

# The Two Labor Agrarianisms: the Regulation of the Dairy and Wheat Industries by the New South Wales Labor Government of 1930-32

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Since 1972 Labor federal governments have implemented a policy of economic liberalisation in Australian agriculture. It was in this area that the Whitlam government showed itself most sympathetic to market liberalism. Australian agricultural economists were the first Australian economists to champion economic liberalisation and they welcomed Whitlam's initiatives.<sup>1</sup> To economic liberals all forms of agricultural product market regulation constitute unproductive rent seeking. As a result agricultural economists have shown little interest in examining the ideologies and forms of Labor agricultural regulation.<sup>2</sup> Labour historians and activists have followed a similar pattern. They have taken for granted Labor's support of agricultural regulation, and the party's pursuit of farmers' votes, and have argued over its significance. To the right it demonstrates Labor's status as a peoples' party, to the left it shows how Labor in government from an early stage privileged petty-bourgeoisie interests.<sup>3</sup>

Agricultural policy was contested within the pre-Whitlam Australian Labor Party (ALP). I will demonstrate this fact by an examination of the agricultural policy of the NSW Labor government of 1930-32, with particular reference to wheat and dairy farming. In 1930 NSW Labor campaigned heavily on agricultural issues and won a level of rural electoral support comparable to that of William McKell in 1941, an achievement neglected by McKell's admirers.<sup>4</sup> In eighteen months of power Jack Lang's government devoted as much attention to agricultural policy as did McKell's government, which the NSW ALP right takes as the model of Labor agrarianism.<sup>5</sup> Despite this attention at the May 1932 election NSW Labor lost every rural electorate. This debacle revealed the limits of labour agrarianism.

## 1. The two Labor agrarianisms

The competing traditions of Labor agrarianism shared an assumption I call 'corporatist.' Both traditions identified farmers as a group that shared common interests, but they diverged on how these interests should be identified and represented. The two competing traditions I identify as pluralist and statist.

Both traditions believed that in the free market 'middlemen' to the cost of both parties corrupted the simple exchange between producers and consumers. Both believed that a Labor government could establish institutions that would cut out the middleman. Both believed that the promise of such institutions would win farmers' support back from the Country Party, which (particularly in NSW) was constrained by its alliance with the Nationalists from fully supporting regulation of agricultural marketing.<sup>6</sup>

Statist corporatism was popular among rural party activists. It was expressed by Labor policy that called for co-operation 'between the primary producer and the producer in the industrial sphere.' It identified farmers as workers and believed that their distrust of organised labour revealed a false consciousness on their part. Farmers who voted Labor, and particularly those who joined the ALP, supported the ALP because they identified themselves as workers (and often also Catholics) rather than because they saw the ALP as best suited to represent farmers. It is a similar process

to the tendency of white-collar Labor identifiers to identify themselves as working-class.<sup>7</sup> Country Labor supporters were more conservative than urban Labor identifiers, as shown by the collapse of Lang's rural support in 1932 and the greater support for Scullin against Lang. Their reaction against Lang in 1931-32 was not driven by a belief that he neglected agriculture but opposition to his perceived radicalism. Statist corporatists believed that the interests of farmers were best represented by a Labor government. They supported government controlled marketing organisations that removed middlemen, and replaced the existing farmers' organisations that misled their members.<sup>8</sup>

The pluralist corporatist tradition shared a distrust of market forces and middlemen but it identified the interests of farmers and workers as potentially in conflict. Pluralist corporatists knew that although farmers might resent produce merchants they distrusted state controlled marketing organisations as inefficient and unresponsive.<sup>9</sup> It sought to work with farmers' organisations, such as the wheatfarmer dominated NSW Farmers and Settlers Association (FSA). Pluralist corporatists feared that excessive union demands could alienate farmers, and believed that electoral success required that urban unionists not be granted unrestrained control of party policy. It was Labor parliamentarians, particularly those from rural electorates, who were most likely to support pluralist corporatism. They were likely to accept farmers' preference for producer controlled marketing organisations. Organised marketing would also obscure the transfer of income by means of higher produce prices from urban working-class consumers (in safe Labor seats) to farmers in marginal electorates.<sup>10</sup> Country branch members and unionists were less likely to support this policy than Labor parliamentarians. In 1941 McKell overruled country branches and centrally endorsed rural candidates precisely because he believed that country branches were unrepresentative of their electorates.<sup>11</sup> A similar pattern of parliamentarians driving Labor government agricultural policy was apparent in Queensland. This state is often presented as the bailiwick of Labor agrarianism, but party conferences were dominated by the industrial concerns of the Australian Workers' Union and agricultural policy was developed by ministers rather than the party.<sup>12</sup>

In 1926-27 Lang's first government found its narrow majority threatened by dissident country Labor parliamentarians. To appease them it followed a policy of pluralist corporatism. In September 1926 it convened a conference of 'producers and consumers' at Bathurst. The producers were elected from local meetings of farmers. The consumers' representatives were largely selected by trade unions. Producers outnumbered consumers. Working groups at the conference generally supported collective marketing with majority producer control.<sup>13</sup> In 1927 Labor legislation allowed farmers by a two-thirds majority to establish a compulsory pool that would purchase all the produce of the sector from farmers and sell it to the public. Each pool would have a five-member board, of whom three, including the president, were producers' representatives.<sup>14</sup> Of nine ballots (two for wheat) only one failed to reach 50%, but ballots of butter, millet and wheat producers failed to return a

two-thirds majority. Boards were established only for rice, eggs and honey.<sup>15</sup>

