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SOME ECONOMIC ASPECTS OF THE DEVELOPMENT OF FRUITGROWING IN AUSTRALIA, WITH PARTICULAR REFERENCE TO NEW SOUTH WALES

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1. SUMMARY

Fruit growing has become an important industry in Australia. How important, is shown by the fact that since World War II of the total gross value of agricultural production more than one-fifth was contributed by the fruit growing industry; this, by the way, was produced on one per cent of the total area cropped.

The origin of the industry goes back to the first days of settlement. This article does not purport to provide a full economic history of the subject; rather a few aspects of wider importance are highlighted and it is hoped that it will serve to draw attention to a neglected, but important piece of Australian economic history and contribute to a better understanding of present day conditions in the industry. Many of the existing institutions and many of the problems now experienced, for instance, can be traced back to the last two decades of the nineteenth century.

The fact that the development of this industry has gone almost unnoticed is not surprising. The statistical material relating to the first hundred years is extremely scanty. It was only when fruit growing became of

wider importance as a means of closer settlement that the colonial statisticians paid it any attention. There are more reasons for the neglect. Fruit never played an important role in the Australian balance of payment, a topic of which our economists and historians have been so fond. More important perhaps is the fact that fruit growing has usually been a typical middle class occupation. This middle class never possessed the political powers of the big squatters nor their means of drawing the limelight, neither was it an economically underdeveloped peasant class, "unruly, disorderly and licentious in appearance", pressing on the mind of some humanitarian citizens, and on the purse of others.

Several phases may be distinguished in the history of the industry in New South Wales. The first phase was one of acclimatisation and experiment and lasted roughly to that convenient watershed in Australian history, the gold rush of the 'fifties. During this period we can hardly speak of an industry at all. There were some commercial orchards in existence, but these were exceptions rather than the rule. Fruit growing by earlier settlers was mainly done in backyards to provide some variation in an otherwise monotonous, and often insufficient, diet.

Those who grew fruit at this time, were faced with a double problem. Like others who attempted to till the soil, they were confronted with an unfamiliar environment; the excesses of drought and heavy rainfall, the reversed seasons, the soil; all this required ingenuity and adaptability. But in addition, the fruit grower found that the crops to which he was accustomed—apples, pears, plums or berries—were quite unsuited to the warm and moist climate of the coastal plain. Instead of these, he now had to turn to citrus, grapes, apricots or peaches, fruits which he had heard of, or even might have seen in a glasshouse, but which were otherwise quite unfamiliar to him. During this period, therefore, production increased only slowly and, except for an occasional seasonal glut, was far outrun by demand.

This strong demand increased many times during and after the gold rush. A considerable export trade sprang up, with Victoria as the best customer and citrus as the main crop. The acreage under fruit expanded rapidly and much land which was unsuited for fruit growing was planted. The result was that diseases, and in particular collar rot in citrus orchards, took a heavy toll. As yet, most of the orchards were still in and around the Sydney Metropolitan area, unable to move further away because of the lack of transport facilities for their, often highly perishable, products.

Then, however, the pace of development quickened and between the 'eighties and World War I the industry became thoroughly modern. The use of fertilisers, insecticides and water made fruit growing a less hazardous undertaking. The growth of the railways made it possible to go further afield, while the development of refrigerated transport opened markets, previously undreamed of. But this was only taking away the limitations which stood in the way of expansion. What made fruit growing so important from then onwards was the fact that it came to be regarded as a means of closer settlement. The dictum of the French Revolution that "every man has a right to the land . . . he gains it by labour, and his share ought to be limited by the right of his equals . . . All should have something, none too much"¹ became a cry taken up by such a multitude that no squatter, nor

¹ Quoted by Brain Fitzpatrick, *British Imperialism and Australia, 1783-1833*, (London: George Allen and Unwin Ltd., 1939), p. 32.

politician could ignore it. Australia dreamed of a "millennial Eden" and in the mind of many a dreamer this Eden was to be created out of a large number of irrigated, small scale, family farms, producing fruit and dairy produce. The period had less attractive aspects as well. As the fruit trade developed, the middleman claimed his share. At the same time the New South Wales grower faced a strengthening competition in his traditional markets and instead of the seller's market to which he was accustomed, he now had to adjust himself to a buyer's market.

Despite warning voices, optimism prevailed. Development was measured in terms of the quantities of fruit that could possibly be produced; the capacity of the markets to absorb these quantities was ignored. When the soldiers returned from the War, no one disputed their claim to the land they had fought for and an enormous expansion of the area under certain fruits occurred. With the European production of fruit disrupted and markets therefore apparently assured, all caution was thrown to the wind. Towards the end of the 'twenties, however, marketing problems developed. The depression caused a serious erosion of demand, whilst the European orchards and vineyards had been restored, adding their production to the ever-increasing flow from America and Australia. The difficulties were most pronounced where the producer was dependent on the export market, as in the case of dried fruit and apples, where, with government aid, such institutions as marketing boards grew up. At present we are still in this phase, despite the temporary relief afforded by World War II. Indeed it seems that the list of commodities which suffer from overproduction is still expanding. Pears, pineapples and bananas must now be added. If present planting trends are maintained and overseas markets are further restricted, in the foreseeable future citrus may have to be included also.

2. THE FIRST HUNDRED YEARS, 1788-1880

1788-1800

While Sir Joseph Banks was of the opinion that Botany Bay would be quite a suitable place for a colony, "where, from the fertility of the soil, they, the colonists, might be able to maintain themselves after the first year with little or no aid from the Mother Country", Captain Phillip, some years later, often must have come to a different conclusion, although he never lost faith in the ultimate success of the settlement. Taking everything into account, it is indeed a miracle that the colony succeeded in its first attempt. The environment, the people and the material with which the settlement commenced were unpromising. The site chosen, although ideal from a naval point of view, was entirely unsuited to agriculture. The soil was poor and sandy, difficult to clear from its natural vegetation and full of rocks and boulders.

The men who first arrived were almost equally unfitted. Phillip himself wrote that he was "without the smallest knowledge of botany" and that there was not "even an intelligent gardener in the Colony".² The officers were uninterested and limited themselves to tasks only directly concerned with garrison duty, while the convicts were either unable or unwilling to work, or both.

² Phillip to Lord Sydney, May 15, 1788, *Historical Records of New South Wales* (hereafter referred to as *HRNSW*), Vol. 1, Part 2, p. 128.

The materials brought in the First Fleet were either unsuitable for colonial agriculture or incomplete. There were perhaps a few ploughs available but no horses or oxen; the seeds, after the long journey were weevil-infested and mouldy.³

The fact that agriculture succeeded in these circumstances is due to the perseverance and skill of a few. Phillip mentioned that "two people, who are farmers and the clerk of the Sirius, are employed in cultivating ground . . ." ⁴ One of those was Phillip's servant Henry Edward Dodd, "outside the Governor, probably the most remarkable man in that time and place, and 'worth his considerable weight in gold' ".⁵ There is however one man, described by Tench as the best farmer in the colony,⁶ who may be named as the first cultivator of fruit; this was the Rev. Richard Johnson. Of his experiences he wrote that "soon after our arrival, all the officers had each two acres given to them to clear and cultivate . . . I have taken great pains with my garden. At our first landing I put in some pips of oranges, limes and lemons; these are now some two feet high and seem to be very promising." It seems that these trees survived for a considerable period, "in the year 1810, there stood facing Bridge Street . . . a small verandah cottage with a garden of fruit trees . . . [which] had probably been planted by the Rev. Richard Johnson . . . [grown] from seed supplied by himself from the oranges which he bought at Rio de Janeiro".⁷

These privately owned trees however were not the only trees in the colony. Phillip himself had suggested taking "such fruit trees and cuttings that will bear removing"⁸ and he was instructed "upon his arrival at any of the places [he] may have occasion to touch at, [to] endeavour to obtain such further quantities of seed grain as [he] may think requisite for the tillage of the land."⁹ Phillip interpreted this order broadly, and while it is unlikely that he landed any plants from England, fruit trees were imported both from Rio de Janeiro and Cape of Good Hope. From Rio de Janeiro came, according to David Collins, "banana plants, various sorts of lemons and oranges, both seeds and plants" and from the Cape "a fig tree, vines, quince, apple, pear and strawberry."¹⁰ Phillip writes about these: "All the plants and fruit trees brought from Brazil and the Cape that did not die on the passage thrive exceedingly well."¹¹ This report may have been somewhat over-optimistic for according to Eldershaw "at the end of the first year only some of the fruit trees brought from the Cape (sic) flourished— oranges, limes, lemons, figs and grapes."¹²

³ Phillip to Nepean, September, 28, 1788, *HRNSW* 1, 2, p. 182.

⁴ Phillip to Lord Sydney, May 16, 1788, *HRNSW* 1, 2, p. 139.

⁵ C. J. King, *The First Fifty Years of Agriculture in New South Wales*, Sydney, 1948-49, p. 38.

⁶ W. Tench, *A Complete Account of the Settlement at Port Jackson in New South Wales* (London, 1793), p. 75.

⁷ Dean Cooper as quoted by F. T. Bowman, "A History of Citrus Growing in Australia", *Citrus News* (July, 1955), p. 89.

⁸ Phillip, *HRNSW*, 1, 2, p. 54.

⁹ Phillip's Instructions, *HRNSW*, 1, 2 p. 86.

¹⁰ D. Collins, *An Account of the English Colony in New South Wales* (London, 1802), Vol. I, p. XXVIII.

¹¹ Phillip to Lord Sydney, September 28, 1788, *HRNSW*, 1, 2, p. 190.

¹² As quoted by F. T. Bowman, *op. cit.* As this author points out no record exists of citrus having been brought from the Cape by the First Fleet

The Government-owned plants were originally planted out "near His Excellency's house on the East side" after they had been "safely brought on shore in a few days, and soon we had the satisfaction of seeing the grape, the fig, the orange, the pear, and the apple, the delicious fruits of the Old—taking root and establishing themselves in the New World."¹³ Given the society it could not be expected that the plants would grow undisturbed if not fully protected. The vegetable garden and the orchard were therefore "enclosed by brush fencing. At the North, West and South West corners of the orchard were sentry boxes."¹⁴

The importance of the planting material brought by the First Fleet must not be overstressed. There is no record to show that it served in any way to provide material for the first orchards; on the contrary, all the orchards of which we possess information were planted with later importations. Sir Joseph Banks, Paterson, Macarthur and Busby are just a few names of those who arranged for considerable numbers of plants and seeds to be imported during the first few decades of the settlement and this was the material used in the first orchards.

1800-1850

During the first half of the 19th Century a social pattern of the fruit-growing industry was established which has remained largely unaltered to the present time. A considerable amount of skill and some capital were prerequisites for successful fruitgrowing. The type of settler then who would succeed in the industry was rather narrowly defined. Due to technological factors, the amount of capital which could profitably be invested in fruitgrowing by any one man was rather limited. This limit was defined by the fact that skilled orchard labour usually had to be provided by the owner, whilst harvesting was largely a menial task which required a substantial amount of labour during a fairly short period. Those settlers who commanded more than the limited amount of capital required were better off employing it in the pastoral industries or as merchants. On the other hand, the investment necessary was not so small that the average ticket-of-leave man was able to raise it, while the long period before returns were received from the investment was also a deterrent. The available records tend to confirm this view. The official statistics are very scant; during the early period only for the year 1804 is the area in "orchard" available.¹⁵ However, the definition of the term "orchard" is not given; it must be presumed that only non-citrus orchards are included, as citrus groves up to the 'eighties were named "orangeries". The official statistics then probably refer mainly to apple and peach orchards which at the time were concentrated along the Parramatta Road and at Kissing Point.

Amongst the group "Civil Officers and Superintendents" we find the names of Samuel Marsden, who had planted seven acres of orchard out of his total holdings of 1,720 acres, George W. Evans with 30 acres out

¹³ D. Collins, *op. cit.*, p. 7

¹⁴ D. Collins, as quoted by J. H. Maiden, History of the Sydney Botanic Gardens, *Royal Australian Historical Society Journal*, Vol. XIV, 1928.

¹⁵ King to Hobart, August 14, 1804, *HRNSW*, V., pp. 432-5.

of 539 and William Baker with 9 out of 26 acres. The other settlers were grouped anonymously according to the size of their holdings and as Table I shows, all orchards were held by people in the "100 to 200 acres" class.

TABLE I
Number of Holdings and Acreages—New South Wales, 1804

	Total Acreage Held	In Orchard
327 holdings up to and including 30 acres ..	5,914 $\frac{3}{4}$	..
65 holdings 30-50 acres	2,943	..
134 holdings 50-100 acres	10,667 $\frac{1}{4}$	..
56 holdings 100-200 acres	7,823	18 $\frac{1}{2}$
7 holdings 200-300 acres	1,480	..
3 holdings 300-400 acres	1,055	..
2 holdings 500 upwards	2,060	..

From other sources we obtain a fuller picture of who the fruit growers were and the names of George Suttor, William Joyce, James Squires, Andrew MacDougall and William Mobbs come to the fore. With the exception of Mobbs, who had arrived in the colony a convict, these men were free settlers, who had arrived here during the late 'nineties or during the first years of the nineteenth century.

