders. Squatters were unlikely to
nominate their best land for reversion. Since much of the land which became available for freehold purchase was in drier land, the settler required a larger block for a viable farm; hence, the total cost was relatively high. The cost of survey and improvement as well meant that for those with limited capital independence on the land remained difficult to achieve.

From 1895, legislation was again implemented for leasehold 'homestead selection' and other schemes for closer settlement, even involving co-operatives. High unemployment provided a strong incentive for these schemes. The 1895 'homestead selection' Act gave a settler perpetual leasehold, rather than freehold, provided he improved the land. The cost was much cheaper than the previous conditional purchase scheme, and in the long run to 1914, the scheme proved more successful than any of its successors in settling small farmers, and even opening up some new areas of settlement close to the coast in the north of the state. But the Act did not in itself address the need to increase the supply of useful land for agriculture or small farming. Although the area under cultivation did increase somewhat from this time, this was mainly because of diversification, in a shift to mixed farming by existing landholders, small and large. There was no large scale movement towards closer settlement in New South Wales.

Indeed, during the 1880s and 1890s the small farmers' position worsened. As cultivation spread into less fertile areas of lower rainfall, yields also declined and crops were less reliable. The long 1890s drought exacerbated this trend, when prices for agricultural products were falling during the depression. From this time share farming, whereby the farmer paid a proportion of receipts to an absentee landlord, became more common. Usually, the farmer and landowner divided the proceeds from a crop

---

equally. The landowner maintained fencing and drainage, and the sharefarmer provided labour, seeds, fertiliser and machinery. The latter cost about $900 in the Central Division,\(^{19}\) that is at least two and a half years' wages for the best-paid unskilled worker of the time. If bad seasons and prices were encountered, the sharefarmer could lose his investment.

Lack of capital had always been a problem for smallholders. Large landholders could more easily gain loans for freehold purchase than could selectors for conditional purchases of land. Although rental for 'homestead selection' after 1894 was light, banks would not accept this leasehold property as security, because it was immune from foreclosure. During the 1890s lack of capital became a bigger drawback for smallholders as farming became more mechanised, and as the bank and pastoral finance companies foreclosed on many defaulting large landholders. If unable to raise money from the banks, small farmers could borrow from a private lender, such as a storekeeper, stock and station agent or lawyer, but at higher rates.

The small farmers' lot, therefore, was hard. Even if they could gain suitable land at an affordable price, had access to capital, and enjoyed reasonable crops and prices, they frequently had to work for larger farmers for extra cash, shearing, fencing, clearing land or sinking wells. Clearing and building improvements on their own land could be an arduous task, usually only possible in stages before the whole block could be utilised. In much of this, the unpaid labour of the family was important.

In the early 1900s there were further attempts to encourage closer settlement. In 1904 the government legislated for compulsory resumption of freehold land in large estates, at an agreed value, for purchase by small farmers. However, the cost of resumption was high, and only three estates were subdivided into

\(^{19}\) *ibid.*, p. 35.
326 farms. By the Crown Lands (Amendment) Act of 1908 the government allowed homestead settlers under the 1895 Act to convert their tenure to freehold, but this did not address the shortage of good cheap land for closer settlement. Few settlers took advantage of this provision. The government did attempt to address the issue of land supply in 1909 by extending its rights to resume land close to towns (H&T34). Nevertheless, this did not overcome the earlier financial restrictions to widespread resumptions, and relatively little land was opened up to closer settlement in this way.²⁰

Notwithstanding all of the legislation described here, New South Wales failed to establish a large class of small farmers. As a group, their hardships on the land continued well into the century. Consequently, their political demands remained much the same from the late nineteenth century. They could be summarised thus: good, cheap and sufficient land; security of tenure; and cheap, accessible credit.²¹

**Political Structure**

Australian enjoyed a relatively democratic political system. By 1871 four of the colonies had experienced almost twenty years of responsible self-government according to the British 'Westminster model', Queensland had eleven years' experience, and Western Australia attained this status in 1890. Responsible self-government meant that the colonies enacted their own legislation subject to ratification by Britain. The British Crown retained a vice-regal representative in each colony as Governor, who increasingly assumed a predominantly ceremonial role akin to that of the monarch in Britain. The government was formed in the

---

Legislative Assembly, the lower house in a bicameral parliamentary system. This was elected by adult male suffrage, with extra votes for propertyholders until the turn of the century. Members of the Legislative Council, or upper house, in New South Wales were nominated by the Governor. In other colonies they were elected on the basis of a propertyholders' franchise, except in South Australia, which had a full adult male franchise for its upper house.

When the colonies federated in 1901 a national political structure was superimposed over the existing structures. The six states, as the colonies became, ceded certain powers to the new Commonwealth, principally in defence, foreign affairs, trade and commerce, communications, and some limited aspects of industrial relations. These powers were prescribed in a constitution whose final arbiter was the High Court. In a bicameral parliament the government was formed in the House of Representatives, and the upper house was the Senate, both elected on the basis of full adult suffrage from 1902. Australia was second only to New Zealand in giving women the vote in national elections. By 1909 all states had female suffrage. One further reform of great significance for the formation of popular parties was the introduction of payment of members of parliament from the late 1880s.

Despite the relatively advanced nature of Australian democracy, and the reputation of Australian workingmen for being politically well-informed and democratic by temperament, there were significant limitations upon democracy in practice. The reforms sought by the New South Wales Labor Party in 1891 indicate some of the restrictions upon a popular franchise at that time: abolition of plural voting for propertyholders, and of candidates' deposits for elections; extension of the franchise to seamen, shearers and many other itinerant workers
disenfranchised by a six months' residency requirement; and a public holiday for elections.

Many of the limitations addressed by these planks were improved from the 1890s, especially under the impact of the Labor Party, but three major limitations to its reform programs remained. First, the less democratically composed state upper houses, which frequently blocked or mauled reform legislation, proved resistant themselves to reform. Secondly, even the national Senate was not entirely democratic, for all states elected an equal number of representatives despite vast differences in population. This increased the influence of small rural-based states where Labor's political support was unlikely to be as substantial as in the more populous and industrialised states of New South Wales and Victoria. Finally, extensive reform at a national level was difficult to achieve because of the difficulty of constitutional amendment. A referendum for this purpose required not only a simple majority of electors, but also a majority in a majority of states.