Worldwide export prices for prices of most agricultural commodities declined from the mid 1920s. This decline contributed to and was then accelerated by the onset of the world economic slump from 1929.<sup>16</sup> This slump had a distinctive impact on the Australian political economy. The Australian economy had oligopolistic and competitive sectors. In the competitive sector farmers were price-takers (along with women engaged in household labour) whose labour-force largely escaped industrial regulation, particularly that undertaken by family members. Urban paid workers and capitalists were price-setters. The reduction in aggregate demand from falling export prices and capital inflows impacted differently in the two sectors. Output was restricted to maintain price levels in the oligopolistic sector, but in the competitive sector output increased in an attempt to maintain income levels in the face of falling prices. Output increased further when the unemployed took up farming. The milk and wheat industries exemplified this.

Wheat prices fell from 6s6d per bushel in 1924-25 to 4s3.5d in 1929-30. The price slump impacted hardest on new and indebted farmers in western NSW.<sup>17</sup> Many struggling wheatfarmers believed that the FSA's affiliation to the Country Party constrained its ability to represent them. They formed new growers' organisations, such as the Wheatgrowers' Union, that claimed to be non-political. These farmers were unimpressed with the Country Party but they would not necessarily support Labor, the party of high wages and tariffs.<sup>18</sup> In July 1931 the Senate, controlled by the non-Labor parties, rejected legislation proposed by the Scullin government to establish a national wheat pool and a guaranteed minimum price for wheat. NSW Labor believed that wheatfarmers would punish the state coalition for the actions of the Senate.<sup>19</sup>

The dairy industry displayed a similar pattern of overproduction and price deflation. Prior to legislation in 1929 prices to country dairyman were settled by negotiations between the country milk suppliers' association and the distributing companies.<sup>20</sup> Regulation for health purposes of the dairy industry dated from 1886.<sup>21</sup> In 1927 the Lang government introduced legislation for a Metropolitan Milk Board on pluralist corporatist lines with four members elected by producers and three appointed by the government. Lang was defeated before the legislation was passed and the Bavin government legislated in 1929 for a Board of nine members. Producers elected four members, the five others were government appointees: a chairman, two representatives of consumers and two non-voting advisory representatives of the distributing companies. The Board was to regulate the supply and distribution and milk and set retail prices and minimum prices to producers, but unlike Labor's proposed Board it could not directly engage in the distribution of milk.<sup>22</sup> The Board was unable to regulate the industry. Distributing companies evaded price control by claiming to be agents of farmers rather than the owners of the milk they sold. Dairy farmers relied largely on domestic labour, and were easily able to increase production.<sup>23</sup> Discount vendors purchased milk from dairies near Sydney and sold at all hours undercutting award conditions.<sup>24</sup> Prices to farmers halved from November 1930 to May 1931.<sup>25</sup> The rivalry among dairy farmers played into the hands of statist corporatists. In the 1930 election campaign Labor accused the Board of failing to confront the distributing companies.<sup>26</sup>

This attack on middlemen was repeated throughout Labor's rural campaign and was combined with underconsumptionist economics. 'Organised marketing' would protect the farmer as arbitration did the wage earner, and farmers would benefit from Labor's defense of consumers' living standards.<sup>27</sup>

After the election some in the Country Party believed

wheatfarmers had swung to Labor but others believed town residents and public employees were responsible for Labor's gains.<sup>28</sup> A statistical analysis supports the later position. The significant contributors to country Labor support were unemployment and Catholicity, rather than wheat farming. Labor's rural support was more socially defined than in the urban-mining region where Protestants and non-manual workers swung to Labor (see Table 1).

The 1930 election gave Labor a large majority and compliant caucus. Lang chose as Agriculture minister William Dunn. In 1926-27 Dunn opposed Lang's leadership of the party. He now accepted Lang's leadership but in policy he defended a pluralist corporatist position that supported producer self-government and co-operation with the FSA. The Health Department regulated the milk industry. Health Ministers James McGirr and William Ely challenged Dunn's pluralist corporatism. Both were Lang loyalists from urban constituencies, but both had personal connections to the agricultural sector. McGirr was a former country pharmacist, and Ely blamed middlemen for driving him off his farm.<sup>29</sup>

## 2. The reform of marketing

Dunn's priority in government was to work with the FSA, but its leadership was more sympathetic than the membership. The FSA supported legislation to require only a simple majority among producers for the formation of a marketing board.<sup>30</sup> Dunn promised the FSA that there would be no alteration in the composition of marketing boards.<sup>31</sup> He defended existing boards against Labor parliamentarians who accused them of ignoring new producers.<sup>32</sup> Dunn's moderate position was displayed at the May 1931 conference of producers and consumers.