George Suttor arrived in the colony in 1800 as a young man, 25 years of age. His father had been a gardener on estates of English families and through these connections George had been able to receive an introduction to Governor Hunter and a free passage out for him and his wife on condition that he would look after some plants which Banks was sending to the colony. In 1801 he settled at Baulkham Hills, next to a property owned by MacDougall.

"My father's friend, Colonel Paterson, presented me with three young orange plants he had brought from San Salvador; they were the first orange trees planted at Baulkham Hills, though I had planted and raised many lemon trees from seeds; the lemons were at the time of our arrival 2s. per dozen, but I do not remember seeing any ripe oranges until many years after. In six years some of my own trees had a few oranges, and in 1807 we sent loads of oranges to the Sydney markets then held in Charlotte Square or Place; they were sold at 2s. 6d. per dozen to the fruit dealers in Pitt Street. [By 1812, however,] the Orangery though much improved . . . was not yet sufficient to support the family, but we grew wheat etc."¹⁶

Andrew MacDougall arrived in the Colony in 1799 as a free settler and it appears that he was given a grant of 150 acres by Governor Hunter at Toongabbe.¹⁷ Later returns give his residence as being at Baulkham Hills, Portland Head and the Hawkesbury. William Joyce obtained a Crown Grant at Seven Hills. According to Pye he "brought with him to this Colony seeds of the orange, lemon, apple, pear, plum, apricot and loquat. He was successful in raising trees of all the kinds abovementioned, some

¹⁶ G. Suttor, F.L.S., *Memoirs*, ed. by G. Mackaness (Sydney, 1948). Suttor went to Bathurst in 1822, taking 400 sheep and a few head of cattle. By 1838 he owned some 29,275 acres. He returned to his Baulkham Hills farm in 1834, leaving his sons in charge at Bathurst.

¹⁷ *HRNSW*, VI, pp. 190-2.

of which, now over eighty years of age, are still living and are annually bearing heavy crops of fruit."¹⁸ William Mobbs owned some 30 acres in 1802, probably near Pennant Hills. James Squires received in 1795 a grant of 291 acres of which, by 1802 he had cleared some 120.¹⁹

The life of these first free settlers was not an easy one. In theory they received all the help the Government could possibly make available. Banks wrote that:

"They have a house built for them at the expense of the public. They have a grant of two hundred acres of land, or more if they have sufficient money to clear and cultivate more. They have the usual instruments of husbandry to begin with issued to them out of the King's store. They have the labour of two or three convicts or more if they have money to clear and cultivate a larger tract of land, and these convicts are fed out of the King's stores for nine months. They have provisions for themselves and families supplied out of the King's stores for twelve months. They have a free passage out, and provisions during the passage gratis, with a decent separate cabin. This is the state of the matter as well as I can learn and these are the terms offered to handicrafts likely to be useful to the infant colony."²⁰

In practice, however, things were different. Suttor said that King

"received me with ill humour, he . . . advised me not to land my wife and child in Sydney; if we did we might expect to be robbed of all we had the first night. [He] . . . said that he could not be troubled with my affairs, as he had six thousand people to govern which was as much as he could do."²¹

With regard to the capital these men possessed we have little information. Suttor arrived in the colony with only a few pounds in his pocket, but

"we did at different times receive from our parents, when we had been some years in the Colony, between three and four hundred pounds; my dear wife from Mrs. Dobinson more than 200 in money and presents, from my father about 150 pounds."²²

Thomas Shepherd, who arrived in Sydney in 1826 and who, in return for a grant of land from Governor Darling, undertook to establish a "nursery and fruit garden", owned a few hundred pounds according to his own testimony.²³

One indication of the growth of the industry is the increasing number of nurseries which were advertising in the various Sydney papers. In *Low's Sydney Directory* of 1847, six are mentioned; there were, however, several more in the outlying districts, particularly in Camden and in the Hunter

¹⁸ T. Pye, *History and Culture of the Orange*, Report of the Conference of Fruitgrowers and Vinegrowers, N.S.W. Department of Agriculture, Bulletin I, 1890, p. 18.

¹⁹ *Bonwick Transcripts* (boxed in Mitchell Library). Commissioner Bigge in his *Report into the State of the Colony of New South Wales* mentions Mobbs, as well as two other convicts, George Best and John Pie. He writes (p. 142):—"they have been distinguished for the propriety of their conduct in the colony; for their respectable characters; and for their unremitting industry; and the state of their farms and habitations attest, in a conspicuous manner, the united effects of good conduct in New South Wales, and of industry, when well applied."

²⁰ Banks to Anfrere, July 3, 1798, *Banks Papers* (Mitchell Library).

²¹ G. Suttor, *op. cit.*, p. 41.

²² *Ibid.*, p. 21.

²³ T. Shepherd, *Lectures on the Horticulture of New South Wales*, (Sydney, 1835), p. 2.

Valley. The first tree nursery was probably owned by Mr. Devine. This was located along the creek which still runs through the present Botanic Gardens.²⁴ Mobbs also grew plants for sale; in the books of the Trustees of the Police Fund we find the entry: "Mr. Mobbs for Fruit Trees for Government Garden Parramatta, £7 15s. 0d."²⁵ Propagation of the trees was at that time still done by layering, or seed but budding and grafting became more common even in the first decades of the century. Shepherd, in the 'thirties said that in one season "chiefly in the night by candle light . . . [he had grafted] upwards of 10,000 fruit trees."²⁶

The early orchards appear to have been quite prolific. The first notices that marketable quantities were produced are to be found in the *Sydney Gazette*. In its first issue for instance we may read that:

"On Saturday morning last, 5 boats came in from Kissing Point with fruit, vegetables, potatoes, poultry, &c. Peaches sold from 3d. to 6d. per dozen . . ."²⁷

In 1805 we read that "lemons are at the present season remarkably abundant, and mostly of excellent growth."²⁸ The heavy peach crops temporarily glutted the market:

"This amazing production however is almost lost in this country as the inhabitants and pigs cannot devour an hundredth part of them; some of the settlers make cyder from them which is very bad, and others run the risk of distilling from them an ardent spirit like rum, which, however, is here severely punished when found out . . . as the governor gives every convict a free pardon who discovers a still, and as all the farmers' servants are prisoners, it is very difficult for them to prevent discovery."²⁹

Gradually trade channels developed. A fruit shop was first mentioned in the *Sydney Gazette* of August 15, 1829. This shop was located in King Street and apparently did not only sell retail, but advertised that it also could supply, on two days notice, up to 3,000 dozen oranges.

In the meanwhile, a small export trade sprang up. By 1850 the annual value of this trade had not quite reached £1,000; fruit to a value of £354 was exported to New Zealand, and £465 to "other Colonies", the balance went overseas. Most of this export consisted of citrus which was sold to Tasmania and Victoria. Earlier attempts to create an export trade in dried fruit met with no success, as could be expected. In 1824 the British Society of Arts had announced that the Gold Ceres Medal would be granted "to the person who shall prepare import into Great Britain the greatest quantity, not less than 100 lb. of dried fruits, similar to those now imported from the Mediterranean, of good quality, and the growth of the Colony of New South Wales."³⁰ In fact, the first exports of dried fruit in commercial quantities from New South Wales did not occur till the 'nineties, although some small quantities had been exported since the 'forties. Gradually a

²⁴ *Sydney Gazette*, August 7, 1803. In 1803 a number of apple plants were stolen from his nursery and Devine advertised that a reward of 10 guineas would be given for the recovery of these.

²⁵ *Wentworth Papers*, December 31, 1819 (Mitchell Library).

²⁶ T. Shepherd, *op. cit.*, p. 4.

²⁷ *Sydney Gazette*, March 12, 1803.

²⁸ *Ibid.*, June 23, 1805.

²⁹ Dr. J. Arnold to his son (?), March 18, 1810 (Mitchell Library).

³⁰ *Sydney Gazette*, February 26, 1824.

wider range of fruit was offered on the market. Grapes were grown on the Hunter and carried to Sydney and in 1844 it was reported that for the first time cherries and plums were offered in quantity.³¹ The Sydney market was capable of absorbing considerable quantities of fruit and although the lack of cool storage facilities and the absence of other means of preserving made for oversupply at times, the fact that by 1850 the import of dried and fresh fruit amounted to some £11,800, shows that there was scope for expansion.

Of course this was not surprising for the New South Wales of 1850 was in a prosperous condition. The slump of the early 'forties was all but forgotten, construction of the first railway had begun and the inhabitants were even discussing the necessity for a University. Germany was ousted from the British wool market and although prices had not yet reached their former height, total receipts were increasing fast, due to the expanding production. The total value of export from New South Wales in 1850 totalled £2.4 million, or almost £13 per caput.

The fruit growing industry was in the hands of small settlers with some capital. Like the Wakefieldian "Kilkenny cats" they were quite willing to fight for what they considered their rights, although they never could be as vocal as the group of big squatters. Suttor willingly went to prison for his role during the Rum Rebellion when he refused to obey the military government and MacDougall, Mobbs, and Joyce had been unequivocal in their welcome to Bligh. The geographical spread of the industry was still very limited. Most of the orchards were located in the County of Cumberland, with small lots of citrus and grapes in the Hunter district and some pome and stone fruits at Bathurst and Goulburn.

1850-1880

During the gold rush and the two decades immediately after, fruitgrowing expanded rapidly and the industry spread over a wider area. New fruitgrowing districts sprang up around the goldfields, such as, Batlow and Young in New South Wales and Bendigo and Ballarat in Victoria. An increasing number of the population was employed in horticulture, not only in absolute terms, but also relatively. Whilst in 1846 approximately 0.50 per cent of the total population was engaged in fruit and vegetable growing, this figure rose to 0.65 per cent in 1871. During the same period the number of those engaged in the agricultural and pastoral industries, decreased from 17.6 to 12.1 per cent.

If the price level was any indication, then it is clear that initially the supply lagged well behind the demand. This, of course, was not surprising as on the one hand it took several years for the new orchards to come into production whilst, on the other hand, the population of New South Wales and Victoria increased from some 265,000 in 1850, to nearly 896,000 a decade later. Other factors such as the rising standard of living and the shift away from rural industries contributed to the potential demand. One would not expect the typical farmer or farm labourer to be fruit consumers to any great extent; these were to be found in the cities or in the mining centres.

³¹ *Sydney Morning Herald*, December 19, 1844.

No statistical information regarding acreage or production is available at all, except for grapes, but an indication of how production rose may be found in the figures for the value of export. In 1850 exports of fresh fruit produced in, and exported from, New South Wales were worth less than £1,000; by 1860 they amounted to £61,500. At the same time imports rose also, although not as much. In 1850 imports of fresh fruit into New South Wales were valued at approximately £400, in 1860 the figure had risen to nearly £12,000, more than half of this amount being represented by the import of apples from Tasmania. It appears, therefore, that during this period a certain degree of specialisation occurred, the New South Wales growers turning more to citrus, whilst pome fruit could be supplied cheaper by Tasmania and Victoria.

TABLE II
New South Wales Fruit Export
(Produce of New South Wales)

	1850	1860	1870	1880
	£	£	£	£
To—				
New Zealand	354	976	3,573	17,458
Victoria		57,101	37,634	42,910
South Australia	465	398	10	167
Tasmania		256	1,377	2,636
Queensland		2,725	8,850	25,364
South Sea Islands	3	10	98	974
U.S.A.	50		20	865
Other	30			7
Total	902	61,466	51,562	90,381
Number of Packages ..	1,245	33,222	125,327	237,041
Average Value per Package	14s. 6d.	37s. 0d.	8s. 3d.	7s. 7d.

Source: N.S.W. Statistical Registers.

These importations of dried, fresh and preserved fruit incidentally provided the Government with a small but steady income, the amounts received as import duties in 1880, for instance, totalling nearly £37,500, fifth in magnitude after such typical revenue raisers as spirits, tobacco, sugar and tea. As early as 1819 an import duty had been levied on dried fruit; by 1880 this duty amounted to 2d. per lb., whilst fruits preserved in liquids were dutiable at a rate of 2s. 0d. per dozen quarts or 1s. 0d. per dozen pints.³² Since 1800 a "wharfage fee" had been levied on fresh fruit³³ which by 1880 amounted to 4d. per package inward, or 3d. outward. The aim of these acts was purely revenue raising and they were not intended to protect an infant industry. There can be no doubt, however, that the import duty assisted the dried fruit industry. Around 1890 for instance Australian cooking raisins sold at 5d. per lb. in Melbourne; the London

³² 34 *Vic.*, No. 21.

³³ Legalised by Act of Council, 6 *Geo.* IV, No. 2, 1825.

price, however, was only 2¼d., the difference being mainly due to the import duty of 2d.³⁴ Without this protection it would have been unlikely that the dried fruit industry could have been maintained.