3. POLITICAL RADICALISM AND THE LAND

In the mid-nineteenth century colonial radicalism revolved around 'the land question'. In Australia the land held special significance because its vast quantities held the promise of independence from wage labour. Yet, (even more so than in the United States, which aroused similar hopes) it remained essentially in the hands of a small group, 'the squattocracy', whose right of occupation was morally, and for a time, legally, uncertain. The gold rushes inflated the hopes of independence in the 1850s. From the time of the Land Acts of the 1860s, the failure of legislation to settle large numbers of small farmers meant that the land question became a recurring political theme, strengthened by Irish peasant
immigration, and revived particularly during bouts of unemployment.22

The persistence of land radicalism as the colonies underwent the early stages of industrialisation, displayed a messianic faith, common to transitional societies, in the regenerative properties of the land, a backwards glance at an idealised human state free of the city's physical and social diseases, which became synonymous with industrialism. Colonial radicalism was influenced by British currents of this kind, High Tory and Chartist. Idealisation of the land was emphasised by the early urban concentration of settlement, but despite the reluctance of immigrants or the rural nationalist ideologues to leave the city for the harsh realities of small farming, the land maintained its political importance by symbolising an egalitarian ideal. By the development of a yeomanry, with no man as another's master, Australia could escape the Old World disease of class exploitation.23 The republicanism inherent in this ideal was reinforced by the role of pastoral land use in servicing Britain's economic requirements, with the consequent identification of the squatters with the British ruling class. Indeed, in the early debates concerning the nature of the political structure which Britain would bequeath the colonies, the squatters' leaders argued for the creation of a colonial aristocracy based upon themselves, with representation in a

22 See Gollan, Radical & Working Class Politics, pp. 42-8; T. Irving, '1850-70', in F. Crowley (ed.), A New History of Australia, Heinemann, Melbourne, 1974, pp. 156-9; McQueen, A New Britannia, pp. 147-70.

colonial equivalent of the House of Lords. Thereafter, although this proposal failed to impress the British, the squatters represented a major conservative force in colonial politics, frequently with disproportionate representation in the colonial upper houses where there was a property qualification.

Early agitation over the land question in the 1850s and 1860s involved a populist alliance between urban workers, merchants and farmers. During the 1880s this alliance was maintained in the Democratic Alliance in Sydney, and its successor, the Land and Industrial League, both strongly committed to land reform. Unionists sometimes identified the 'land monopolist' as labour's enemy. Nevertheless, union concern over the land issue was limited in the 1870s and 1880s.

The influence of Single Tax theory revived the land issue in the late 1880s in Australia. Published in the United States in 1879, Henry George's *Progress and Poverty* traced social inequality to land rent which, he claimed, rose with material progress without any effort from the landlord. This 'unearned increment' absorbed productivity increases, for which labour and capital were responsible, at the expense of wages and interest. Hence, for George 'social evils do not arise from any conflict between labour and capital', but between them and land ownership. George had little sympathy, therefore, for trade unions. George's panacea was a simple as his analysis: all land should be taken by the state by means of a graduated tax making private ownership, without

---

full use of the land's capacity, unprofitable; hence, the single tax. In 1887 a Single Tax League (STL) was formed in Australia. By 1889, when George toured Australia, it had fifteen branches. Soon afterwards this number grew to thirty, twenty-five of which were in the countryside.29

4. FORMATION OF THE LABOR PARTY

The modern labour movement dates from the 1850s, although there were earlier antecedents. The democratic political structure of the Australian colonies, together with a scarcity of labour and relatively high living standards, fostered a high degree of trade unionism. Craft unions were well-established in the capital cities by the 1870s, and had also appeared in larger provincial towns. They imported British traditions of unionism, and were usually small, localised organisations. Coal miners, wharf labourers and seamen also organised substantial unions in the 1870s. In the 1880s, however, trade unionism expanded dramatically amongst previously unorganised semi-skilled and unskilled workers. New mass unions covered shearsers and rural workers, metal miners, railway workers and navvies, gas, brewery, road transport, and clothing and textile workers, including women.

Union expansion was only one expression of the mobilisation of the working class which occurred at this time. Between 1879 and 1891 seven Intercolonial Trades Union Congresses developed a broad political reform platform, and adopted a scheme for the Australasian Labour Federation (ALF), involving unified industrial and political organisation. Only Queensland unions in 1890, and New South Wales in 1894 actually adopted the scheme, but it reflected the ferment of the time. A mood of militant self-confidence characterised the unions, the language of

class intensified, and industrial relations were increasingly depicted in terms of 'capital versus labour'. The Queensland ALF adopted a socialisation objective in 1890: 'the nationalisation of all sources and all means of producing wealth'. Radical, republican and socialist ideas and groups flourished, the largest of which was the Australian Socialist League (ASL) in Sydney. All of these groups produced their own newspapers or journals.30

The class mobilisation and polarisation of the late 1880s led to class conflict in the context of union expectations for improved conditions together with the beginnings of economic decline in key industries. Employers also organised more closely, forming Employers' Federations in New South Wales and Victoria, and some of their leaders spoke in terms of the inevitable test of strength between labour and capital. This potential was realised in 1890 in the great maritime strike, and from then until 1895, in a series of large-scale, often violent, industrial confrontations. The unions were decimated as a result of these, together with state support for the employers, and the ravages of widespread unemployment in the 1890s depression.

Their major response was the formation of the Labor Party. By 1900 the Labor Party was the major opposition party throughout Australia, and in 1904 and 1908 it formed brief minority national governments. In 1910 the Labor Party formed full majority governments nationally and in the state of New South Wales.

Each of the colonies formed a separate Labor Party in the 1890s, except Western Australia and Tasmania. The process of formation in each colony was similar, with the local Trades and Labour Councils (TLCs) providing the initial impetus during and after the maritime strike. Each colonial Party also gained a

parliamentary presence from the early 1890s, and each parliamentary Party became associated with liberal reform governments. However, there were considerable differences between the colonial Labor Parties in the magnitude of parliamentary representation gained and in the degree of independence from other parties. In both South Australia and Victoria Labor's parliamentary strength was limited in the 1890s and beyond, partly because of strong traditions of liberal reform, from which it proved difficult for Labor to distinguish itself at first. In Queensland the Labor Party effectively became the opposition in 1893, when it gained 16 parliamentary seats. This number had only increased to 21 (out of 72) in 1899 when it formed a five-day government. The Party's strength remained concentrated in mining and pastoral areas where a six months residency requirement for the franchise greatly reduced Labor's vote amongst the many intinerant workers in that colony.