Producers' delegates to the conference were elected by farmers rather than appointed by their organisations, but turnout at the meetings was low and returned members of established farmers' organisations. The FSA was well represented among delegates and its leadership welcomed the conference.<sup>33</sup> In the conference program Dunn explained that the development of co-operative marketing would end 'inefficient marketing and distribution' and benefit both farmers and consumers.<sup>34</sup> Two hundred delegates attended; 160 from primary industries, and 40 consumers' delegates.<sup>35</sup> Dunn was unapologetic that producers were disproportionately represented.<sup>36</sup> Lang promised the government would follow the advice of the conference.<sup>37</sup> Conference delegates formed subcommittees to discuss their industry and most supported organised marketing.<sup>38</sup> Union delegates who claimed capitalism was to blame for the rural crisis were ignored.<sup>39</sup> Labor believed that the conference's success showed farmers no longer feared the 'red bogey'.<sup>40</sup>

The constitutional requirement of interstate free trade made doubtful the value of a wheat pool restricted to one state. Despite this the FSA supported an affirmative vote for a wheat pool under the amended marketing legislation in July 1931.<sup>41</sup> Pool opponents argued the Lang government would control it.<sup>42</sup> Of the 87.6% of farmers who voted only 42.7% voted 'yes' compared to 62.8% in September 1930. The affirmative vote was highest in the newer wheat areas to the west, where climate and wheat yields were most variable. The FSA leadership blamed the defeat on anti Lang feeling.<sup>43</sup> This was certainly the case but the result also demonstrated that politicians, bureaucrats and farmer organisations, often underestimated the extent to which farmers would distrust any organisation that sought to constrain their right to sell their produce as they saw fit.<sup>44</sup>

## 3. Direct price regulation

Concurrent with its support of a wheat pool NSW Labor along with other Australian governments supported measures to assist wheat farmers. The initial strategy of Labor governments

Table 1

## Predictors of Lang Labor Support in Rural NSW 1930

	Intercept	Women voters	Catholic	Unemployment	Female Workforce
1930	18.1	-1.78	1 0.74	0.52	1.55
<i>t</i>	0.18	-2.77	3.	2.19	2.15

  

	Manual	Non-manual	Non-wheat	Wheat	Employers
1930	0.93	1.091	0.77	1.03	-1.89
<i>t</i>	1.06	1.07	0.88	1.09	-3

## Predictors of Lang Labor Support in Urban-Mining NSW 1930

	Intercept	Women voters	Catholic	Unemployment	Female workforce
1930	149.91	-2.36	0.31.	0.271	0.28
<i>t</i>	0.01	-3.011	1.21	1.19	0.7

  

	Manual	Salariat	Agriculture	Employers
1930	0.44	0.03	-0.05	-3.9
<i>t</i>	1.02	0.051	-0.11	-2.9

had to be to either raise a loan to assist farmers, or to secure the extension of Commonwealth bank credit. Both options would have benefited farmers without directly impacting on consumers. Once these options were rejected farmers could only benefit at the expense of consumers or the manufacturers of consumer goods.

The Flour Acquisition Bill of March 1931 enabled the government to compulsorily acquire stocks of flour and then sell them back to the previous holder at a premium. The proceeds would be applied to farmers' relief. The price of acquisition was set by a committee representing government, flour millers and master bakers.<sup>45</sup> The FSA and the Country Party welcomed higher prices for urban consumers.<sup>46</sup> Lang claimed that city unionists had accepted higher prices without a murmur.<sup>47</sup> This was an overstatement. In caucus Dunn prevailed against those members wanted consumer representation on the committee setting flour prices, and for relief to wheat farmers to be more rigorously targeted.<sup>48</sup>

The legislation enabled maximum prices to be set for wheat products such as bread. These prices had been regulated from 1915 to 1921. Dunn had been Agriculture minister in 1920-22 and in 1931 he argued that the price-setting process should be as 'harmonious' as he believed it to have been in 1920-21.<sup>49</sup> Despite his hope the issue was taken out of his hands. Labor backbenchers blamed millers and bakers for higher bread prices, rather than farmers, and they found support from cabinet ministers concerned about the impact of higher bread prices on food relief expenditure.<sup>50</sup> In May 1931 bread supplied under food relief amounted to one eighth of the total cost of relief.<sup>51</sup>

The bread industry was highly monopolised. The Flour Millers Association (FMA) refused to supply flour to bakers who sold below the price set by the Master Bakers Association (MBA).<sup>52</sup> The MBA paid shops for dole coupons and was refunded by the government.

By the late 1920s innovations in baking technology made it easier for small bakeries to set up, and many unemployed entered the industry.<sup>53</sup> The MBA and the Operative Bakers Union claimed small bakeries undercut award conditions, but their ability to produce cheap bread was largely due to the use of family labour and low capital costs.<sup>54</sup> By mid 1931 a bread price war was underway and opponents of the MBA formed the Peoples' Bakers'

Association (PBA).<sup>55</sup> The PBA supplied bread to shops to the alarm of the Breadcarters' Union who feared job losses.<sup>56</sup>

In response to the Flour Acquisition Act the MBA requested an increase in the price of dole bread to 4.35d a loaf from the current price of 3.5d. Labour and Industry minister Jack Baddeley, whose Department was responsible for food relief in the metropolitan area, rejected this.<sup>57</sup> Baddeley established a committee with consumer representation to review bread prices. Its report agreed with the MBA but cabinet rejected it.<sup>58</sup> One option for the government would have been to implement party policy of establishing a state bakery, but the government lacked the financial resources.<sup>59</sup>