This rapid expansion had serious drawbacks. Citrus growing had become the major branch of the industry, but land suitable for this crop was becoming scarce around the Metropolitan area, and orchards were planted in places where profitable crops could never grow. Furthermore, in the established fruit districts the orchards were no longer isolated patches, sheltered by natural growth. Consequently such diseases as collar rot, caused by inadequate drainage, and insect pests spread rapidly. By 1865 conditions had become sufficiently serious for the Government to take action and a Select Committee of the Legislative Assembly was appointed to report. Their report was tabled in 1866. As to the causes of "the destruction of orange trees during the last few years [which] has been enormous, occasioning great loss to individuals and to the community at large"³⁵ little was known, although some of the witnesses called, mainly practical orchardists, showed that they were aware of means of preventing collar rot. Charles Moore, Director of the Botanic Gardens and first witness called, stated that

"there appear to be two kinds of diseases; first the disease which attacks the plants at the collar . . . the other . . . the plants are attacked, that is to say, scale or mealy bug . . . As to the cause of the disease first alluded to . . . I am unable to arrive at a conclusion satisfactory to myself."³⁶

That the diseases and pests were not something new is borne out by the evidence of R. E. McIntosh who, when asked whether he had "noticed any disease in orange trees during the last few years", answered, "nothing more than I formerly noticed for the last twenty years."³⁷ From this, and other evidence, it may be concluded that these pests and diseases were not recent importations but that now, with land closer settled, they were able to obtain a foothold.

The difficulties were not easily overcome. During the 'seventies Clarson wrote that

"it is perfectly saddening to visit the Parramatta and Lane Cove orange districts, it being quite the exception to find an orchard free from disease, while hundreds of once-thriving groves have been abandoned and left to decay."³⁸

And in the 'eighties Alderton said: "insects injurious to the fruit industry are increasing with alarming rapidity, and none more so than the destructive scale."³⁹ Control of these pests was not effectively possible until the introduction of oil emulsion sprays in the 'nineties.

³⁴ *Victorian Yearbook* (Melbourne: Government Printer, 1892), p. 502.

³⁵ *Report, Select Committee on Diseases in Fruit Trees*, V. and P. Legislative Assembly, 1866.

³⁶ *Ibid.*, p. 9.

³⁷ *Ibid.*, p. 47.

³⁸ As quoted by F. T. Bowman, *op. cit.*, November, 1955.

³⁹ G. E. Alderton, *Treatise and Handbook of Orange Culture in Auckland, New Zealand* (Wellington, 1884), p. vi.

One result of these checks to orange growing was that where suitable land was available and proper care in cultivation was exercised it remained a profitable undertaking. Alderton wrote in 1884 that

“the view of the matter in Australia is put this way: Given a suitable site and other circumstances favourable, the crop will pay four times better than anything else you can grow . . . Mr. Pye informed me that trees of mature growth . . . will not average less than 100 dozen oranges per year, the lowest average price given for a crop being 6d. per dozen so that each tree should average £2 10s. 0d. a year.”⁴⁰

Despite the setback, the level of export was maintained and even increased during the 'sixties and 'seventies. Fig. 1 gives an impression of the relative importance of fruit in the export of New South Wales products during those years.

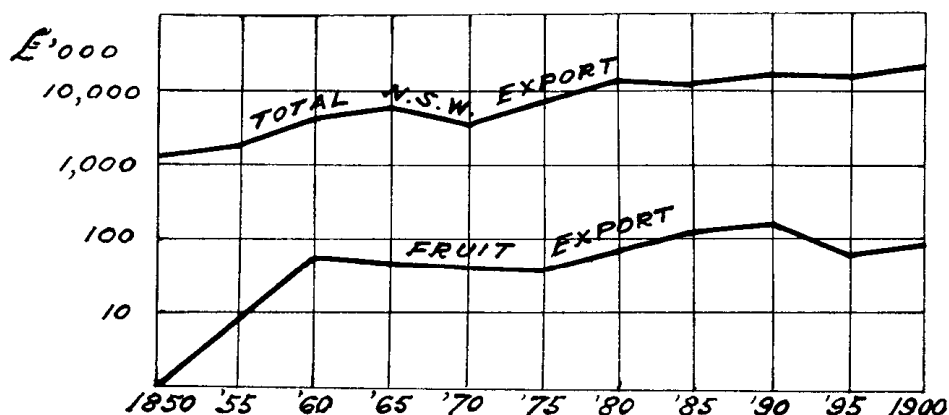


Fig. 1.—Value of Total Export (New South Wales produce and manufacture) and Export Fruit (New South Wales produce), 1850-1900 (selected years), £'000

Source: N.S.W. Statistical Register.

To a certain extent the initial sharp rise in the values of export and the later levelling off have to be explained by fluctuations in the price level as Table II shows. There is no reason to assume that the nature of the package changed to any extent during this time. All the export was of fresh fruit and the normal way of packing this was in gin cases. The changes in the average price of the “package” therefore can be attributed almost wholly to changes in the price level of fruit. These changes may be explained by the sharply increased demand during the gold rush, with Victoria “the gold centre of gravity”, as New South Wales’ best customer. The reaction of New South Wales growers was to expand the area under

⁴⁰ *Ibid.*, p. 2.

orchard substantially and as it took several years for these plantations to come to full bearing, it was not until the late fifties that this increased production became evident in the export statistics as shown in Fig. 2.

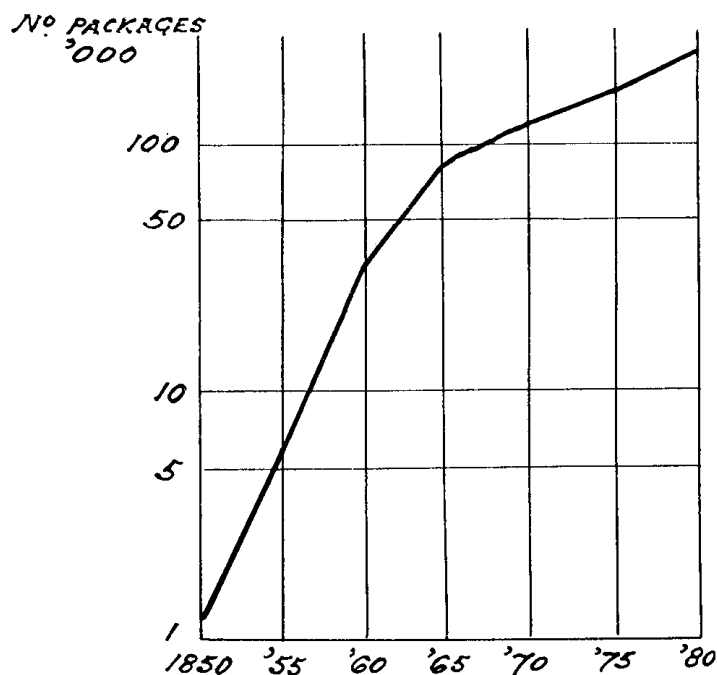


Fig. 2. Export of New South Wales Fruit, Number of Packages, 1850-1880 (selected years)

Source: N.S.W. Statistical Registers.

TABLE III

Import of Fresh Fruit—New South Wales

	1850	1860	1870	1880
	£	£	£	£
From—				
Victoria	1,362	1,177	324	10,796
Tasmania		6,900	13,919	35,581
South Australia .. .. .		..	16	2,948
Queensland .. .. .	..	2,729	3,333	4,674
U.S.A. .. .. .	..	..	..	1,569
South Sea Islands .. .. .	..	1,118	12	9,863
Other .. .. .	..	..	8	30
Total	1,362	11,924	17,612	65,461

Source: N.S.W. Statistical Registers.

During this period the importation of fresh fruit did not keep pace with export. Table III shows a breakdown according to origin for selected years, whilst the growth of the discrepancy between imports and exports is also shown in Fig. 3.

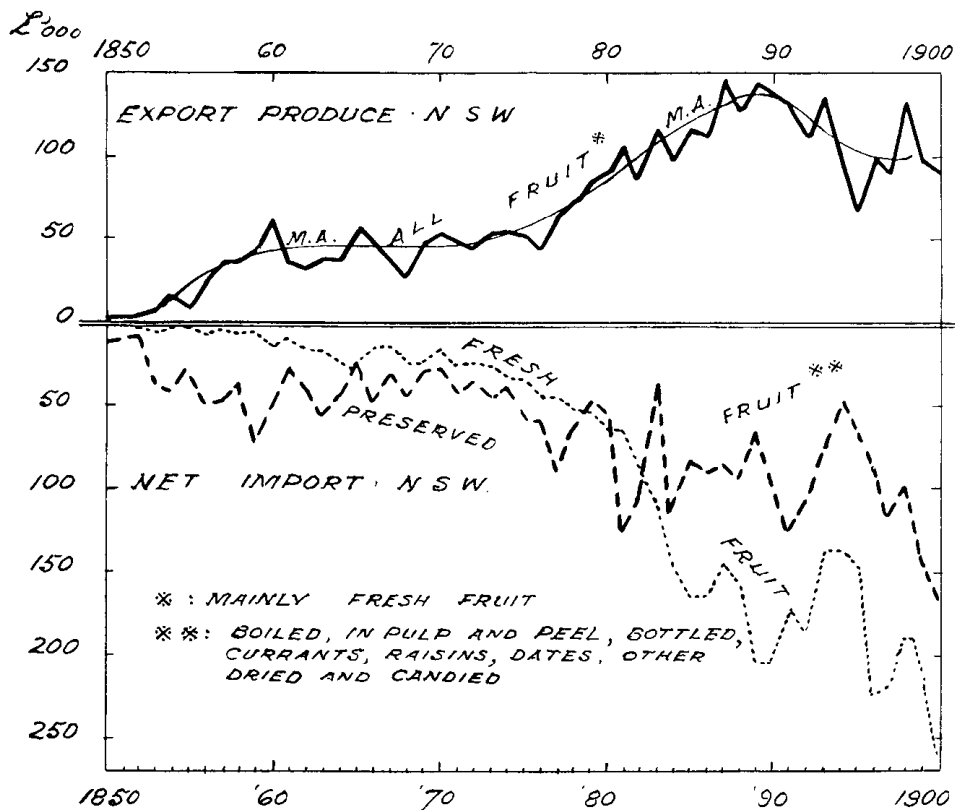


Fig. 3.—New South Wales Export of Fruit (Produce of New South Wales) and Net Import (Total import New South Wales less Re-export).

Source: N.S.W. Statistical Registers.

While it is impossible to calculate an average value per package for all imports due to the fact that different types of package were used, the shipments from Tasmania, practically all apples, are comparable. Table IV sets out the average values for New South Wales exports and imports from Tasmania.

TABLE IV
Average Value per Package of Fruit Exported and Imported

	Exported from N.S.W.		Imported by N.S.W. from Tasmania	
	s.	d.	s.	d.
1850	14	6	..	..
1855	31	1	..	..
1860	37	0	22	5
1865	13	6	10	10
1870	8	3	8	2
1875	6	5	7	4
1880	7	7	8	10

Source: N.S.W. Statistical Registers.

From these figures it may be concluded that a considerable erosion of the price level had occurred and by the end of the 'eighties, when a general depression started to develop, it became clear that even citrus growers, who previously had been so optimistic, commenced to worry about their markets. The period of almost unlimited demand for the very limited supplies was over.

3. THE PERIOD OF COMMERCIALISATION, 1880-1914

The Economic Background

"During the thirty years 1861-1890, Australian economic growth as a whole was sustained, stable and rapid."⁴¹ This period of prosperity when "children grow to middle age without personal experience of economic depression" came to an end during the late 'eighties and was followed by a severe depression, lasting several years. Recovery was slow and hampered by the "Big Drought" of the 'nineties and a spell of dry years during the first decade of this century.

In the meanwhile, throughout the period of prosperity, slump and recovery a transformation of Australian society took place. From our point of view the most striking aspect of this change was the degree of urbanisation. Up to the 'seventies most people had lived in rural areas; by 1914 three out of every four inhabitants of New South Wales had become town dwellers.

Although probably the greatest amount of new capital investment went into the building and pastoral industries, agriculture also expanded considerably. Indeed, if we want to speak of an Australian agricultural revolution, then this was the time that it occurred. In 1850 production and marketing methods were only little removed from medieval techniques. At the end of the century the widespread use of machinery and fertilisers, and the introduction of new varieties had radically changed production, whilst the building of railways and the development of refrigeration widened the market for agricultural products from perhaps some 10 or 20 miles from the centre of production to embrace the entire world.

The story of agricultural expansion during this period was dominated by wheat. In New South Wales the area under this crop increased from less than 129,000 acres in 1860 to 1,500,000 acres at the turn of the century and again almost doubled during the decade and a half following. Australia, which, except for a short period during the Californian gold rush, had been a wheat importer until 1870, now became one of the great exporters of bread grain.

But, as it turned out, wheat proved a disappointment in one respect at least. At the time of the Selection Acts, and before, thinking on closer settlement had been mainly in terms of wheat. However, as wheat-growing expanded, the yield per acre declined and more and more farmers

⁴¹ N. G. Butlin, "The Shape of the Australian Economy, 1861-1900", *The Economic Record*, Vol. XXXIV, No. 67 (April, 1958).

found it necessary to invest capital in machinery. The result was that the wheat acreage on the typical farm increased rapidly. In Victoria, for instance, in 1858 some 16 per cent of all cropped land was on farms of 500 acres and over, by 1900 this figure had increased to almost 50 per cent.⁴² The same trend was noticeable in New South Wales.