Although it was later than the Queensland Party in forming the parliamentary opposition, the New South Wales Labor Party's organisational achievements were the most substantial in the 1890s. As envisaged by the TLC of New South Wales and urban unionists who formed it, the Labor Party was to be a working class party in composition and objectives. Its 1891 Platform, which was similar to those of the European working class Social Democratic Parties of the late nineteenth century, concentrated upon political reforms necessary for working class political intervention, and industrial legislation. However, from the outset there existed considerable ambiguity in the class basis of the Party, in terms of electoral support, composition, leadership and policy. One major manifestation of this was in the influence of small farmer interests, which increased during the 1890s.

The source of rural influence within the ALP largely derived from the Amalgamated Shearers' Union (ASU). Formed in 1886, it was one of the greatest organisational achievements of the 1880s.
expansion of new unionism, claiming 25,000 members in 1890, based predominantly in New South Wales, but with branches in Victoria and South Australia. The Queensland Shearers' Union (QSU) originally organised separately. From 1890 the ASU organised shed hands and other unskilled rural workers in the General Labourers' Union (GLU), with which it amalgamated in 1894 to form the Australian Workers' Union (AWU). Following parallel developments, the Queensland Workers' Union (QWU) amalgamated with the AWU in 1904. This became a general union, organising throughout rural industry, and later, amongst unskilled factory workers. In 1911, prior to expanding beyond rural industry, the AWU claimed 47,000 members, which made it by far the largest Australian union at the time.31

The AWU was an unusual union for reasons other than its size and national basis of organisation. Most of its membership was only active in its ranks for three to four months of the year, during the shearing season. This, together with their itinerant nature, made AWU members difficult to organise and discipline. Most importantly, however, small farmers and their sons, whom we have noted formed the largest single group in the shearing workforce, were also a major influence in the union. They were more uncertain unionists than the more full-time itinerant and landless rural workers of the west and Queensland, and required a greater organisational effort. Consequently, five of the seven ASU/AWU branches in New South Wales were in the east or Central Division of the colony, where selectors dominated the shearing workforce, and were more likely to be present for branch meetings. Only one branch represented the west. Even though it was by far the largest in membership terms, the union gave equal weighting to each branch for representation at conference and executive levels, and the leadership was drawn predominantly

31 This description of the AWU is based upon Merritt, Making of the AWU; and Markey, Making of the Labor Party, pp. 141-4.
from the eastern branches. In these ways the structure of the AWU intensified the influence in it of small farmers.

In 1891, thirteen of Labor's 35 parliamentary seats were rural. These were mainly in eastern areas of influence of the ASU. Politically, small farmer influence in the ASU was strengthened further because itinerant rural workers, without a homestead, were disenfranchised by a six months' residency requirement for the vote. Electoral reform in 1893 and 1895 reduced this requirement to three months, and then one month, but many apparently remained disenfranchised.32

The TLC quickly lost control of its creation, the Labor Party. From 1892-94 the Party's extra-parliamentary leadership, the central committee, was dominated by a new breed of professional political organisers. They could loosely be described as urban intelligentsia, but included journalists, small storekeepers and clerks. They lacked experience in the unions, and had usually come to the Labor Party via other radical groups, especially the ASL. In 1894 the Labor Party split over the parliamentary members' resistance to a compulsory pledge and other efforts of the central committee to exert discipline over them. In the election of that year it is difficult to compare results with those of 1891 because of a change from multi-member to single member constituencies. However, Labor's vote declined, as the official 'solidarity' Party candidates competed with the independents who comprised most of the former Labor parliamentarians. In this contest the AWU supported the independents against the central

committee of the Party, under the title of the ALF. But, in 1895 the AWU and the Party re-united.

The terms for this new unity gave the AWU a commanding position in the Labor Party, largely through the ALF. By that time the ALF was essentially a front organisation for the AWU, with six of the ALF's District Councils effectively representing AWU branches. In the countryside the AWU retained full political autonomy within the party, and its members were automatically members of the party. Members of unions not affiliated to the ALF, which accounted for many urban unions at this stage, could only achieve membership of the Labor Party as individuals through the branches. Conference and executive representation were also structured in a way which facilitated AWU influence, and weakened urban union influence. This potential was realised in the first Party executive after the re-unification: the ALF was entitled to two direct representatives, which came from the AWU; and annual conference elected four representatives from the AWU, giving it a majority on the executive of eleven. The remainder of the 1890s witnessed a process of consolidation between the parliamentary Party, the Party's extra-parliamentary executive, and the AWU. By 1900, the AWU had become so dominant in the Party that their executives were virtually indistinguishable.  

There were two main bases for the dominance of the AWU in the Labor Party. First, it was by far the largest union represented at Party conferences until well into the 1920s. In the 1890s the decimation of many urban unions left a vacuum for the AWU at this level. Secondly, although the AWU was also adversely affected in terms of membership and industrial effectiveness by the ravages of the depression, it functioned very effectively in the political sphere. The AWU's branch structure and travelling

organisers helped maintain a number of rural political bases. Indeed, during the 1890s, the AWU was essentially a political organisation. Consequently, a number of significant urban unionists or political leaders actually relied upon an AWU power base for their position in the Party, and even in parliament.

Finally, for these reasons the AWU continued to deliver rural parliamentary seats to Labor. By the turn of the century their proportion of total seats represented almost half, as Table 1 shows. In fact, after the disintegration of the miners' union in Broken Hill from 1892 to 1900, the AWU also provided the

Table 1
Geographical Classification of New South Wales Labor Seats

<table>
<thead>
<tr>
<th>Election</th>
<th>Rural</th>
<th>Mining</th>
<th>Urban</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1891</td>
<td>13</td>
<td>6</td>
<td>16</td>
<td>35</td>
</tr>
<tr>
<td>1894</td>
<td>5</td>
<td>5</td>
<td>5</td>
<td>15</td>
</tr>
<tr>
<td>1895</td>
<td>4</td>
<td>7</td>
<td>7</td>
<td>18</td>
</tr>
<tr>
<td>1898</td>
<td>7</td>
<td>7</td>
<td>5</td>
<td>19</td>
</tr>
<tr>
<td>1901</td>
<td>11</td>
<td>4</td>
<td>10</td>
<td>25</td>
</tr>
<tr>
<td>1904</td>
<td>13</td>
<td>6</td>
<td>6</td>
<td>25</td>
</tr>
<tr>
<td>1907</td>
<td>14</td>
<td>8</td>
<td>10</td>
<td>32</td>
</tr>
<tr>
<td>1910</td>
<td>20</td>
<td>9</td>
<td>17</td>
<td>46</td>
</tr>
<tr>
<td>1913</td>
<td>17</td>
<td>9</td>
<td>23</td>
<td>49</td>
</tr>
</tbody>
</table>

organisational infrastructure for the three mining seats in that region. Even when the metal miners' union recovered in 1900, it had a close relationship with the AWU, with whom it shared many members who were both miners and shearsers.