In April 1931 flour broker Marco Shadler approached the government with a scheme by which he would take over from the MBA as the discounter of dole coupons. Shadler told the government that he could arrange the supply of cheap flour to bakers enabling dole bread to be supplied at 3.92d a loaf. The government seized on Shadler's offer as a means to defeat the MBA and took up his offer, which came into effect from 1 August 1931.<sup>60</sup> When implemented, Shadler's plan was a debacle for the government. Millers boycotted Shadler and as a result he was unable to supply bakers with flour. Thousands of unemployed were left without bread.<sup>61</sup> The government and Shadler blamed the flour millers and MBA, but the Bread Carters' union sided with the Master Bakers and condemned the Shadler's contract.<sup>62</sup> ALP branches rallied behind the government and condemned the Bread Carters' for their support of the MBA.<sup>63</sup> The same week the government ran out of cash to pay public service salaries.<sup>64</sup> After an acrimonious caucus meeting on 7 August the government canceled its contract with Shadler.<sup>65</sup> An interim settlement was arranged with the MBA to supply dole bread at 4s3d per dozen loaves.<sup>66</sup>

The fiasco revealed the limited capacity of the state to effectively intervene in industry. The Colonial Secretary's Department failed to adequately investigate Shadler's ability to supply flour. The government used its powers under the Flour Acquisition Act to seize a shipload of export flour. This action was popular with the party, but the government had no idea what to do with it, and returned it as part of its settlement with the MBA.<sup>67</sup>

The settlement with the MBA provided for a review of bread prices for food relief. Industrial Commission Albert Piddington undertook the inquiry. He was strongly critical of the millers' cartel and recommended 4s3d a dozen or 4.25d a loaf.<sup>68</sup> The MBA rejected his findings, and after further negotiations reached a settlement in April 1932 for a dole price of 4s6d a dozen or 4.5d a loaf.<sup>69</sup>

The Shadler's fiasco exemplified the dilemmas of statist corporatism. To take over marketing the state required capital and expertise. Shadler had failed to provide these and the government had been forced to accept the terms of the MBA. In the dairy industry Labor's approach was much more cautious and it sought to work with the distributing companies. If taken too far this approach threatened to make statist corporatist institutions merely the agent of producer and trader interests, at the expense of consumers.

In January 1931 Health Minister McGirr pleased milk farmers when he refused to allow a price reduction recommended by the Milk Board. The Board demanded legislative reform to enable it to control the distributing companies' evasion of the Act.<sup>70</sup> Labor instead reconstructed the Board in a statist corporatist form. It introduced legislation to establish a three member appointive board, called the 'Milk Board' rather than the 'Metropolitan Milk Board'. The new board would comprise three government appointees; a chair and representatives of producers and consumers. It would be able to vest milk supplied for metropolitan consumption in itself, and to engage in milk trading on its own behalf. Minister Ely justified the bill as a health measure but Labor parliamentarians from dairying areas dwelt on the plight of farmers ruined by excessive competition.<sup>71</sup> Some farmers demanded an elective board but many believed the industry was in such crisis that the bill should be accepted.<sup>72</sup> The parliamentary opposition opposed the Board's ability to trade on its own behalf, but unions hoped this provision would mean nationalisation of the industry.<sup>73</sup> The Bill passed the Legislative Council only after the appointment of 25 new Labor Councillors in November.<sup>74</sup>

The process of conciliating dairy industry interests began the appointment in December 1931 of Milk Board members. There was general surprise when the chair was E. A. Hamilton, who had been a distributing company representative on the old Board.<sup>75</sup> The other members were John Graham and J. M. Martin. Graham was a Maitland dairy farmer who had represented producers on the old Board.<sup>76</sup> Martin was a union organiser, Labor MLC, unsuccessful Labor candidate in the January 1931 Parkes by-election and brother of ALP organising secretary J. B. Martin.<sup>77</sup> Farmers welcomed the appointment of Hamilton and Graham. They complained Martin lacked milk industry experience.<sup>78</sup> The Milk Carters' were disappointed that a unionist from the industry was not appointed, but they regarded Martin as a labour representative.<sup>79</sup>

The new Board believed that without control of all milk supplied for consumption in the metropolitan area, it would be unable to enforce payment to dairymen of the minimum prices.<sup>80</sup> From 5 March 1932 when the Board made its first declaration of prices it took possession of all milk supplied for consumption. The Board did not, as Ely had originally suggested, enter business on its own but employed existing companies as agents.<sup>81</sup> Martin and Graham voted against Hamilton to ensure that more than one company was endorsed as agents of the Board.<sup>82</sup> Once delivered to an agent of the Milk Board milk property of the Board. It remained in physical possession of the distributing company, and when milk supplies reached Sydney the companies paid the Board for milk. The Board, rather than the companies, paid dairymen.<sup>83</sup>