The shock waves which travelled through the Australian economy as a result of the depression and the struggle of the trade unions for improved conditions had far-reaching results. While the unions, in their fight against the employers, were defeated again and again, the political Labor Party was able, after a thorough organisation in the electoral districts, to obtain the balance of power in the New South Wales Government, and although Reid, the Premier, was a Liberal, "the Labor Party, . . . kept him in power for five years simply because he passed the measures they wanted."⁴³ This Labor Party, although more radical than the Trade and Labour Unions of the 'seventies and 'eighties, was hardly motivated by a strong socialist ideology. The one-class Australian society it dreamed of would, preferably, have consisted of a class of small capitalists. The Labor Party, therefore, proved to be a strong force behind the move towards closer settlement and State aid to small farmers, whilst the Liberals, mindful of Aristotle's dictum that "where husbandmen of small fortune predominate, government will be builded by law" were neither able nor willing to put up serious resistance. By 1906 the fighting platform of the New South Wales Labor Party contained the following planks:

- "(2) Land Acts to be consolidated and simplified, and to provide for:—
 - (a) Compulsory resumption of private lands for Closer Settlement.
 - (f) Every Australian citizen, not already holding land to the value of £500 to have a preferential right to acquire an area of land up to that value. Preference to be given, first, to persons holding no land, and, second, to small holders requiring additional holdings, such areas not necessarily be deemed living areas.
 - (f) Provision for workingmen's blocks in centres of population.
- (3) Water Conservation and Irrigation with resumption of all frontages to water so conserved, together with such lands as are benefited thereby, which are suitable for Closer Settlement."

State aid to small farmers was promoted then by two motives; in the first place the desire for closer settlement, in the second place as a means of lightening the burden of the unemployed during the depression of the 'nineties. The concrete result of the latter was the Village Settlement Act of 1893, officially known as an "Act to Establish and Regulate Labour Settlements on Crown Land". The arguments in favour of the proposed Act, as expressed in the debates in the Legislative Assembly, were to relieve the pressure of unemployment. G. D. Clark, who introduced the matter in the House, said "as long as something is done to relieve our overcrowded centres by placing the people on the land on easy terms I will be quite satisfied."⁴⁴ The difficulty, of course, was that those people who were

⁴² E. Dunsdorfs, *The Australian Wheatgrowing Industry 1788-1948* (Melbourne: The University Press, 1956), p. 118.

⁴³ W. G. Spence, *Australia's Awakening* (Sydney and Melbourne: The Worker Trustees, 1906), p. 240.

⁴⁴ *New South Wales Parliamentary Debates*, Session 1892-93, 1st Series, Vol. LXV, p. 7226.

likely to succeed on the land were not to be found amongst the city unemployed whilst, as was pointed out, a man needed at least some capital to start and "these people have not got £3" said one member. Eventually, the Act provided for a loan of £25 to aspiring settlers, but the effects were negligible.

'000 Acres

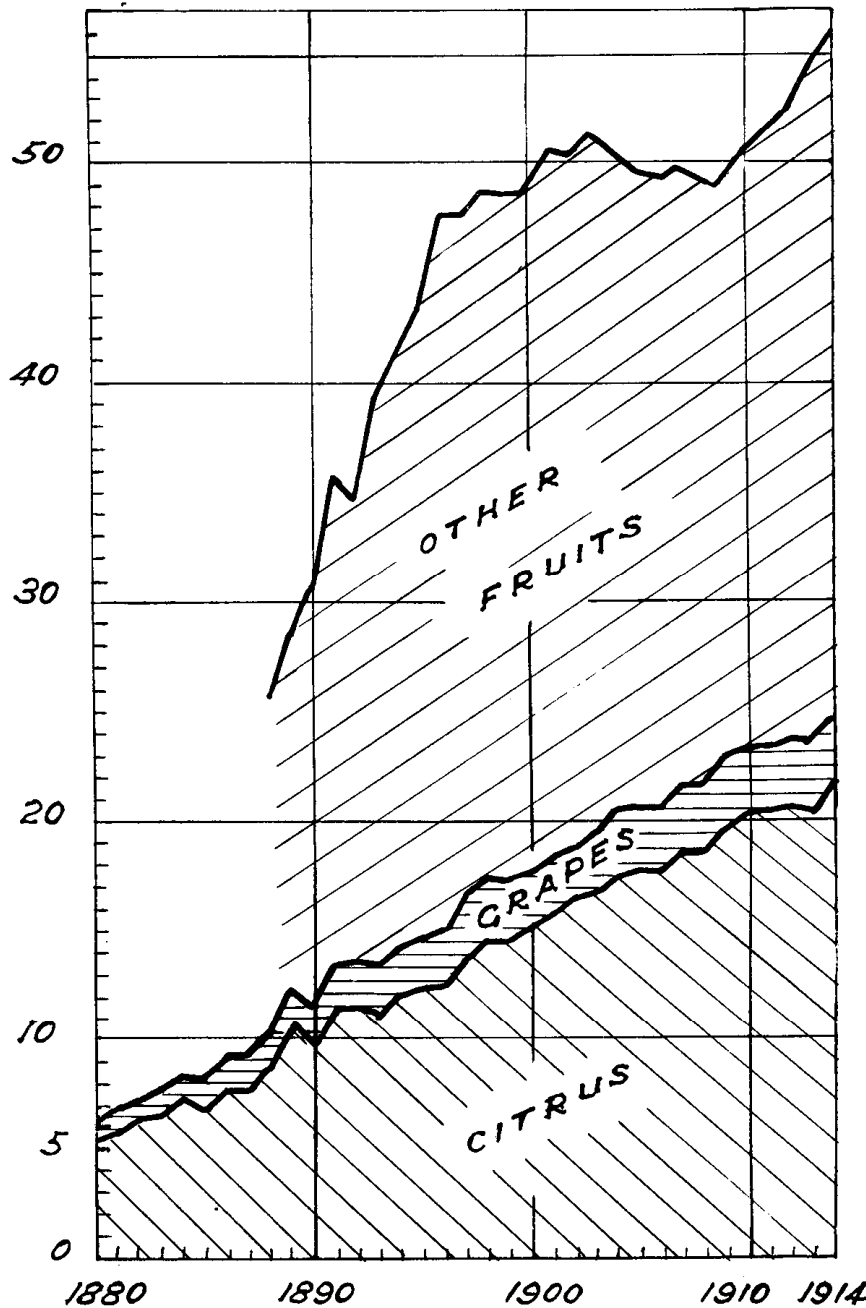


Fig. 4. Acreage of Citrus, Table Grapes and Other Fruits, 1880-1914—New South Wales

Source: N.S.W. Statistical Registers.

State aid to small farmers, however, initially conceived as an emergency measure, gradually extended and was incorporated into the Australian economy. The aims of State aid now widened, where first it served to relieve, it now became accepted as a measure to stimulate development.

Expansion and Geographical Spread

From Fig. 4 one may get an impression of the increase in acreage of orchards and table grapes which occurred during the period from 1880 to 1914 in New South Wales. Prior to 1888, no figures were available for "fruits, other than citrus or table grapes", but it is almost certain that the total area for fruit production (wine grapes excluded) was not less than 20,000 acres. As can be seen, the depression of the 'nineties had little influence on the expansion, but during the first decade of this century the acreage of "other fruits" decreased considerably while citrus continued to increase.

TABLE V

Acreage of Fruit in New South Wales—Other than Citrus and Grapes

	1900	1910
	'000 Acres	'000 Acres
North Coast	0.5	0.1
Hunter and Manning	2.4	2.6
Metropolitan	14.2	8.6
South Coast	2.8	2.6
Northern Tablelands	1.6	1.4
Central Tablelands	4.4	4.7
Southern Tablelands	2.8	2.0
Western Slopes	2.4	4.3
New South Wales	31.3	27.2

Source: N.S.W. Statistical Registers.

Table V shows that the decrease was limited mainly to one area, namely the Sydney Metropolitan districts.⁴⁵ The decrease may be partly explained by a switch from pome and stone fruits to citrus in this area, although from Table VI it becomes clear that the overall importance of the Metropolitan area as a fruit producing district was diminishing.

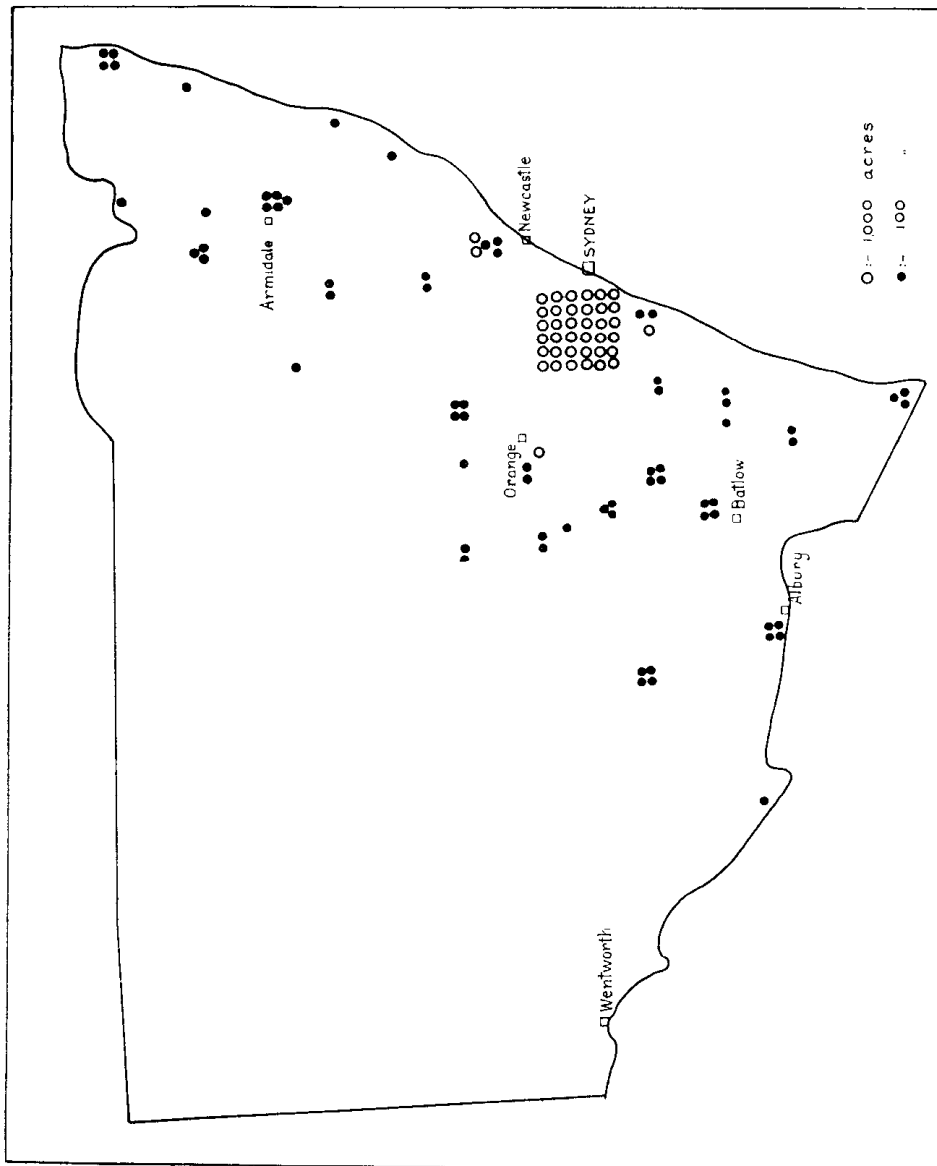
TABLE VI

Acreage of Fruit—Sydney Metropolitan Area

	1900	1910
	'000 Acres	'000 Acres
Table Grapes	1.3	1.0
Citrus	10.1	12.2
Other Fruits	14.2	8.6
Total Metropolitan	25.6	20.1

Source: N.S.W. Statistical Registers.

⁴⁵ No comparable figures by district are available for 1890. Map Nos. 1 and 2, however, show the extent of geographical spread over this period.



Map 1. Principal New South Wales Fruitgrowing Areas, 1890. (The position of the symbols is approximate only. Based on returns by electoral districts.)