Labor's rural success was aided by the development of railways. Between 1891 and 1910 the government built 1450 miles of railway track, largely in rural areas, corresponding with the spread of closer settlement, which relied on the railways for transporting goods to market. This labour intensive work brought hundreds of railway workers into towns to operate the roundhouses for cleaning and fuelling locomotives. These could be no more than 120 miles apart because of the steaming range of the locomotives of the day. Many more hundreds of navvies were temporarily brought into districts to construct the tracks, sometimes for years at a time. These workers were concentrated in camps along the line, and had a long tradition of industrial organisation and militancy. In 1907 they formed a central body, the Railway Workers and General Labourers' Union. It officially supported the Labor Party, but there can be little doubt that the railway workers did so before then. Many small farmers also mixed with the railway workers, often cutting timber for sleepers for the tracks.34

Not all small farmers supported Labor by any means. Labor won no seats in the eastern coastal regions, which were based largely on dairy farming, although in one of these (Armidale) they did come within 200 votes of success in 1910 and 1913.35 These areas of settlement had greatly expanded from the 1880s as a result of technological change which allowed sale of butter in England without spoiling in transit. The coastal farmers had no

35 Hughes & Graham, Voting In NSW.
tradition of struggle with squatters for their land, and mainly favoured freehold.36

Labor's greatest farming strength was in the Central Division. From 1907 Labor held the vast majority of rural seats here. This was the heart of the wheat country, especially in the south, where small settlers had fought the hardest against squatters for their land. Many small to medium-sized farmers also worked part-time as labourers, and in that way encountered unionism in the form of the AWU.37 These experiences contrasted with those on the coast.

There was also a religious dimension to these differences in rural Labor support. Whereas a high proportion of the coastal farmers were Scottish, a disproportionate number of those in the wheat belt of the Central Division were Catholics. They identified the Free Trade Party, squatters and protestantism together at this time, and had bitter memories of the Irish tenant farming system.38 By the early 1900s, the Labor Party was already the main political representative of Catholics, who dominated the unskilled workforce.

5. AGRARIAN UNIONISM

During the 1890s the AWU developed a 'Land for the People' political program which continued the tradition of colonial land radicalism.39 As part of this commitment, the AWU became an important base of support for the single tax, in the hope that it would help open up the land for smallholders. The AWU was

also a strong centre of support for William Lane's utopian agrarian experiment, New Australia, in Paraguay in 1893. Many of those who left with Lane were shearers, including some of the AWU's branch leadership. The AWU was an enthusiastic supporter of the complementary Land and Income Assessment Act and Crown Lands Act of 1895, which were intended to reduce large estates by a land tax, and to encourage smallholders. The AWU's 1895 annual conference decided overwhelmingly to take up land under the new legislation which allowed for co-operative village settlement. Secretary David Temple stated that this was

... one of the best methods of drawing our members away from their hopelessly nomadic life, and by assisting them to make a start for themselves, help to build up the homely life necessary to the perpetuation of a healthy race.

In an 1898 plebiscite AWU members strongly supported these union plans.

Although legal and financial obstacles prevented the fulfilment of these plans, the AWU's primary political commitments in the 1890s were to the issues of land allocation and aid for selectors. Throughout his lectures to public meetings and labour groups in the 1890s, the president and founder of the union, W.G. Spence, repeated the claim he first made at Bourke in the west in 1890,

---


41 AWU 9th Annual Report, February 1895, pp. 16-17.

that 'land is at the bottom of the whole social question'. The AWU equated selectors with labourers, and defined the class struggle in terms of large landholders and monopolists versus small producers. The AWU journal, The Worker, described its ideal of the family unit on the land as true socialism, because all work was performed by the family, with no intervention of middlemen, no capitalist/wage-earner relationship, and family consumption of its own product.

The AWU, the agrarian theorists and literati such as Lane and Henry Lawson, had inherited the traditional radical populist vision of a proud new nation which had shaken off the Old World's yoke of class division. The vision's backbone was the strong, self-reliant, manly and morally upright bushworker/farmer, who could 'conserve those rights which in the old country they have allowed to fade out of existence'. In the The Worker and the radical nationalist paper, The Bulletin, cartoons depicting the class struggle regularly symbolised the worker in this way. Only the 'monopolists' and the 'money power' blocked 'the people' from the vision's fulfilment. In fact, inheritance of the radical tradition was a natural outgrowth of the AWU's membership.

44 Note articles 'Selectors and Labourers' and 'The Farmer as Labourer', The Hummer, 30 January and 6 February 1892. Also Spence's description of labourers as 'all who contributed in any way to the production of anything which ministered to the common wants', ASU 4th Annual Report, December 1890, p. 5.
45 Worker, 19 February 1898.
6. THE AGRARIAN PROGRAM OF THE LABOR PARTY

The importance of its agrarian base had a marked impact upon Labor policy. The most obvious manifestation of this was in the land policy adopted by the Party. From 1891 the Labor Party was committed to the encouragement of farmers and agriculture. Its policy was originally based on the principle that the land belonged to the community, and that, since much of it had been alienated to individuals, that the state should seek to regain it. In practice, however, the Party gradually developed a comprehensive, more pragmatic program for making land available to small farmers, improving the land and its productivity, and preventing the development of large estates.

In 1891 Labor's platform included a plank for 'the taxation of that value which accrues to land by the presence and needs of the community, irrespective of improvements effected by human exertion' (no. 13). This was clearly influenced by single tax theory, which had a small number of adherents on the original committee of the TLC which originally drafted the Labor platform. One of these was a delegate for the AWU.48

However, the support gained for this policy did not necessarily reflect a widespread commitment to the principle of a single tax in the labour movement, or even, amongst farmers. The TLC and most unions had greeted George rather coolly when he visited the colonies.49 His views on the irrelevance of unions were known, and he spent much of his time with conservative free trade politicians, when much of the labour movement was inclined to tariff protection of domestic industry to maintain employment. Even his strongest supporters in the AWU really

---


49 For example, TLC Executive Minutes, 9 October 1889, 11 February 1890; *Australian Star*, 4 March 1890.
only adopted his proposal as a land tax to help break-up large estates and settle small farmers, and one proposal amongst others to ensure this. Some in the labour movement also saw the single tax as a means for land nationalisation, which was even on the platform of the ASL.\textsuperscript{50} Interpreted in either way, as land reform favouring small farmers, or as land nationalisation, the single tax was able to broaden its support in the labour movement.