The Board adopted a pricing policy favourable to producers. All members agreed on a maximum retail price of 2s4d per gallon, but Martin and Graham outvoted Hamilton to set a minimum price to the dairyman of 1s1d per gallon rather than the 1s0d

favoured by Hamilton.<sup>84</sup> Milk producers were delighted.<sup>85</sup> The AWU, Federal Labor and manufacturers argued the increase was unfair to consumers.<sup>86</sup> Defenders of the Board pointed to the health danger of cheap, but low quality milk.<sup>87</sup> Martin's influence was apparent when the Board introduced regulations to control the hours of milk delivery, a policy welcomed by the Milk Carters' Union.<sup>88</sup> This disadvantaged consumers and small non-unionised vendors.<sup>89</sup>

Producers welcomed the activities of the Board after the milk war.<sup>90</sup> The Milk Board members were the only Labor appointees made to a statutory authority in 1930-32 not dismissed by the Stevens government. A 1936 inquiry concluded that the Board privileged producer interests over consumers as shown by its failure to review prices after March 1932 despite falling costs in the industry.<sup>91</sup> Martin's position was hostile to the distributing companies and sympathetic to unionised milk carters but not particularly to consumers. A statist corporatist model of regulation had pluralist corporatist outcomes favouring organised producers at the expense of consumers.

## Conclusion

At the 1932 election NSW Labor lost every electorate outside of the urban and mining regions. Labor's record of agricultural policy activism in 1930-32 demonstrates this failure was not for want of trying. Despite Labor's appeal to milk farmers in 1930 and 1932 the Labor vote in Maitland was below that statistically predicted in 1930 and 1932 by 7% and 10%. This contrasted with Murrumbidgee where Labor overperformed in 1930 by 7% and 1932 by 3%. Murrumbidgee was an electorate where Labor probably did exceptionally well among farmers of whom many were soldier settlers who were dependent on public irrigation. The decline of Labor's overperformance in Murrumbidgee from 1930 to 1932 illustrates the general rural reaction against Langism. The strong recovery in Labor's Murrumbidgee vote in 1935 and 1938 demonstrates that the rural reaction against Lang was restricted to 1931 and 1932.

In Australia the labour movement championed a worker-farmer coalition based on the isolation of Australia from the world market. This is the strategy that some suggest European social democrats should have proposed in the 1930s to counter the appeal of fascism.<sup>92</sup> Australian Labor's failure suggests that even if European social democrats had dropped their support for free trade in food they would not have attracted farmers. Economic hardship among farmers does not necessarily encourage a shift to the left on their part.<sup>93</sup> In 1930-32 Labor's call for regulation of agriculture and control of the 'money power' was met by an individualist call from some in the rural media for farmers to adopt new methods of management and technology.<sup>94</sup> Years later One Nation's pluralist corporatist appeal would face similar opposition. In 1987 Geoffrey Lawrence argued that the support by farmers' organisations for politics of economic liberalism opened space for the radical right to appeal to farmers. When such a force appeared in the form of One Nation, the National Party was surprisingly successful in resisting it.<sup>95</sup>

## Endnotes

- 1 G. Edwards & A. Watson, 'Agricultural Policy', in F. Gruen, ed., *Surveys of Australian Economics*, George Allen & Unwin, Sydney, 1978, pp. 197-99.
- 2 A. Watson, 'Rural policies' in A. Patience & B. Head, eds., *From Whitlam to Fraser: Reform and reaction in Australian politics*, Oxford University Press, Melbourne, 1979.
- 3 B. Nairn, *Civilising Capitalism: The Beginnings of the Australian Labor Party*, Melbourne University Press, Melbourne, 1989 (first ed. 1973), pp. 67, 109, 130, 158-59, 207, 212. R. Markey, *The Making of the Labor Party in New South Wales 1880-1900*, University of New South Wales Press, Sydney, 1988, pp. 1-15,