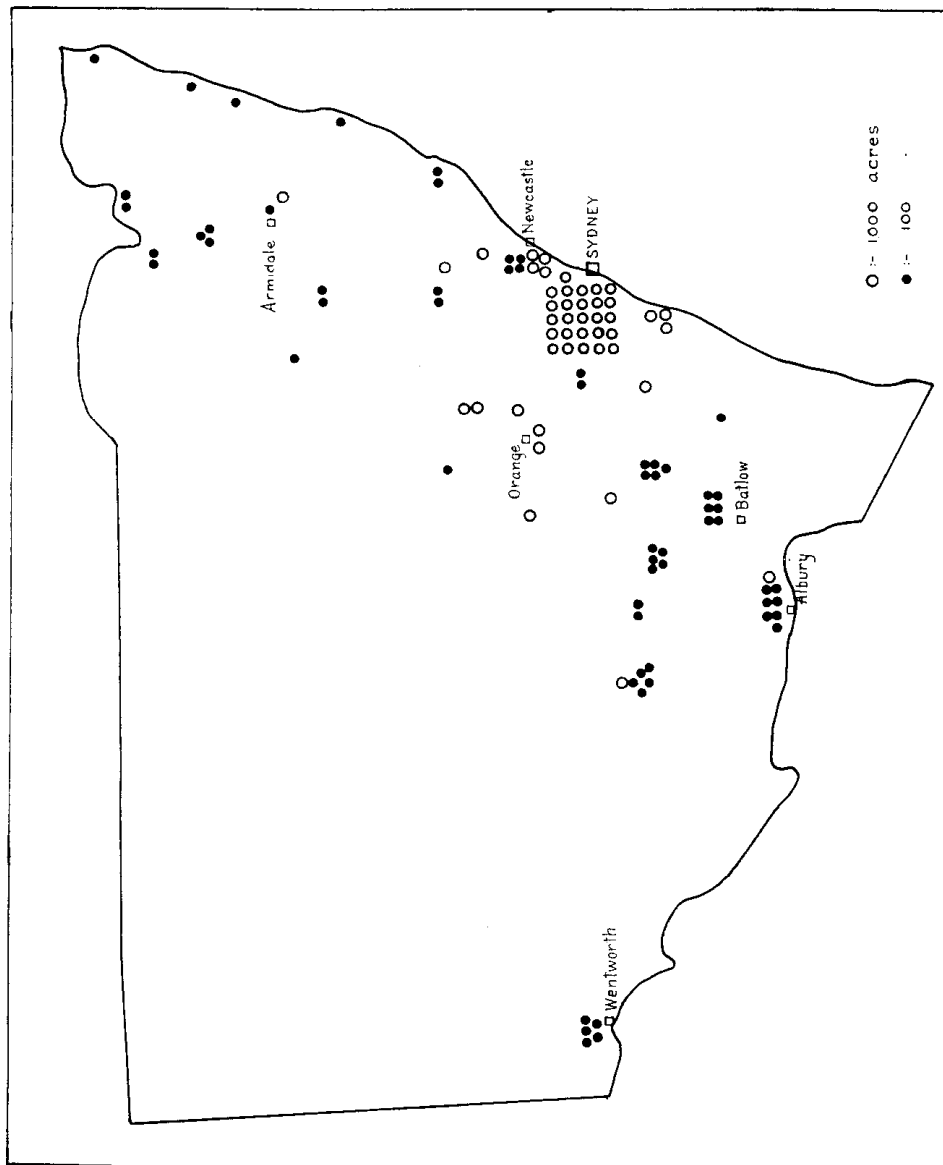
Table VII gives an impression of the spread of citrus cultivation over the State. The greatest relative gain was made in the Hunter and Manning Division (mainly in the Gosford district), and considerable expansion also occurred in the Metropolitan and Central Tableland (Kurrajong district) Divisions.

As far as table grapes were concerned, a much wider geographical spread was noticeable. This may be explained by the nature of the fruit, which made transport over any long distance impossible, so that supplies had to be grown in the vicinity of the place of consumption. Table VIII shows their distribution over the State. Here the biggest increase was

TABLE VII
Acreage of Citrus Orchards—New South Wales

	1900	1910
	'000 Acres	'000 Acres
Hunter and Manning	0.7	2.5
Metropolitan	10.1	12.2
Central Tablelands	3.7	4.6
Other Districts	0.5	0.8
Total New South Wales	15.0	20.1

Source: N.S.W. Statistical Registers.



Map 2. Principal New South Wales Fruitgrowing Areas, 1914. (The position of the symbols is approximate only. Based on returns by county.)

made on the Murrumbidgee River where the use of irrigation was growing steadily. In addition to table grapes, by 1910 some 284 acres of grapes were cultivated for drying purposes; of this total, 210 acres were in the Western Division, East of the Darling, and these were mainly grown in the Curlwaa irrigation settlement on the Murray.

TABLE VIII

Acreege of Table Grapes—New South Wales

	1900	1910
	Acres	Acres
North Coast	60	81
Hunter and Manning	386	547
Metropolitan	1,312	1,017
Tablelands	455	418
Western Slopes	377	469
Riverina	31	244
Other Districts	68	104
Total New South Wales	2,689	2,880

Source: N.S.W. Statistical Registers.

The depression of the 'nineties had no immediate effect on the trend in planting; however, Fig. 5 clearly shows that the income of the growers was seriously affected. Although earlier figures for citrus are not available, reference to the curves for total returns and return per acre of fruits other than citrus or grapes shows that a sharp drop in values occurred during 1893. Recovery did not occur until the middle of the first decade of this century. The increase in total values which then took place, may have been due to two factors, increased prices and greater productivity. J. G. R. Bryant wrote about pome and stone fruit:

“The jump from £6 8s. 0d. per acre in 1903 to nearly three times that amount in 1912, is striking evidence of the advance in methods of fruit culture. The price of fruit in the market admittedly has appreciably increased, but it does not by any means represent the whole difference . . . though it has to be borne in mind that the cost of working an acre nowadays [1914], as regards labour, manures and the checking of pests, is distinctly higher than it was ten years ago, largely because more work and feeding are put into the orchard. An important factor in the better return is the greater care bestowed upon the trees and the land.”⁴⁶

The fact that some growers were aware of the possibilities of improved techniques is borne out by statements made by delegates at the 1890 Frutigrowers' Conference. As one delegate put it:

“The present state of fruit cultivation is, generally speaking, in a backward condition, which may be accounted for by the fact that the fruit-grower hitherto has found no difficulty in making a comfortable living without the necessity of expending much labour on the cultivation of his orchard. Until recently the fruit-grower has had the markets pretty much to himself. But the time has now arrived when the fruit-grower is brought face to face with keen competition in the shape of imports from neighbouring

⁴⁶ *BAAS Handbook for New South Wales*, published for the N.S.W. Committee by Edward Lee and Co., Sydney, 1914, p. 263.



Fig. 5. Total Value New South Wales Fruit Crop and Return per Acre, "Citrus" and "Fruit other than Citrus or Grapes"—1889-90 to 1913-14

Source: N.S.W. Statistical Registers.

colonies and from America, and he will be obliged to consider the cheapest and most profitable way of working his orchard, as well as to adopt the most improved systems, in order that his orchard may be made to produce compensating results.”⁴⁷

Whether or not productivity increased as suggested by Bryant is, however, difficult to determine. Figures available relate to citrus only (Fig. 6) and whether or not these figures are reliable enough to warrant any conclusions is doubtful; the sharp drop from the level previous to 1894 to a much lower level thereafter, for instance, is difficult to explain.

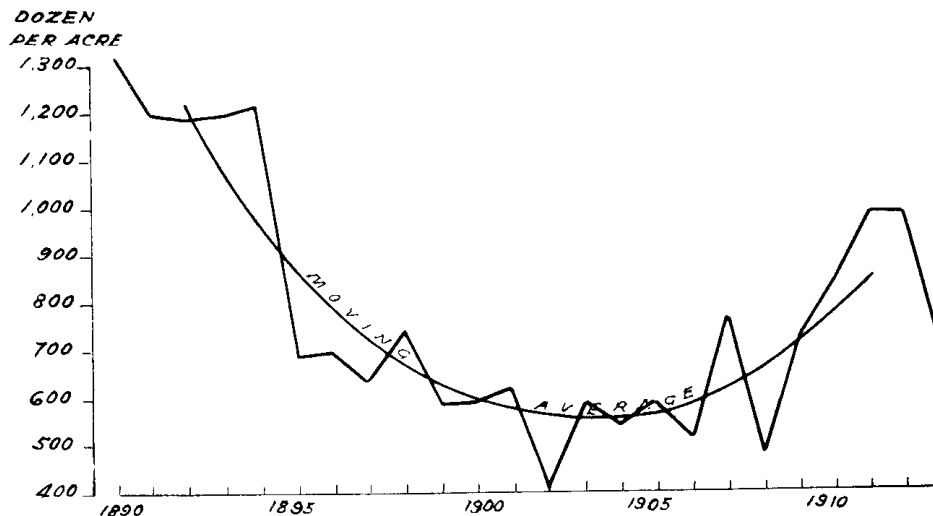


Fig. 6. Production per Acre, Citrus Orchards, New South Wales—1890-1913
 Source: N.S.W. Statistical Registers.

Another matter concerning which reliable information is not available relates to the number and size of holdings. In Fig. 7, the total number of holdings of citrus orchards and their average acreage is plotted. Again the value of the material is debatable and any conclusions would be speculations only.

The fact that until 1905 returns per acre for citrus were higher than for other fruits, may explain the relative decline in the acreage of the latter. During the 'nineties citrus orchards comprised some 33 per cent of the total acreage used for fruit production, 4 per cent was used for table grapes and some 63 per cent for other fruits. By 1914 these proportions were respectively 40 per cent, 5 per cent and 55 per cent.

Some details regarding the composition of the orchards are available towards the end of this period, when the Statistician published the figures relating to the total number of trees in New South Wales as set out in Table IX.

Although no particulars regarding the geographical spread of these trees were given, from the evidence of other sources⁴⁸ we may conclude that by 1914 the pattern was very similar to the present day. This had

⁴⁷ *Report of the Conference of Fruit Growers and Vine Growers*, (Sydney: Government Printer, 1890), p. 7.

⁴⁸ c.f. *BAAS Handbook for N.S.W.* and various reports of the Department of Agriculture.

not always been so, however. As the waves of occupation rolled West or along the North and South Coast, the settlers usually had rather high hopes as to the fruit crops they would be able to grow. Citrus was planted on the tablelands and apples on the Far North Coast. After some time however the results made it clear that these experiments would be

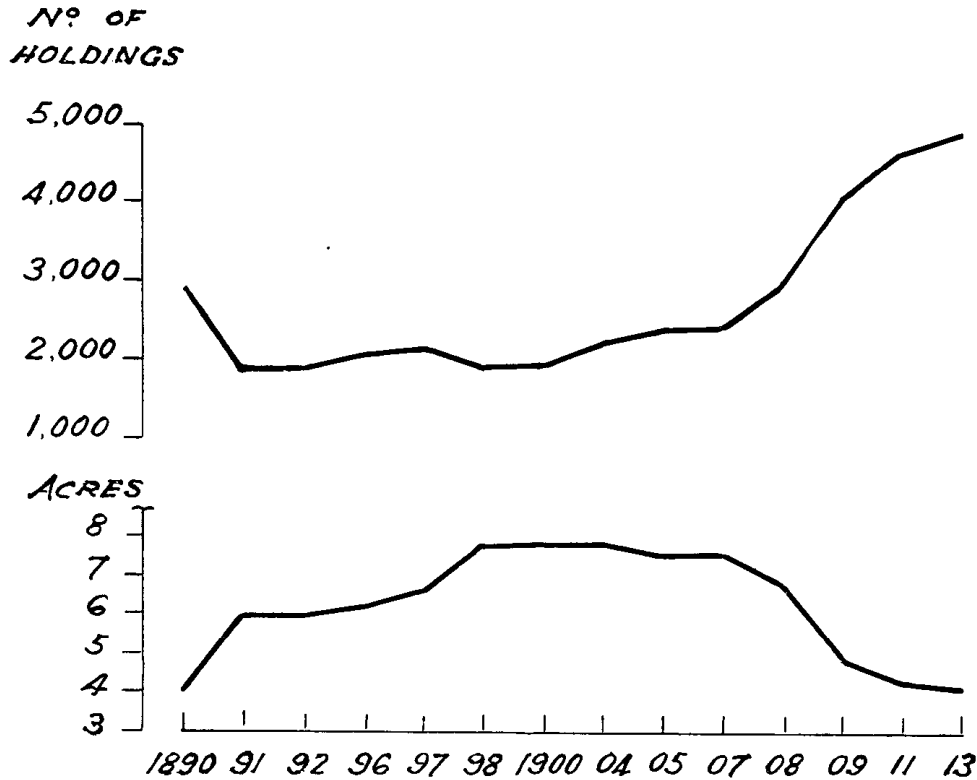


Fig. 7. Number of Holdings on which Citrus was Grown and the Average Acreage of Citrus per Holding New South Wales—1890-1913

Source: Coghlan—Wealth and Progress of N.S.W.

TABLE IX

Tree Numbers 1913-14, New South Wales

Oranges	'000 Trees
Lemons	1,109.4
Mandarins	265.2
Other Citrus	458.2
Apples	4.2
Peaches and Nectarines	942.7
Pears	746.8
Cherries	220.9
Apricots	220.2
Plums and Prunes	116.5
Quinces	191.8
Persimmons	45.7
	7.1

Source: Official Year Book of New South Wales.

unsuccessful and then the particular culture disappeared. Even during the short period of time between 1890 and 1910, fruit growing on the Far North Coast all but disappeared for this reason, as can be seen by comparing Maps 1 and 2.