The first annual conference of the Labor Party added to its platform: 'the prohibition of the further alienation of Crown lands'. It therefore, committed itself to leasehold occupation. This was also able to build broad support, from socialists and others. From that time, land policy became a major plank in the Party's platform. The first plank of Labor's 1893 fighting platform (an abbreviated platform on which the Party fought election campaigns) called for a 'tax on the unimproved value of land'. By 1896 this simply read 'encouragement of agriculture'. The first plank of the 1896 general platform read: 'a) abolition of further sales of State lands; b) absolute tenant rights in improvements'. The 1897 plank for the 'nationalisation of the land and the whole means of production, distribution and exchange' marked the high point of socialist influence in the Party, although the burying of this plank near the end of the platform in 1898 also marked an anti-socialist drive within the Party. In 1905 this plank was actually replaced with the milder 'collective ownership of monopolies'. In 1903 Labor amended its land taxation policy in the following way: 'a progressive land value tax on estates of 20,000 pounds [$40,000] and upwards, with the right of compulsory resumption of land for closer settlement at owner's valuation for taxation purposes, plus 10 per cent'. It reaffirmed

\textsuperscript{50} Manifesto of the Australian Socialist League, 1887, plank 3; TLC Minutes, 11 September 1890; The Boomerang (William Lane's Queensland newspaper) 28 September 1889, 9 April and 17 May 1890.
'cessation of further sales of State lands', and added this to its fighting platform.51

AWU re-entry to the party after the 1894 split coincided with Labor's support for a new liberal government which enacted land reform in 1895. The legislation's inclusion of an income tax may also have broadened working class support, but Labor's enthusiasm was openly based on the potential for establishing a yeomanry. From this period, relief for small farmers became a primary parliamentary concern of the Labor Party.

Labor's political opponents in the 1890s and early 1900s characterised its policy as one of land nationalisation through taxation and resumption, and increased leasehold rentals to help save industrial workers from paying tax. The anti-Labor parties favoured extension of freehold tenure through private sub-division and sale of Crown lands, supplemented by occasional resumption of large estates (or parts of them) by the state at market prices. They also favoured conversion of homestead leasehold into freehold tenure, for which farmers would gain access to sufficient bank credit for establishment, augmented with small loans based on improvements. These policies were successively implemented and extended during the first decade of the 1900s.

The Labor Party condemned this policy in principle and practice. It claimed that private sub-division contributed to the land becoming more expensive. This made it even harder for small farmers to finance establishment and improvement costs, even if they could afford the land. As a result the land primarily went to speculators and richer landholders, rather than being 'opened-up' to small farmers. Labor's policy, in contrast, was designed to break-up large estates through a graduated land tax, thus ensuring an adequate supply of land for new settlers who would

have preference for land freed-up in this way. The tax would be set at a level which would not endanger small freeholds. But all future alienation of Crown lands would be by leasehold, with secure tenure virtually in perpetuity, if the farmer resided on the land and effected minimum improvements. Loans were also to be more freely available through a state bank.52

Labor's general policy for creation of a state or national bank was influenced by its rural wing from the outset. The plank was elevated to second position on the fighting platform in 1896, coinciding with the rise of the AWU to pre-eminence in the Party. Whilst socialists could be attracted to the potential of a national bank, the AWU saw it as source of cheap credit for farmers. During the great depression, most colonial financial institutions collapsed in 1892-3, and small depositors lost much of their savings. During the subsequent government inquiries into banking, rural interests were well-represented. In 1892 the conference which established the Farmers and Settlers' Association (FSA) adopted a state bank on its platform, clearly with easy rural credit in mind.53 The FSA represented a political threat to the AWU, or Labor's large rural flank. In its attempts to woo the selector, the AWU emphasised his vulnerability to 'the banks, the land sharks, the lawyers, and the monopolists who step in and reap the fruit of other men's toil'. Even before the FSA's 1892 conference, one AWU leader suggested that 'by a strong combination of the Farmers' and Labor unions, we could succeed in establishing a state bank to make advances on reasonable terms to those requiring a little working capital'.54

Some other aspects of Labor's policy were also directed towards farmers. From the beginning in 1891, the Labor platform included a plank for the development of water conservation and

52 *ibid.*, pp. 38-9.
54 *The Hummer*, 30 January & 6 February 1892.
irrigation. The 1896 platform included establishment of state mills for sugar, grains and other produce. This policy would have gained considerable support from amongst small farmers who complained often about the charges of these 'middlemen'. Finally, in 1893 the second plank of the fighting platform, for 'the right to mine on private property', was also directed towards the small farmer and rural worker. Small farmers often gained extra cash from prospecting for alluvial deposits of gold, tin or other precious metals, and with so many unemployed tramping the countryside looking for work and food, the issue gained some prominence with AWU support in the 1890s. Interestingly, however, the FSA also included this policy in its platform.55

Whilst these were the main Labor policies of direct benefit to farming interests, the agrarian influence was evident in the Labor platform as a whole. In general the Labor Party policy which emerged from 1895 was less committed to the social democratic policy of the 1891 platform. This was often a matter of emphasis more than actual amendment to content. Industrial legislation provided a good case in point. In 1895 the plank for an eight hour day had 'where practicable' added to it, as a result of AWU fears of alienating farmers as members and voters. This was one of the most striking examples of AWU influence, for eight hours was a traditional union commitment. More generally, only small gains were made in the area of industrial legislation in New South Wales in the 1890s, largely because of the intransigence of the Legislative Council. The Factory Act of 1896, which regulated some conditions of labour, was a limited gain in that it followed earlier Victorian legislation which was amended and extended in the same year, and was actually less extensive than legislation of thirty years before in Britain. Until the 1900s the parliamentary Labor Party took little initiative in this area. Industrial legislation

55 SMH, 10 November 1898; TLC Minutes, 24 March 1892.
remained in the Party platform, but was increasingly pushed into the background, and did not warrant a place in the fighting platform.