- 304-05. M. McQueen, *Gone Tomorrow: Australia in the 80s*, Angus & Robertson, Sydney, 1982, pp. 113-15. W. Swan, 'A future for Labor in Queensland', *Labor Forum*, vol. 9, no. 2 (1987), pp. 6-8.
- 4 M. Goot, 'Rewriting Electoral History; The myth of McKell', in M. Easson, ed., *McKell: The Achievements of Sir William McKell*, Allen & Unwin, 1988.
- 5 J. Hallam, *The Untold Story: Labor in Rural NSW*, George Allen & Unwin, Sydney, 1983.
- 6 H. Thornton, *Socialism at Work? Queensland Labor in Office* (Ph.D., University of Adelaide, 1986), p. 110. For a contemporary expression: Australian Labor Party (State of NSW) 1931, *Federal Objective and Platform*, p. 7 (Mitchell Library).
- 7 Australian Labor Party (State of NSW) 1931, *State Policy*, p.10. N Wiseman, *Social Democracy in Manitoba: A History of the CCF-NDP*, University of Manitoba Press, Winnipeg, 1983, p. 95. D. Aitkin, *Stability and change in Australian politics*, Australian National University Press, Canberra, 1982, p. 134.
- 8 B. Galligan, *Politics of the High Court: A Study of the Judicial Branch of Government in Australia*, University of Queensland Press, Brisbane, 1987. G. Mavrogordatos, 'Civil Society under Populism', in R Clogg, ed., *Greece, 1981-89: The Populist Decade*, Macmillan, London, 1993, pp. 55-57.
- 9 W. Smith, *The Marketing of Australian and New Zealand Primary Products*, Pitman & Sons, London, 1936, pp. 9-14, 45, 51. B. Graham, *The Formation of the Australian Country Parties*, Australian National University Press, Canberra, 1966, pp. 96-103. Some Labor supporting farmers opposed co-operative marketing because they feared the conservatism of their fellow farmers (Agriculture. Flannery MLA and Representatives of local ALP, 29.1.32, p.3. Deputations to the Minister 1931-42, Archives Office of New South Wales (hereafter AO) 7/6462.1). One of the few farmers to become a Labor MP in recent times, the economic liberal Peter Walsh, accuses country Labor parliamentarians of uncritically accepting organised marketing and assuming that as 'battlers' small farmers were potential Labor voters (P. Walsh, *Confessions of a Failed Finance Minister*, Random House, Sydney, 1995, pp. 40-41, 43). For a similar argument from the opposite end of the Labor spectrum: K. Buckley, 'The Great Rural Bludge', *Meanjin*, vol. 31, no. 1 (1972). Recent proposals from the Queensland and NSW Labor right for the establishment of a separate Labor rural arm are testimony to the strength of this myth (*The Australian*, 15.7.99, p.2)..
- 10 Contemporary economists saw this as the hidden agenda of organised marketing (L. Robbins, *The Great Depression*, Books for Libraries Press, 1971, first ed. 1934), p. 137). For recent agreement (Walsh, *Confessions*, p. 41).
- 11 P. Hansen, 'Winning in 1941', in Easson, *McKell*, p. 52, 75-76.
- 12 D. Murphy, 'Agriculture: 1932-57', in D. Murphy, R. Joyce & C. Hughes, eds., *Labor in Power: The Labor Party and Governments in Queensland 1915-57*, University of Queensland Press, Brisbane, 1980, pp. 194-95.
- 13 R. Mills, 'Conference of Producers and Consumers', *Economic Record*, vol. 2 (1926) pp. 276-77.
- 14 Marketing of Products Act No. 34 of 1927 s. 7 (1) and (2), s.8. The two-thirds requirement was inserted by the Legislative Council.
- 15 *SMH*, 13.5.31, p.9. Graham, *Country Parties*, pp. 241-43.
- 16 C. P. Kindleberger, *The World in Depression 1929-1939*, University of California Press, Berkeley, 1973, pp. 83-86.