In general the main body of growers seem to have been slow in adjusting themselves to the new conditions which now prevailed in the industry, and which will be discussed later. Nevertheless, some action was taken. In 1886 a Fruit Growers' Union was created and this Union held its first conference in 1889. The idea was taken up by the new Department of Agriculture and one of its first acts in October, 1890, was to convene a conference of growers which followed much the same procedure as the previous conference. In 1895 the first stone was laid for what was to become one of the biggest fruitgrowers' organisations in Australia, when the growers of dried vine fruit came together to form the Mildura Raisin Trust, an example followed one year later by the Renmark growers. Less than a decade later the Australian Dried Fruits Association resulted from the amalgamation of these and other branches which had been formed in the meantime. Despite these activities, the comment that "the great majority of our growers, . . . have shown an amount of apathy in looking after their own interests as remarkable as it is regrettable",⁴⁹ is no doubt correct.

Commercialisation

One of the most striking aspects of the period from 1880 to 1914, was the degree of commercialisation which took place. During the early stages of the industry, rather primitive methods of marketing and distribution had been sufficient to cope with the crops. Fruit growers were usually able to sell their production to retailers or even directly to the consumer. But as the volume of production increased, whilst the centres of production gradually moved away from the centres of population, a more mature system of marketing developed. Although some fruit was sold by auction sales, the "normal" channel of distribution became the commission agent. The origin of this class of middleman varied. Some had been growers or relations of growers, well-known in a district, who would sell their own products along with that of neighbours; others had been shipchandlers or exporters who had connections with fruit growers and were receiving more fruit than they could possibly place; others again merely drifted into the industry when it became apparent that it was possible to make a good profit on the relatively small capital outlay required. The number of these merchants increased rapidly; there were probably less than 10 who handled fruit in 1850, by 1914 some 200 were operating in the Sydney markets.

It was inevitable that the trade would attract a number of undesirable characters. The possibilities for sharp practices and quick profits were great as no control at all was exercised over the commission agent. It was impossible for the growers to check whether their fruit was indeed sold at the prices which the agent returned and even if the return was correct, there was no way of detecting whether the consignment had perhaps been

⁴⁹ *Report on Agriculture and Forestry*, N.S.W. Legislative Assembly, 1898, p. 42.

sold to the agent himself or to a connected firm at some ridiculously low price, to be resold again at a good profit. The growers, even while suspicious, were not in a position to defend themselves and the Victorian Royal Commissioners came to the conclusion that "it really seems necessary that the growers should in their own and the public interest be protected from themselves", recommending that sales records should be kept by the agents, that they should be licensed and that selling to themselves ought to be declared illegal.⁵⁰

The growers, however, were often entirely in the hands of agents or merchants. It was difficult for any fruit grower to mortgage his property in order to tide him over the first few years, when the orchard was being established, but the merchants in the city had a much better command over credit and were able to lend to their prospective customers. The Report of the Commonwealth Royal Commission stated:

"This accommodation has generally been obtained from the packing and exporting firms and agents at heavy rates of interest. During the currency of the advance the growers were dependent upon these firms and agents for their supplies of implements, trees, manures, &c., which are charged for at heavy rates; owing to these financial obligations the growers lose the control of the marketing of their produce."⁵¹

Commercial interests were also highly successful in penetrating the fruit growers' organisations.

This tendency was so strong that the Commonwealth Royal Commission felt it necessary to comment that "the Fruitgrowers' Unions or Associations . . . are not representative" and are "dominated by the larger growers, agents and exporting firms . . ."⁵² The Tasmanian Fruitgrowers' Union was a glaring example of these tactics. In 1913, it comprised only 128 members, its President, L. M. Shoebridge, was one of the principal shareholders in the Henry Jones-Peacock combine, and some of its most active members were people like the Hon. J. Murdoch, M.L.C., and W. D. Peacock, also shareholders in the same merchant and manufacturing combination. "It is inevitable that certain influences dominate its policy", the Commissioners simply stated.

These Associations sent delegates to the Government sponsored Fruit-growers' Conference where they invariably voiced their opinion that more state participation and control of the fruit trade was not desired by the growers. During the 1889 Conference, for instance, one delegate speaking on the control of Phylloxera by Government inspectors, said:

"There is . . . I fear, a strong movement on the part of Public Departments to increase their control and powers of interference over every possible branch of industry, and to place every citizen more or less in legal bondage. To this the Fruitgrowers' Union as a body strongly objects, so far as their industry is concerned."⁵³

⁵⁰ *Report and Minutes of Evidence of the Royal Commission on Fruit, Vegetables and Jam, Votes and Proceedings, Victorian Legislative Assembly, 1915, Vol. 2* (Melbourne: Government Printer), p. 19. (Hereafter referred to as: *Vic. RC Report, 1915.*)

⁵¹ *Report and Minutes of Evidence of the Royal Commission on the Fruit Industry, Commonwealth Parliamentary Papers, 1914, Vol. 2, p. 8.* (Hereafter referred to as: *C'wealth RC Report, 1914.*)

⁵² *Ibid*, p. 17.

⁵³ *Conference Report, Fruitgrowers' Union of N.S.W., 1889.*

It was doubly unfortunate that these things happened at a time when the market for New South Wales fruit was contracting. This contraction did not occur because the demand for fruit lessened, quite the contrary. The New South Wales growers were faced with increasing competition from other colonies and from overseas. One grower remarked in 1890:

“Until recently the fruit grower has had the market pretty much to himself. But the time has arrived when the fruit grower is brought face to face with keen competition in the shape of imports from neighbouring colonies and from America.”⁵⁴

The fact that the New South Wales grower “has had the market pretty much to himself”, had made him rather careless and his product could stand no comparison with that of more progressive growers who had learned the hard lesson that in order to sell, one had to offer a good product, attractively presented. In the home market competition was particularly strong with apples and lemons. The American apple, although probably of no better quality than the New South Wales product, was more attractive in appearance, better graded and better packed. The local lemons were far surpassed in keeping quality by the Italian; where the local product could be kept for perhaps two or three weeks, it was possible to store the Italian product for as many months. In a letter addressed to the Chairman and Members of the Royal Commission on Customs and Excise Tariffs, the New South Wales Fruitgrowers’ Union complained that its members were now subject to legislation which increased the differences between wage rates in Australia and overseas, “we feel we are not sufficiently protected against the product of this cheap labour”.⁵⁵ A number of merchants protested and claimed that overseas fruit was imported when no local supplies were available. The Commission granted a tariff of 2s. per cental on bananas, and 1s. on other fresh fruits, too low to have any protective value.

Competition was also felt in the traditional export markets. The value of exports of fresh fruits to Victoria—almost all citrus—fell from some £43,000 in 1880 to £29,000 in 1910. Here the competition came from the newly settled irrigation areas of Victoria and South Australia. During the same period the New South Wales share of the growing New Zealand market also diminished as more citrus fruit was received there from the South Sea Islands. Only our exports to Queensland showed an improvement, and the value of these rose from some £25,500 to £43,000 during this period. This increase was mainly due to the export of apples from the Armidale district, of this total value of fresh fruit exported to Queensland, more than £41,500 worth were apples.

The upshot was that, whilst the value of exports over these 30 years remained around the £100,000 level, the value of imports of fresh fruit into New South Wales increased almost fivefold, from some £65,000 to over £310,000. The flow of trade of fresh and preserved fruit is graphically shown in Figs. 8 and 9.

The reaction by the Government to the decline shows the importance with which it regarded the industry. The newly created Department of Agriculture made considerable efforts to improve the efficiency of the fruit growers, by calling together conferences, by appointing officers for extension

⁵⁴ *Report of the Conference of Fruitgrowers and Vinegrowers* (Sydney: Government Printer, 1890), p. 7.

⁵⁵ *Royal Commission on Customs and Excise Tariffs, Minutes of Evidence* Commonwealth Parliamentary Papers, 1906), Vol. IV, p. 829.

work and by the publication of information on orchard management. Indeed, when one glances through the Departmental publications of the 'nineties, one may get the impression that it was fruit, and not wool or wheat, which was the mainstay of the State's economy. The reasons for this preoccupation are not far to seek. If fruit had to serve as a means of closer settlement then it was necessary for it to be grown by a large number of people who had little or no experience in the industry and whose education would determine the success or failure of the settlements. But there were also high hopes of producing a commodity which could serve to bolster the balance of payment which was in a sorry plight during and after the depression. Government borrowing overseas during the boom period of the 'eighties had been excessive and while it lasted the consequences in the form of a bill for interest on these loans were deferred.

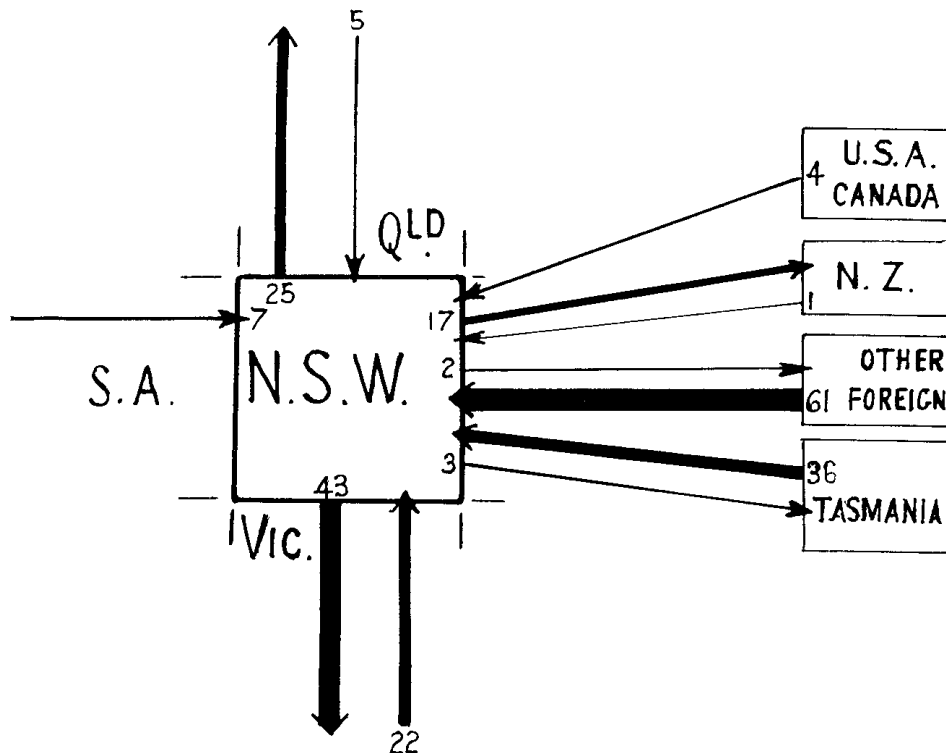


Fig. 8. Value Export and Import—New South Wales—1880. Fresh and Preserved Fruit (New South Wales Produce)

Source: N.S.W. Statistical Register

When the crash came, however, these interest payments took a heavy slice out of Australia's overseas income. In 1883 interest charges on public loans overseas had been £2.9 million, in 1890 this had risen to £5.5 million and five years later to £7 million. At the same time the wool price was low whilst the total quantities of wool exported also fell as a result of the droughts. No wonder that the economy was looking for alternative sources of funds from overseas.

In New South Wales the Board for Export was the tangible result of the Government's desire to stimulate exports. This Board, according to its patent, was meant "to assist the Government of the Colony of New

South Wales in promoting the interests of the producers of the said Colony in British, Colonial and foreign markets". The members appointed by the Premier and Colonial Treasurer, G. H. Reid, took office in November, 1895, and the interests they represented showed the intentions of the Government. The Chairman, G. S. Yuill, represented shipping interests; other members were: Hon. A. Kethel (Timber), G. Maiden (Pastoral), H. Lee (Dairying), C. F. Lindeman (Viticulture), T. Jessep (Fruit), J. Wildridge (Refrigeration), T. C. Warboys and J. L. Thompson (Agriculture). J. Stephenson, a former officer of the N.S.W. Department of Agriculture was appointed as secretary. In 1900, A. W. Gillies was added to the Board to represent manufacturing industries. The Board interpreted its task in a very wide manner and not only gave advice to exporters, instituted an inspection scheme for various products and provided cold storage space, but at times actually engaged in the export of primary products.