It was not until 1910, when labor assumed office, that industrial legislation became more important again, although not at the expense of rural interests. By that time the urban unions had re-emerged and expanded greatly. Most affiliated to the ALP, and the number of urban Labor seats more than doubled between the 1907 and 1913 elections. In power, Labor enacted significant measures in industrial legislation, especially for the extension of state arbitration and support of unions.56

Political reform remained important. Some gains over the franchise and electoral divisions were made in 1894. But reform of the Legislative Council remained crucial for Labor. As the colonies moved towards federation, Labor also became concerned with ensuring that the federal constitution was as democratic as possible. In both these areas, however, Labor's policy failed. The Council remained basically unreformed, despite the appointment of a small number of Labor members from 1901, and as we have seen, the federal constitution was not entirely democratic.

Under these circumstances, the emphasis in Labor's political reform program shifted towards republican nationalism. This has been well-documented by historians, without investigating its basis in any depth.57 It was the AWU which became the centre-point for Labor's republican nationalism. Indeed, during the 1890s the bushworker became the symbol of Australian nationalism. Spence claimed that:

57 For example, Gollan, Radical & Working Class Politics, ch. 7; McQueen, A New Britannia, ch. 1.
... socially such organisations as the AWU and the AMA [which was the metal miners' union] were doing even more than the politicians to extend the federal feeling and to help on the great movement which will eventually make Australia one great nation.58

The AWU's Wagga Wagga branch led the union in seeking 'the complete political independence of the United Australian Commonwealth on a basis of pure democratic Republicanism'. In language similar to the radical nationalist paper, The Bulletin, the Wagga branch journal (The Hummer) railed against the young Australian nation being 'chained to a corrupt and decaying corpse'.59 In 1892 Arthur Rae, Wagga AWU secretary and Labor member of parliament, distinguished himself as the only parliamentary member to oppose parliament's condolences to Queen Victoria on the death of her grandson, the Duke of Clarence.

The AWU had quite self-consciously inherited a traditional radical theme which became the basis for republicanism in Australia. This was the vision of excluding class distinctions and conflicts of the Old World from Australia. AWU membership - smallholders, shearers aspiring to land ownership, and men who turned to metal mining or prospecting in the off-season for shearing - sought independence from wage labour in the manner inherent in the radical Australian dream. AWU membership was actually similar, in social terms, to the rebels in the Eureka Stockade of 1854, when Victorian gold diggers adopted a republican democratic platform and defied the military. They became a symbol for republican nationalism thereafter. Significantly, the Labor Party took the Eureka flag's blue and white as its colours.

58 AWU 9th Annual Report, February 1895, p. 32.
59 The Hummer, 13 February 1892.
7. LABOR'S POLITICAL OPPONENTS

The existence of so many country branches of the STL in the 1890s indicated a degree of independent rural farmers' political organisation. Regionally-based Selectors' Associations were formed in the mid-1860s and the 1870s in the north of the Eastern Division and the south of the Central Division, where selectors had managed to gain footholds. They organised annual meetings of the Free Selectors' Association, on a colony-wide basis from 1877 to 1883, and their political influence was largely responsible for the 1884 land legislation. However, after squatters in 1889 gained an easing of their obligations to have their leaseholds subdivided, the small farmers began to organise more systematically.60

The most important manifestation of this was the formation of the widely-based Farmers' and Settlers' Association (FSA) in 1893. It was active in the 1894 elections, and in parliament from that time it began to attract a small number of rural members, including five from the Labor Party, to constitute an embryonic country party. The FSA's local branches grew from 26 in 1894 to 112 in 1905. Most of these were in the wheat belt in the south of the Central Division (Riverina), and in the newly settled north of the Eastern Division (New England). The branches ranged in size from 10 to about 200, with more in the smaller range. Many were insignificant, but some large ones of 100 or more members were important centres of political organisation in elections. The annual conference was a major rallying point, for formulation of policy as well as election of officers. In 1902 the FSA established a head office, in 1906 a journal, the Farmer and Settler, and in 1908 a system of district councils. By that time the FSA had developed

considerable influence as a pressure group in matters affecting land, local government, railways and water conservation'.

The main parliamentary political division in New South Wales at that time was between Free Traders and Protectionists. The former were committed to a high tariff wall to protect domestic industry, whilst the Free Traders favoured lower tariffs. Neither could afford to eliminate tariffs altogether, because until 1895 the government levied no income tax, and its income was derived from these charges plus land sales. Both Free Traders and Protectionists included conservative and liberal wings. In fact, neither side constituted an organised political party in the modern sense. The Labor Party was the first organisation of that kind. Rather, the Free Trade and Protectionist 'parties' were composed of alliances between relatively loose factions, where personalities played a major role. The system produced considerable political instability prior to the emergence of a more modern party system from the 1890s. Eventually, in 1908, both of these parties fused into the Liberal Party to meet the mounting threat from Labor.

New South Wales smallholders, particularly wheat growers, were strongly protectionist in the 1880s and early 1890s. They mainly sought protection from South Australian wheat growers and agricultural products from other colonies. After the federation of the colonies in 1901, and the development of wheat exports, these concerns were removed. Tariffs actually disadvantaged rural producers because they raised the price of manufactured goods, whilst the price for their products fluctuated. Smallholders were affected by this uneven relationship in the 1890s, when agricultural expansion largely relied on new machinery. Free Traders did well in the country in the 1894 and 1895 elections, largely because they campaigned on land reform which they enacted in 1895. However, they lost 12 country seats

61 ibid., pp. 52-3, 58-64, 94-5.
in 1898. There was no permanent substantial swing to Free Trade on the part of farmers.62

During the 1890s and early 1900s the FSA was a non-partisan organisation in relation to other parties. We have noted farmers' attachment to the Protectionists, but also how this was becoming unstable in the late 1890s. The FSA operated as a genuine pressure group, in that it sought to influence the policies of the existing parties, and supported local candidates, regardless of party to some extent, according to whether they supported FSA policies. This represented a growing awareness of distinct farming interests. Nevertheless, the emergent country party of 1893-5 was stillborn because, once the 1895 legislation was gained, there was insufficient sense of any need for separate representation. Within the FSA there was even a significant pro-Labor influence, although it could not persuade the organisation as a whole into close links with the Labor Party.63

From 1905, however, the FSA moved closer to the conservatives. At about that time it came down in favour of freehold, as against leasehold. As the political context moved increasingly towards a new two-party system of Liberal versus Labor, most groups came under pressure to choose between them. In 1905 Labor sympathisers lost their executive positions. By 1906 the FSA had adopted an ant-Labor policy, on the grounds that Labor's policies for a progressive land tax, leasehold tenure and admission of rural workers to the arbitration system seriously threatened agrarian interests. Small farmers began to leave the FSA as a result, and branch membership declined to 95 in 1906. Some key pro-Labor FSA officeholders openly went over to the