- 17 Royal Commission on the Wheat, Flour and Bread Industries (RCW), *Second Report*, pp. 17-21, 119 in *Commonwealth Parliamentary Paper* (hereafter *CPP*), 1934-37, vol. 4, pt. 1.
- 18 The Wheatgrowers Union leader J. Chanter was an ALP state parliamentarian in 1943-47 but he sought Country Party endorsement in 1929 and 1931 (R. Smith, 'Organise or be Damned', Australian Wheatgrowers Organisations and Wheat Marketing, 1927-1948 (Ph.D., Australian National University, 1968), pp. 106-112). The Wheatgrowers' Union resembled the Cattlemen's Union formed in 1979 which was critical of the National Party from a radical right perspective (P. Schmalkuche, *Cattlemen's Union: The First Decade*, Brolga Publishing, Mooraka, [1987?]). Their demands alarmed agricultural economists (Edwards. 'Agricultural Policy', pp. 231-32).
- 19 *LD*, 22. 9. 30, p. 6. 26. 9. 30, p. 5. 30. 9. 30, p. 6., 10.9.30, p.5. 4.10.30, p.9. 11.10.30, p.6.
- 20 *SMH*, 9.6.31, p.7.
- 21 *The Official Year Book of New South Wales 1929-30*, Government Printer, Sydney, 1931, p. 706.
- 22 Investigator under the Milk (Investigations) Act 1936 (IMA), *Report*, pp. 4-5 *NSWPP*, 1937-38, vol. 5.
- 23 Metropolitan Milk Board (MMB), *Report for Year Ended 30 June 1931*, pp. 2, 7. *New South Wales Parliamentary Papers* (hereafter *NSWPP*), 1930-32, vol. 5.
- 24 Milk Board, *Report for the Year Ended 30 June 1932*, p. 7. *NSWPP*, 1935-36, vol. 3. *The Sun*, 7.3.32, p.7.
- 25 *IMA*, *Report*, p. 10.
- 26 *Labor Daily* (hereafter *LD*), 17.10.30, p.4. *Newcastle Morning Herald*, 4. 10. 30, p. 8. *SMH*, 17. 10. 30, p. 12.
- 27 *LD*, 24.9.30, p.14 (Lang's rural policy speech).
- 28 For conflicting views among Country Party as to the source of the rural swing activists see the comments of J T Reid and H Thorby at the Central Council of the NSW Country Party on 19 November 1930 and the Campaign Director's Report by C. Abbott tabled at the same meeting in Minutes of Central Council, vol. 5, 1918-30 ( held at offices of the National Party of Australia (NSW), level 5, 30 Carrington St, Sydney).
- 29 *LD*, 1.4.32, p.6.
- 30 *NSWPD*, vol. 125, p. 1793. 11.3.31.
- 31 FSA deputation, 12.2.31, p.3. in AO 7/6462.1 Agriculture. Deputations to the Minister 1931-42.
- 32 Deputation of beekeepers 1.10.31, p.1. United Beekeepers to US, Agriculture, 3.2.32 in Agriculture. Deputations to the Minister 1931-42, AO 7/6462.1. See also Dunn's parliamentary comments: *NSWPD*, vol. 126, p. 2364 (29.4.31). p. 2422 (30.4.31). p. 2545 (6.5.31). vol. 127, p. 3971. P. 4328 (7.7.31).
- 33 *SMH*, 29.4.31, p.7. 4.5.31, p.7. 11.5.31, p.7. 14.5.31, p.7. 21.5.31, p.7.
- 34 W. F. Dunn, *Second Producers' and Consumers' Conference*, Government Printer, 1931, p. 17 (Mitchell Library).
- 35 *SMH*, 12.5.31, p.10. *Red Tape*, vol. 5 (May 1931), p. 124).
- 36 *NSWPD*, vol. 126, p. 2321. Dunn. 28.4.31.
- 37 *SMH*, 13.5.31, p.9, 12.
- 38 Dunn, *Conference*, p. 5. *SMH*, 12.5.31, p.10. 14.5.31, p.7. 15.5.31, p.9.
- 39 *SMH*, 13.5.31, p.9, 12.
- 40 *SMH*, 19.5.31, p.10 (R A King, Labor Council Organiser).
- 41 *SMH*, 6.7.31, p.7.
- 42 *SMH*, 4.7.31, p.11. 7.7.31, p.8.
- 43 *SMH*, 21.7.31, p.5. 22.7.31, p.9. 23.7.31, p. 7. *Farmer & Settler*, 11.7.31, p.1. FSA, *Proceedings of the 38th Annual Conference*, the Association, Sydney, 1931, p. 6).
- 44 S. Roberts, *History of Australian Land Settlement*, Macmillan, Melbourne, 1968 (first ed. 1924), p. 413. Rural Reconstruction Commission, *Commercial Policy in Relation to Agriculture*, the Commission, [Canberra?], 1946 (10th report), pp. 31-33.