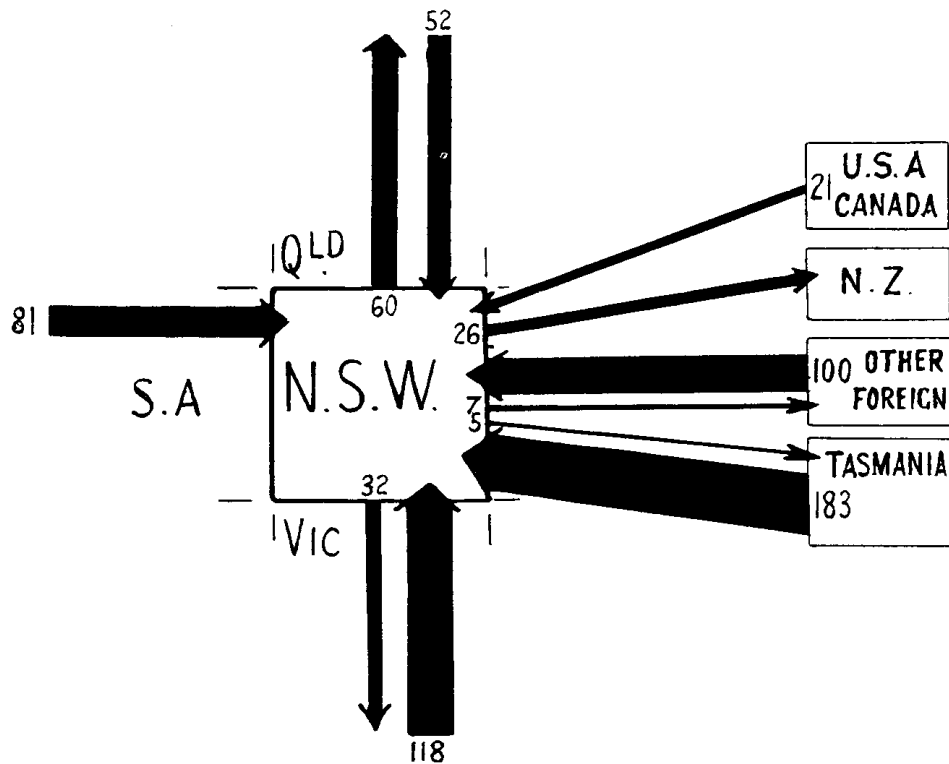


Fig. 9. Value Export and Import—New South Wales—1910. Fresh and Preserved Fruit (New South Wales Produce)

Source: N.S.W. Statistical Register

In 1896 the Board arranged for a trial shipment of over 2,000 cases of oranges to London. This shipment proved to be highly successful. Despite the extra expenses due to the care taken in picking, transporting and packing the consignment, a profit of 1s. 6d. per case was made. The fruit had been bought from metropolitan growers at 4s. 8d. per case, freight amounted to 3s. 11d., packing to 1s. 11d. and against the total costs of 11s. 1d., stood a return of 12s. 7d. per case.

The result of this success caused a flood of exports during the next year. A total of 36,000 cases were exported, of which one half were inspected and approved by the Board. This inspection was on a voluntary basis and if the product conformed to the conditions laid down by the Board, the cases were branded with the Board's brand. Returns were disastrous and the blame was laid at the feet of the shipping companies, who it was said, had not provided suitable cool storage for the fruit on board the ships. The Departmental Fruit Expert, W. J. Allen, said "that until there can be a guarantee that the fruit will be carried in perfectly dry, cool chambers, the export trade in oranges will be practically abandoned."

It is doubtful whether this was a serious matter for the grower. In a Departmental report of 1895 it was stated that "all fruit grown at present, that is at all fit for exporting, meets with a ready sale in our own colonial markets". The surplus which acted as a drag on the market was inferior and the sooner it was realised that growing an inferior product was not profitable, the better.

In any case the grower would have received little additional benefits if his fruit was exported. As an individual he was unable to arrange shipping space, which was entirely tied up by a few exporting firms. These firms, of which the Henry Jones-Peacock combine was no doubt the biggest and most influential, co-operated with the shipping companies and the London brokers in an endeavour to keep competitors out of this profitable trade. The Tasmanian growers, who were largely dependent on export, were the main sufferers from these restrictive practices. When the "Pericles" was wrecked with a cargo of Tasmanian apples on board, the growers received 7s. out of the 10s. insurance for which they had paid premium. The deductions included 5 per cent commission for the London brokers, who had never seen the fruit, on the ground that it had been sold to the insurance company.⁵⁶ The Commonwealth Royal Commission reported:

"The financial arrangements between the exporting agents and the London sellers and the scheme of distribution of fruit are so intricate, and the monopoly of selling agents so close, that it is practically impossible for any one who has not had access to books, accounts, and documents, to probe the system to the bottom, and achieve a result of any great value to the Australian producer."⁵⁷

The parallel with the wool industry, where the producer at this time was also losing control over his product, is striking.⁵⁸

Inter-colonial rivalries made marketing in other colonies, particularly Victoria, also a difficult undertaking. Often under the guise of quarantine regulations, fruits which might compete with local industries were kept out. When in 1913, Victorian inspectors refused entry to a particularly large consignment of lemons, the *Sydney Morning Herald* commented:

"The trouble is not new . . . We have the same trouble every year. Right through the season the Melbourne inspectors stringently enforce every regulation, but as the time draws near for Victoria to start shipping cherries, pears and apples to Sydney, they suddenly relax and treat us with some degree of consideration. The condemnation is not the only trouble. A new

⁵⁶ *Commonwealth RC Report, 1914, op. cit.* (Minutes of Evidence), p. 815.

⁵⁷ *Ibid.*, p. 7.

⁵⁸ Cf. N. G. Butlin, "Company Ownership of N.S.W. Pastoral Stations, 1865-1900"; and Comment by Brian Fitzpatrick, *Historical Studies of Australia and New Zealand*, Vol. 4, No. 14 (May, 1950), pp. 89-111.

order has been issued to the effect that after the 15th instant fruit must be packed in bushel cases. This will disorganise the trade, as shippers will not have time to repack in order to comply with the new regulations".⁶⁰

Much of this concerned the grower only indirectly. He was more interested in the markets in the Sydney Metropolitan area. Here his fruit was either auctioned (at Parramatta) or sold in the Sydney markets either by the grower himself or his agent. These markets had originally been at the King's Wharf at Sydney Cove and were moved by Bligh to a square on the corner of George Street and Charlotte Place. Macquarie, the inveterate builder, ordered Greenway to draw up plans for a building, but Bigge thought these too lofty for a penal settlement, and the plans rested till 1830, when Bourke had the new markets built at the site of the present Queen Victoria building. The building comprised four sections of which one was used as a wholesale, and one as a retail fruit market. In 1892 the present markets were built and the old markets demolished to give way to the Queen Victoria building. It took considerable pressure from the Fruit-growers' Union to obtain these new markets and one delegate to the 1889 Conference, who described the existing markets as "dirty, stinking places, unfit for use in connection with the sale of human food," urged "the fruit-growers to use similar political tact to that shown by the squatter's party".

Irrigation and Closer Settlement ⁶⁰

During most of the earlier history of Australia a duality of purpose had existed. On the one hand the establishment of a peasantry, either recruited from emancipated convicts or from immigrants, had been an ideal dear to the heart of several occupants of the Colonial Office and of quite a few Governors. On the other hand, however, the physical environment and the actions of the Government had, for almost a century, stimulated the development of a pastoral society in which a small, but economically and politically strong, minority provided work for the majority.

This trend started in the very first years of settlement, when the Government made land available, in the form of grants, and labour, in the form of assigned convicts, to those who possessed capital. During these first years the smallholder also lacked a market for his products, as the Commissariat stores were monopolised by a few officials and larger settlers. And when the market for the typical smallholders' product, wheat, expanded, the increasing degree of mechanisation and the growing areas of land necessary to use the machinery efficiently and to offset the declining yield, again made it impossible for settlers with limited capital to become independent farmers. Those who tried under the auspices of the Selection Acts of the 'sixties, often failed. The Victorian Royal Commissioners came to the conclusion:

"Generally speaking the bona fides of the great majority of the selectors in taking up land for settlement does not admit of doubt; but . . . at the present time many continue to be rather deeply in debt to the banks, to money lending agents, and to store keepers . . . there is much danger that [they] will not be able ultimately to discharge their pecuniary obligations.

⁶⁰ *Sydney Morning Herald*, July 4, 1913.

⁶⁰ In formulating his ideas on the impact of irrigation on the development of fruitgrowing the writer benefited from discussions with John Rutherford, Special Economics Research Officer (Irrigation), who does not necessarily share the views expressed here.

In that case they will lose their land, which will thus fall into the hands of their creditors and pass from these into the possession of persons who apply themselves to aggregate extensive areas of land in the form of large private estates . . . The primary cause of this unfortunate state of things is the very limited capital . . . with which the selectors enter upon their holdings combined with what is . . . the burdensome character of the conditions of settlement imposed by the Land Act . . ."⁶¹

It became gradually clear, therefore, that if an Australian yeoman was to till the soil, other ways and means had to be devised to settle him on the land.

From time to time the motives for closer settlement changed in emphasis. After the goldrush and during the depression of the 'nineties, the surplus labour argument certainly lent more force to the movement. Related to this, although in a way much older, was the desire for a stable middle class of small capitalists which would offset the more progressive, and therefore to the ruling class more dangerous, elements in society. But underneath these arguments there was the rising sense of nationalism, with its attendant requirements of protection against aggression from outside and national achievements to bolster the young and tender national pride. Both these aims however, could only be achieved if there were enough people. It was for this reason that Victoria realised the need to stimulate closer settlement earlier than New South Wales.

During the period from 1861 to 1880 net immigration into Victoria totalled some 24,414 persons. However, there was during this period a net immigration of 40,558 women, so that the net loss in men amounted to 16,144. During the same period the total population of Victoria (taking natural increase into account) increased by 59.5 per cent, whilst the population of Australia as a whole increased by 94.8 per cent.⁶² Victoria, therefore, was rapidly losing its position amongst the other Colonies, and indeed by 1890 the New South Wales population surpassed that of Victoria. This was not all, however, for whilst in Australia generally the percentage of the population in the country areas was diminishing, this happened faster in Victoria than anywhere else. In 1861, 74 per cent of the Victorian population lived outside the Metropolitan area, a figure comparable with New South Wales where it amounted to 73 per cent. In 1890 this had declined to 66 per cent in New South Wales, but in Victoria to 57 per cent.⁶³ There was therefore, certainly reason for concern in Victoria.

Now let us consider the early history of irrigation for a moment. As early as 1860 the Victorian Government had shown that it was aware of the possibilities of irrigation when it made prizes available in a essay competition on Agriculture and Water Resources. Indeed it was in 1865 that the State embarked on its first major scheme, the Coliban Water Works which were not only to serve as domestic supply for Bendigo and other towns but later also provided the water for some 10,000 acres of irrigated pastures, orchards and vegetable gardens. After this first effort, however, interest lagged and as prior to 1875 a run of good seasons occurred, there was little impetus for further development.

⁶¹ *Progress Report of the Crown Lands Commission of Inquiry on the Agricultural Settlement of the Country under the Existing Land System etc.*, Victorian Parliamentary Papers, 1878, Vol. 3, p. 34.

⁶² *Official Yearbook of the Commonwealth of Australia*, No. 3, 1901-1909, (Melbourne: McCarron, Bird and Co., 1910), Section IV, passim.

⁶³ T. A. Coghlan, *The Wealth and Progress of New South Wales*. (Sydney: Government Printer, 1902), p. 946.

With the assistance of the Selection Act and under these favourable seasonal conditions, farmers had moved into the marginal wheat growing area of the northern Victorian plains. From the middle 'seventies onwards, rainfall was at such a low level however, that these farmers experienced serious difficulties and many were forced to leave their properties. It was from those who remained that the first serious clamour for irrigation was heard. The area lent itself well to this purpose, as the streams through it were large enough to provide considerable quantities of water, whilst the terrain and soil offered few problems. Irrigation then was first conceived as a means of assisting the wheat farmer and by the mid-'eighties, two out of every three acres irrigated, were under wheat.

It was inevitable that the two concepts—closer settlement and irrigation—would be welded together; the man to do this was Hugh McColl.

“Although the name of Alfred Deakin is usually associated with the promotion of irrigation in Victoria, it was Hugh McColl, M.P., who first drew attention to, and won support for irrigation. Deakin himself stated that McColl was “the first originator of the irrigation movement in Victoria, and indeed in Australia . . . later knowledge has in the main justified his forecasts, though during his life they were treated with ridicule by the public and by some professional men. The prominence of Victoria in the work of water supply is chiefly due to his unselfish and untiring advocacy. Before his death in 1885, he had imparted such an impetus to public opinion that the question attained a first place in Parliament, and in Ministerial policy.”⁶⁴

McColl used the arguments of those who objected to irrigation schemes to his own advantage. When Sir Samuel Wilson objected that irrigation schemes were a success only where a numerous population existed, McColl asked for some sugar and sprinkled this on the garden path, remarking that there was no sign of life there. When they returned a while later the spot was black with ants. “That,” said McColl, “is what irrigation will accomplish in the way of filling up our areas now bare of people.”⁶⁵ Later, under Deakin's influence, the basis of the discussion widened and Deakin summed up the arguments in favour of irrigation in his speech in Parliament on introducing the 1886 Bill:

“The honourable member for Ballarat West also questioned whether there was any use in our attempting intense culture; whether the products would be utilized; whether we had any markets to supply. In two or three sentences I will deal with that point. In the report on irrigation in Western America, it was stated that in 1884 we had actually imported into these colonies the products of irrigation to the value of £385,000. That turned out to be an undervaluation, as the value was really £440,000 in that year . . . there were £400,000 worth of products of irrigation imported into the Australian colonies in 1885 . . . In addition to this, we imported into this colony [Victoria] 237,000 bushels of green fruit . . . all of which could be grown here if we had irrigation on our northern areas . . . Mr. Howe, in South Australia, stated that he had found they were perfectly able in that colony to pay 2d. or 3d. per 1,000 gallons to grow irrigated fruit and export it to Europe at a profit . . . surely we can afford ½d. in Victoria, and export fruit with a better profit . . . A careful examination of the wholesale prices of canned fruit, of the cost of land, and the cost of water, will show that intense culture may be quite as advantageously employed here as it is in California, where it is the mainstay of the whole southern portion of that great State.