Labor Party, including one who took a country seat for Labor after 1907. Although some branches remained pro-Labor, the FSA became increasingly closely aligned with the Liberal Party from that time, as it also became dominated more by larger landowners, and, it was claimed, financial and town interests.64

Concerted organising drives resulted in recovery of membership, such that the number of branches grew again to 146 in 1908, representing between 4,000 and 5,000. However, anti-Labor feeling in the FSA firmed, especially after the advent of Labor governments at the Commonwealth and New South Wales levels in 1910. Many small farmers feared the impact of the federal Labor government's Land Tax Act of 1910, which was characterised as a first step towards land nationalisation, even though it only affected large properties (with an unimproved land value of over $10,000). The New South Wales Labor government's moves to abolish the 1908 Act allowing conversion of leasehold to freehold confirmed these fears. When the federal Labor governments of 1911 and 1913 also sought increased powers by referendum over intra-state trade and commerce and wages and conditions, farmers' organisations throughout the country opposed them as steps towards socialisation of the economy.

In 1912 farmers' fears concerning Labor's intentions to bring agricultural labourers under the state arbitration system were confirmed when the Rural Workers' Union served a log of claims for wages and conditions on employers of agricultural and dairy workers. It intended to seek an award with the Commonwealth Conciliation and Arbitration Court. Support for the FSA's opposition to the award application was galvanised, and in other states this opposition led to closer organisation of farmers where it had not existed to the same degree as in New South Wales previously. As it turned out, the Rural Workers did not proceed

with its application, largely because it could not secure the support of the AWU, which was more mindful of the political consequences. Eventually, the AWU absorbed the RWU, but not before this harm was done.

All of these events confirmed the FSA's separation of interests from Labor. However, as dissatisfaction with the Liberals' support for tariffs grew, and no relief could be anticipated from Labor in this area, the FSA moved towards independent political organisation. During the first world war the Country Party was formed, and from that time, whilst it usually allied with the main conservative party in parliament (variously called the Liberal or Nationalist Party), maintained a distinct organisation.65

8. CONCLUSIONS

There can be no doubt of the importance of the small farmers to the early successes of the Labor Party in New South Wales. Recognition of this fact has begun to affect traditional historical interpretations of the party. However, the complex nature of the rural support gained by Labor has received less attention.

The pattern of support for the Labor Party in the countryside was affected by the varying nature of land tenure, and the nature of the industry. Labor's early support amongst small farmers was concentrated mainly amongst wheat farmers, who had struggled for their land, against the adversity of the climate and the larger landowners, especially the squatters. Labor made far fewer inroads amongst the coastal small farmers, who multiplied and benefited as a result of new technology which made dairying viable at a much greater distance from markets. The coastal dairy farmers had entirely different traditions to the Central Division wheat farmers, which had not involved struggle against squatters.

or climate. Even their land did not require as much work for clearing or improving. They were also more recently settled in most cases.

The role of the AWU was central in organising rural Labor support. It was an extremely unusual union organisation, in that a high proportion of its membership consisted of smallholders and their sons. In this way, it also brought a culture of collectivism to the farmers. In the long term this was just as important as specific policies in attracting small farmer support for Labor. It is noteworthy that in the coastal dairying areas of New South Wales farmers did not have this contact with the AWU.

Organisationally, the AWU brought a rural culture to bear upon Labor ideology and policy at the turn of the century, because of the major role which it assumed in the leadership of the Party, as well as because of the number of rural seats which it delivered. Consequently, Labor's policy did not only offer specific planks to the farmers, but was also influenced more widely by rural values, as we have seen. There were times when it sounded like a radical country party, as the populist ethic of the small producers versus 'the monopolists' and the financiers united small farmers with an urban artisan tradition. The most wide-ranging indication of this was in the Labor Party's assumption of the role of bearer of Australian nationalism, which was largely defined in rural terms at the time.

It is not surprising, therefore, that rural votes and policy were also important at a national level for the ALP after 1901. Much of the New South Wales Party's land policy was also applied at a national level, although the full fruition of this approach did not occur until after the first world war with returned soldier settlement schemes. The New South Wales Party was particularly influential in the federal party because that state provided a high proportion of federal seats, some of which were rural. The other state Party with a high degree of influence at a federal level was
that in Queensland, where rural votes and rural policy were also a major part of Labor's success, especially in the long era of Labor government from 1915 to 1957. In Queensland also, the AWU was a major force in the Party, and because of that position in the two strongest Labor states, it was influential at a national level.

Of course, Labor became influenced by this rural culture at a time when the urban union movement had been decimated during the depression and employers' assaults of the 1890s. Once the urban unions recovered, and even expanded, in the early 1900s, their influence was felt more in the Party. This became particularly evident when Labor achieved government from 1910, and returned to much of its earlier commitments in the area of industrial legislation. From about the same time, the FSA, the main farmers' organisation, turned against Labor, as larger landowners became involved in the FSA. They were able to exploit a rural sense of identity, which overlooked class differences in the countryside, to Labor's disadvantage. Soon afterwards, the Country Party was formed, independent, but closely allied to conservative political parties from that time.

Nevertheless, rural votes remained important for the Labor Party for long afterwards, because the AWU remained the largest union affiliated to the Party until the 1920s, and because urban working class votes were insufficient to deliver parliamentary political power. Indeed, rural electorates remained crucial for Labor's parliamentary success in New South Wales in the 1940s to 1950s, and in the late 1970s and 1980s.66 It is worth remembering that these were two of the longest periods of government for the most electorally successful state branch of the ALP in Australia.