- 45 *NSWPD*, vol. 125, pp. 1620-21. Dunn. 3.3.31, p. 1660. Dunn. 4.3.31.
- 46 *Farmer & Settler*, 7.3.31, p.1. *NSWPD*, vol. 125, p. 1666. Buttenshaw. 4.3.31.
- 47 *SMH*, 15.3.31, p.12.
- 48 *LD*, 24.1.31, p.5. For comments supporting this proposal: *NSWPD*, vol. 125, p. 1673. 4.3.31. Clyne. p. 1708. 5.3.31. Martin. p. 1709. 5.3.31. Dunn.
- 49 *NSWPD*, vol. 125, p. 1620. Dunn. 3.3.31.
- 50 *NSWPD*, vol. 125, p. 1883. Dunn reply to Connors. 17.3.31. *NSWPD*, vol. 125, p. 1627. Olde. 3.3.31. *NSWPD*, vol. 126, p. 2364. Dunn. 29.4.31. *NSWPD*, vol. 131, p. 7961. Culbert. 1.3.32. Eddie Ward, prior to his election for East Sydney, operated a small bakery which large millers boycotted (*LD*, 9.3.31, p.1. J. Lang, *The Great Bust: The Depression of the Thirties*, McNamara's Books, Katoomba, (first ed. 1962), 1980, p. 370).
- 51 Accountant's memo Chief Secretary's Department 22.5.31 in *Bread Contract for Unemployed Food Relief—Shadlers Ltd.*, p.2 (hereafter *Shadlers papers*), *NSWPP*, 1930-32, vol. 5.
- 52 Royal Commission of Inquiry into Bread Prices in the County of Cumberland (RCBP) *Report*, pp. 7-9 in *NSWPP*, 1930-32, vol. 5. A leading flour miller was Robert Gillespie, a CSR director and a leader of the Old Guard (A. Moore, *The Secret Army and the Premier: Conservative Paramilitary Organisations in New South Wales 1930-32*, University of New South Wales Press, Sydney, 1989, p. 89). Millers' profits attracted envy from other capitalists (K. Buckley & T. Wheelwright, *False Paradise: Australian Capitalism Revisited, 1915-1955*, Oxford University Press, Melbourne, 1998, p. 117).
- 53 RCW, *Third Report*, p. 10. *CPP*, 1934-37, vol. 4, pt. 1.
- 54 *SMH*, 20.10.31, p.10. RCBP, *Report*, pp. 7, 17. Eddie Ward believed that baking unions were too sympathetic to the MBA (Lang, *Great Bust*, p. 370).
- 55 *SMH*, 13.5.31, p.11. RCBP, *Report*, p.9.
- 56 *SMH*, 21.9.31, p.9.
- 57 *SMH*, 1.4.31, p.15. 28.5.31, p.9.
- 58 *LD*, 12.6.31, p.6.
- 59 *SMH*, 8.8.31, p.11.
- 60 The history of the scheme is described in the *Shadlers Papers* and RCBP, *Report*, pp. 9-17.
- 61 *SMH*, 4.8.31, p.7, 7.8.31, p.10. *The Sun*, 5.8.31, p. 9. *LD*, 3.8.31, p.5. 4.8.31, p.1. *SMH*, 7.8.31, p.10.
- 62 *LD*, 6.8.31, p.6. *The Sun*, 5.8.31, p.9. *SMH*, 7.8.31, p.10.
- 63 *SMH*, 10.8.31, p.10.
- 64 *SMH*, 8.8.31, p.11.
- 65 *SMH*, 8.8.31, p.11. *Australian Worker*, 12.8.31, p.16. *NSWPD*, vol. 129, p. 5201. Gosling. 11.8.31.
- 66 RCBP, *Report*, p. 2.
- 67 *SMH*, 8.8.31, p.11.
- 68 RCBP, *Report*, p. 21.
- 69 *SMH*, 11.4.32, p.9.
- 70 MMB, *Report...1931*, pp. 6-7. *SMH*, 21.1.31, p.11. 23.1.31, p. 11.
- 71 *NSWPD*, vol. 129, p. 5894. Ely. 2.9.31. p. 6594. Davies. 24.9.31. For contemporary concerns about milk quality: *The Sun*, 18.4.31, p.3. *Truth*, 25.10.31, p.12. 20.12.31, p.13.
- 72 *SMH*, 24.9.31, p.7. 22.6.31, p.9. 26.6.31, p.9. 28.9.31, p.5. 29.8.31, p.11. 4.9.31, p.10. 3.10.31, p. 12. 10.9.31, p.7. 3.2.32, p.17. *LD*, 22.10.31, p.5.
- 73 *NSWPD*, vol. 130, p. 6592. Chaffey. 24.9.31. Chaffey. p. 6592.; p. 6596. Shand., 24.9.31. *Australian Worker*, 9.9.31, p.11. Labor Council. General Meeting Minutes, Meeting 28.5.31 (FM4/1132, Mitchell Library)
- 74 *NSWPD*, vol. 131, p.7111. 25.11.31.
- 75 *The Sun*, 27.12.31, p.1. *The Bulletin*, 2.9.31, p.13.
- 76 IMA, *Report*, p.160.
- 77 *SMH*, 26.12.31, p.10.
- 78 *SMH*, 28.12.31, p.6. 29.12.31, p.7. 6.1.32, p.9.
- 79 General Meetings of the Milk Carters Union, 27.1.32, 16.3.32, 23.3.32 in Milk and Ice Carters and Dairymen Employees Union of New South Wales, Minutes 28.1.31 to 20.12.39 (Noel Butlin Archives Centre, Australian National University, T25/1/3.
- 80 Milk Board, *Report...1932*, p.3.
- 81 Royal Commission of Inquiry into the Administration of the Milk Act, 1931 (RCMA), *Report*, p. x. *NSWPP*, 1932-35 (3rd session). This evaluation of Ely's position seems to contradict his comments in September that so long as the present companies acted to the satisfaction of the Board it might be years before it entered trading itself (*SMH*, 30.9.31, p.11).
- 82 RCMA, *Report*, p. x.
- 83 Milk Board, *Report...1932*, pp. 2-3.
- 84 IMA, *Report*, p.8.
- 85 IMA, *Report*, p. 10. *SMH*, 28.9.31, p.5. *SMH*, 12.3.32, p.14.
- 86 *AW*, 13.4.32, p.7. 9.3.32, p.18. 2.11.22.3.32, *Manufacturers' Bulletin*, vol. 8 (April 1932). p. 2.
- 87 IMA, *Report*, p. 194.
- 88 Milk Board, *Report...1932*, p.3. Milk Carters Union General Meeting, 24.2.32. Milk Carters had often complained about their long hours (*LD*, 25.11.30, p.6.26.6.31, p.6).
- 89 *Working Woman*, 1.5.32, p.2. *SMH*, 8.3.32, p. 9. *The Sun*, 7.3.32, p.7.
- 90 IMA, *Report*, p.11. RCMA, *Report*, p. xviii.
- 91 IMA, *Report*, pp. 22-25.
- 92 D. Abraham, *The Collapse of the Weimar Republic: Political Economy and Crisis*, Holmes & Meir, New York, 1986 (first edition 1981), p. 89 n. 167.
- 93 Buckley, 'Rural Bludge', p. 72.
- 94 *Farmer & Settler*, 25.4.31, p.3. 20.2.32, p.3. The Department of Agriculture recorded a record number of enquiries from farmers in 1931-32 as they sought to cut costs (Department of Agriculture, *Report...30 June 1932*, p.28 in *NSWPP*, 1932-35 (2nd session), vol. 1. On the emergence of the ideal of efficiency in agriculture during the early twentieth century in Australia: M. Lake, *The Limits of Hope: Soldier Settlement in Victoria, 1915-38*, Oxford University Press, Melbourne 1987, p. 49. This argument countered the Democrat-Populist 'free silver' appeal to farmers in the American 1896 presidential election (P. Kleppner, *The Cross of Culture; a social analysis of midwestern politics, 1850-1900*, Free Press, New York, 1970, pp. 306-315).
- 95 G. Lawrence, *Capitalism and the Countryside: The Rural Crisis in Australia*, Pluto Press, Sydney, 1987, pp. 294-95. For a contemporary example see the comments of Celie Moar, Victorian grain farmer and ABC Rural Woman of the Year decrying One Nation's 'agrarian socialism' and claiming it was up to farmers to adapt to the market and a positive attitude to change (*Australian Financial Review*, 7.7.98, p.18).