<table>
<thead>
<tr>
<th>No.</th>
<th>Title</th>
<th>Authors</th>
</tr>
</thead>
<tbody>
<tr>
<td>90-2</td>
<td>C. Nyland, Sexual Difference and Industrial Relations Research.</td>
<td></td>
</tr>
<tr>
<td>90-3</td>
<td>J. Halevi, Employment, Investment and Structural Maturity.</td>
<td></td>
</tr>
<tr>
<td>90-5</td>
<td>A. Chaturvedi, V.H. Tran and G. Shukla, Performance of the Stein-rule Estimators when the Disturbances are Misspecified as Homoscedastic.</td>
<td></td>
</tr>
<tr>
<td>90-6</td>
<td>C. Nyland, John Locke and the Social Position of Women.</td>
<td></td>
</tr>
<tr>
<td>90-7</td>
<td>E.J. Wilson, Exchange Rate Variability. A Case of Non-Linear Rational Expectations.</td>
<td></td>
</tr>
<tr>
<td>90-8</td>
<td>E. Pol, Ray Scale Economies and Multiproduct Cost Functions.</td>
<td></td>
</tr>
<tr>
<td>90-9</td>
<td>V.H. Tran and A. Chaturvedi, Further Results on the Two-stage Hierarchical Information (2 SHI) Estimators in the Linear Regression Models.</td>
<td></td>
</tr>
<tr>
<td>90-10</td>
<td>A. Levy and T. Romm, Need Satisfaction Motivated Behaviour: Static and Dynamic Aspects.</td>
<td></td>
</tr>
<tr>
<td>90-11</td>
<td>A.H. Vanags, A Marshallian Model of Share Tenancy</td>
<td></td>
</tr>
<tr>
<td>90-12</td>
<td>A. Levy, An Analysis of the Potential Externalities Affecting the Borrowing Behaviour of Developing Countries.</td>
<td></td>
</tr>
<tr>
<td>91-1</td>
<td>C. Nyland, Adam Smith, Stage Theory and the Status of Women.</td>
<td></td>
</tr>
</tbody>
</table>
91-3 D.P. Chan and K.Y. Cheung, Covered Interest Arbitrage Under the Linked Exchange Rate: Does it Exist? An Evidence from the Hong Kong Foreign Exchange Market.

91-4 M. M. Metwally, Role of Advertising in Oligopolistic Markets: Theory & Evidence.


91-7 Boon-Chye Lee, A Sequential Bargaining Model of International Debt Renegotiation.

91-8 A. Levy, K. Chowdhury, and E. Wilson, Are the External Debts of Developing Countries A Symptom or a Cause of Economic Slowdown?

91-9 Amnon Levy, A Pareto Optimal Condition for Bankruptcy and the Role of Variations in Aggregate Variables.

91-10 K. Y. Cheung, On Testing the Joint Hypothesis of Short Term Interest Rate: A Single Extraction Approach.


91-12 Amnon Levy, Unemployment and Feedback Approach to the Management of Immigration by the Host Country.

92-1 Ann Hodgkinson, An Industry Policy Debate for the 1990s—What Lessons from the USA?

92-2 Lino Briguglio, Tourism Policies, Environmental Preservation and Sustainable Development on Small Islands: the Case of Malta.

92-3 Amnon Levy and Khorshed Chowdhury, An Integrative Analysis of External Debt, Capital Accumulation and Production in Latin America, Asia-Pacific and Sub-Saharan Africa.

92-4 Tran Van Hoa, Effects of Oil on Macroeconomic Activity in Developing Countries: A Cointegration Analysis.
Amnon Levy, *The Role of Repudiation and Trade and Credit Sanctions in the Accumulation of Sovereign Debt, Production Capital and Reputation.*

Kui Yin Cheung, *On Testing the Hypothesis that Premium in US$/A Forward Exchange Rate is Constant: A Signal Extraction Approach*

Khorshed Chowdhury, *On Trade and Economic Growth: Further Evidence*

Charlie Harvie, Chris Nyland and Stuart Svensen, *The Effects of Protective Legislation on Occupational Segregation in the United States and Australia.*

Amnon Levy, *Efficiency and Equity Considerations in Allocating Renumerations Under Uncertainty: The Case of Australian Universities.*


Charles Harvie and Tran Van Hoa, *Terms of trade volatility and macroeconomic adjustment in a resource exporting economy: the case of Australia.*

Amnon Levy and Khorshed Chowdhury, *Intercountry Income Inequality: World Levels And Decomposition Between And Within Developmental Clusters And Regions.*


93-10 Darren McKay, *An Input/Output Analysis of Overseas Students Studying at Australian Universities.*

93-11 Darren McKay and Donald E. Lewis, *Expenditures by International University Students.*


94-3 Chris Nyland, *Beatrice Webb as Feminist.*


95-2 Frank Neri, *Heroin Prohibition and the Incentive for Collusion.*


95-4 Michael Organ and Stuart Svensen, *Research Assistants in the Clever Country.*


95-6 Amnon Levy, *Trade Union Membership Fees: Some Theoretical Considerations.*

96-1 Charles Harvie and Boon Chye Lee, *Financial Deregulation and Macroeconomic Adjustment: the Case of Australia*

96-2 Charles Harvie and Colm Kearney, *Public Infrastructure Capital and Private Investment*

96-3 Ray Markey, *The Relative Significance of the ACTU and the Labor Council of New South Wales*
John L. Rodgers and Joan R. Rodgers, *The Impact of Rural-to-Rural Migration on Economic Status*

Frank Neri, *The Optimal Price of Heroin: More or Less Prohibition?*

Anthony G. Webber, *Australian Commodity Export Pass-through and Feedback Causality from Commodity Prices to the Exchange Rate*

Ray Markey, * Colonial Forms of Labour Organisation in Nineteenth Century Australia*

Charles Harvie, *Economic Reform and Future Prospects of the Vietnamese Economy*

Amnon Levy and Khorshed Chowdhury, *Trends in Inter-Country Income Differences: World Levels and decomposition Between and Within Regions*

Charles Harvie, *Economic Transition and Macroeconomic Performance in the Czech Republic, Hungary and Poland: and Prospects for Membership of the European Union*

Ray Markey, *The Relevance of Labour History to Contemporary Labour Relations in Australia*

Anthony G. Webber and Warren B. Knight, *Union Density and Industry Output, Dynamic and Long Run Responses: The Case of the Australian Building and Construction Industry*

Ann Hodgkinson and Nelson Perera, *Why Aren’t They Taking Economics? Attitudes of First Year Students—University of Wollongong: Case Study*

Charles Harvie, *Reforming China’s State Owned Enterprises: What Can Be Learned from the Experiences of Other Economies in Transition?*

Ann Hodgkinson, *Productivity Measurement and Enterprise Bargaining in the Public Sector — The Local Government Perspective*

Ray Markey, *Social Democracy And The Agrarian Issue: Australia, 1870–1914*

Roy Adams and Ray Markey, *The Role of the State in Trade Union Growth: The Cases of North America and Australia*

Charles Harvie, *European Economic and Monetary Union: Problems, Prospects and Global Financial Implications*
Ray Markey, Colonial Forms of Labour Organisation in Nineteenth Century Australia

Amnon Levy, Median Income versus Per Capita Income: Implications for Assessing Growth and Convergence