⁶⁴ *The Yearbook of Australia for 1892* (London: E. A. Petherick and Co., n.d.), pp. 90-91.

⁶⁵ J. H. McColl, “Hugh McColl and the Water Question in Northern Victoria,” *Victorian Historical Magazine*, Vol. V, No. 40, June, 1917.

"In conclusion, I will say that this question is of the most vital interest to the State from whatever aspect it is regarded. If it be regarded only from the standpoint of the State as the owner of the railways and the collector of revenue and of taxation, its importance is enormous . . . If the irrigation possibilities which . . . engineers say exist in this colony really do exist, then no price we could pay for the successful establishment of irrigation in Victoria would be too great a price. In California the produce of one acre of vines brings more traffic to their [railway] lines than nine acres of wheat . . . We are, then, by seeking to settle a large population on the Northern Plains, not only giving an immense passenger traffic to the railways, but are also, by the enormous increase of production which should follow irrigation, increasing beyond question and almost beyond calculation, the business done by our railways. We have also to take into account the revenue which will be derived by taxation from the large population which we hope to see settled in many places which are now little better than barren wildernesses."⁶⁶

Underneath these rational arguments there were also the vaguer, but perhaps even stronger arguments of national pride. "If irrigation," said Deakin, "proves the success which we have reason to hope it will, we shall compare in population as in wealth with any colony of the group or any country in the world."

In New South Wales, however, there was no such urgency. The Colony was progressing quite well and national pride, which at the time was so strongly developing, could not be hurt by looking at the neighbouring colonies. There was a much wider scope for public and private investment in New South Wales and the developments which could be expected from irrigation would appear relatively less important than in Victoria. Furthermore, irrigable areas were at great distances from Sydney and in the mind of many a Sydneysider the Murray was much more a Victorian river than one belonging to their own colony. Then, in New South Wales, there were party political issues involved. Deakin even thought it necessary to hold up an admonishing finger to his neighbours and declare that "party exigencies should not affect the attitude of Parliament to this pressing question."⁶⁷ This reminder was not altogether unnecessary, the adoption of a closer settlement policy by Labor made its counterpart, irrigation, somewhat unpalatable for the Liberals, even if it was only because in the past closer settlement attempts under Liberal rule had proved failures.

This does not mean that no interest at all was displayed in irrigation in New South Wales. Both in Victoria and in New South Wales Royal Commissions were appointed in 1884, the Victorian one chaired by Deakin, and in New South Wales by Mr. (later Sir William) Lyne. The story of the Victorian Commission is well known. Deakin, in 1885, visited India and America, where he met with George and William Benjamin Chaffey. His report, tabled the same year, and the visit of George Chaffey, determined the future of irrigation in South Australia and Victoria. The Chaffeys inaugurated irrigation settlements at Renmark in South Australia and Mildura in Victoria, despite considerable resistance of a small but vociferous group in Victoria, led by T. Bent, who called the agreement between the Government and the Chaffeys the "Yankee Grab Bill".

⁶⁶ Speech by the Hon. A. Deakin, Chief Secretary of Victoria, in submitting to the Legislative Assembly a Bill to make better Provision for the Supply of Water for Irrigation, and also for Mining, Manufacturing, and for other Purposes, on the 24th June, 1886 (Melbourne: Government Printer, 1886), pp. 59-62.

⁶⁷ *The Yearbook of Australia for 1892, op. cit.*, p. 94.

In New South Wales, in the meanwhile, development had been considerably slower. The 1884 Commission, hampered in its work by lack of funds, tabled reports in 1885, 1886 and 1887. These reports were comprehensive surveys of the resources available and formed the basis of much work later performed. In 1896 the New South Wales legislation passed a Water Act, which gave complete control over water to the State and provided for the issue of licences to private property owners who wished to use water for irrigation purposes.

The question of water, however, was closely tied up with interstate relations. The 1884 New South Wales Commission had already drawn up the terms of a treaty which it proposed be made with Victoria for the utilisation of the Murray. This proposed treaty was tentatively approved by Victoria, but considerable protest came from South Australia, where it was feared that no guarantee existed that she would receive her fair share. Remarks like those of Chaffey, who thought "the water too valuable for irrigation to bother about navigation", did not help. New South Wales, which had full control over the Murray until it crossed the border into South Australia—the Victorian border ran along the southern bank of the river—appointed in 1890 McKinney as Commissioner of the Murray. He investigated its water resources and the year after tabled a report proposing the construction of a movable weir near Albury. No further action was taken on this proposal, either. In 1898 the Murray River Canal League was formed, its membership comprising mainly wheatgrowers from the Berrigan and Finley districts, and this organisation arranged a conference at Corowa in 1902 at which the Federal Prime Minister (Barton), the premiers of New South Wales (very reluctant), and Victoria, and the Attorney-General of South Australia were present. The outcome of this conference was a Royal Commission, appointed in the same year, under the chairmanship of J. Davis, Under Secretary for Public Works in New South Wales, and as members S. Murray, Chief Engineer of Water Supply in Victoria, and F. H. Burchell, from South Australia. The report of this Commission was shelved and no further action was taken for the time being. At last, in 1914, as a result of an interstate conference of engineers the previous year, an agreement between the States was signed, and in 1915 the Commonwealth passed the River Murray Water Act, which put the administration in the hands of the "River Murray Commission". On November 28, 1919, the construction of the Hume Dam was commenced.

In the meanwhile, on the State level in New South Wales, the Water and Drainage Act was passed in 1902, providing for an expenditure of £1 million over a period of five years. Under this Act the formation of Trusts was also made possible. These Trusts would normally comprise three trustees, of which one was to be appointed by the Government and the others by the ratepayers. Little advantage was taken of this Act and during the five years less than £200,000 was expended.

Throughout this period of governmental activity, some work had been achieved, however. At Wentworth the Curlwaa pumping scheme using Murray water and a pumping scheme at Hay on the Murrumbidgee operated from 1890 onwards. Initially municipal schemes, these were later taken over by the Government and administered by the Water Conservation and Irrigation Commission. Less successful was the Mulgoa Irrigation Company, promoted by the Chaffey's, which, according to its

prospectus,⁶⁸ intended to irrigate some 18,000 acres near Penrith, utilising water from the Nepean River. This Company, however, never passed the prospectus stage".

The turning point for New South Wales came in 1906 when a Parliamentary Standing Committee on Public Works was appointed to consider and report on:

"The expediency of constructing a dam across the Murrumbidgee River on Barren Jack [later referred to as Burrenjuck]; . . . a movable diversion weir across the Murrumbidgee River . . . above Narrandera; . . . the construction of a main canal from near the diversion weir to a point about . . . 10 miles . . . from the village of Gunbar; . . ."

and other works in the area. The Report⁶⁹ was favourable and no time was lost in commencing. In 1909 the first sod was turned and the first water was distributed in 1912. By 1914 over 800 farms, covering 36,000 acres, were in operation. Farms of less than 50 acres received water rights for each acre; the bigger farms included land on which irrigation was not practicable. Until 1924 when conversion into freehold was made possible, the farms were held in perpetual lease at a rental of 2½ per cent per annum of their capital value. From 1910 to 1912 the area was controlled by a trust comprising the Ministers for Works, Lands and Agriculture. In 1912 this trust was replaced by a Commissioner and in 1916 a Commissioner was appointed with the Minister for Agriculture as chairman and two appointed members.

Several reasons may be advanced for the awakening interest in irrigation in New South Wales. Unlike Victoria, where the advancement of irrigation was mainly the work of a few enthusiasts, in New South Wales it had acquired a political flavour and depended for its promotion mainly on the activities of the Labor Party, on the one hand, and farmers, and particularly wheatgrowers in the drought affected areas, on the other. This, of course, was a strong, albeit uneasy, alliance. A series of droughts in the second half of the 'nineties, and an almost complete failure of the wheat crop in 1902—the average yield for New South Wales was that year 1.2 bushels per acre, against approximately 10 bushels in "normal" years—contrasted sharply with the success of the irrigation schemes on the other side of the border.

The building of railway links between Sydney and Albury and Sydney and Hay which were completed in the early 'eighties brought the south much closer to the seat of Government. By pursuing a policy of low freight rates the New South Wales Railways were able to compete with the Victorian system and much wool, produced in New South Wales, but formerly exported through Melbourne, now found its way to Sydney, and made that city more conscious of the vast areas of the South-West.

⁶⁸ In Mitchell Library.

⁶⁹ *Report of the Parliamentary Standing Committee on Public Works, relating to the proposed Barren Jack Storage Reservoir and Northern Murrumbidgee Irrigation Scheme*, (Sydney: Government Printer, 1906) (hereafter referred to as *Public Works Report*, 1906).

The year 1906 also marked a turning point in Government policy. Until then Governments had restricted themselves to the role of storing water, whilst it had been assumed that the distribution was best left to local authorities. The New South Wales Royal Commission of 1886 declared:

"In as much as the expenditure upon water supply within any particular district must be mainly borne by the landowners within that district, we are of the opinion that the initiation and control of schemes necessary to accomplish the end in view, should as far as practicable be vested in bodies to be elected by those who would have to pay the rates and who would reap the benefits . . . It is obvious that the residents of a district are better able to judge their own requirements than any governmental authority at a distance."⁷⁰

This was the attitude in Victoria also, although Deakin was well aware that in order to utilise the resources to their fullest extent it was necessary to follow somewhat broader policy.

"We should take care that no one source of supply is limited to a scheme to benefit one small area, when the probabilities are that, in a short time, another scheme will have to be tacked on to it, involving additional cost and many complications."⁷¹

But gradually his attitude towards the trust control underwent a change. By 1892 he was clearly becoming doubtful when he wrote that

"the weakest point [is] the Trust Commissioners, who are always dependent upon their officers for professional advice, and sometimes for general management also, who have had little or no financial training, and who are ignorant of most of the practical phases of the irrigation they are called upon to control. The demands made upon them in their new capacity are considerably more severe at the outset than anything they have been accustomed to at the council table of the local shire, and indications are not wanting that in some instances the burden is proving too much for those who undertook to bear it."⁷²

It is therefore not surprising that by 1906 the Victorian Government had to write off well over £2 million, as some of the trusts were unable to repay either capital or interest and found it necessary to place the administration of the irrigation schemes in the hands of a Board of Commissioners. The New South Wales Commission came to the conclusion that

"the resumption and disposal . . . of land . . . are essential to the carrying out of the scheme, for without the return therefrom there is no prospect of a sufficient monetary result from the expenditure on the construction of the works, and on their subsequent maintenance."⁷³

And J. Davis, the New South Wales Under Secretary of the Department of Works, stated in his evidence to the Commission that landowners would not use water,

"unless it suits them. We are most fortunate in having Victoria as an object lesson . . . they find that people will not tax themselves, and it was optional whether they would take the water or not. If they took the water they had to pay for it, but they would not take the water if there was any chance of getting rain. The result was that they all hung back till the last moment; then when they wanted the water it could not be supplied, because the channels were not large enough to supply everybody at once."⁷⁴

⁷⁰ *Report of the Royal Commission on the Conservation of Water*, 1st Report, (abridged), (Sydney: Government Printer, 1886), pp. 124-5.

⁷¹ Deakin, *Speech*, *op. cit.*, p. 26.

⁷² *The Yearbook of Australia for 1892*, *op. cit.*, p. 91.

⁷³ *Public Works Report 1906*, *op. cit.*, p. 55.

⁷⁴ *Ibid.*, Minutes of Evidence, p. 9.

The results are described by Elwood Mead, former Chairman of the State Rivers and Water Supply Commission in Victoria. Stating that Deakin had made the mistake of thinking that the only problems were technical and that when water was made available everyone concerned would make use of it, he went on to say that

“the Victorian Government built hundreds of miles of canals through pastoral estates where one could ride for miles without meeting a man or seeing a house. If the landowners had been called on to raise the money for this they would have been prompt to object . . . If the scheme were to be made a financial success, the irrigation charges would have to be heavy. Landowners could not afford to pay them unless they adopted intensive methods of cultivation. So the landowners neither levied charges nor adopted irrigated farming . . . A typical farmer would grow from 10 to 30 acres of fodder crops to carry his livestock through the dry season; the rest of the land went unirrigated.

There is no reason to find fault with the land owner because the plan broke down. They were hard working and enterprising; they had made a good living and some of them had been getting rich before the canals were built.”⁷⁵

Merely making water available therefore proved to be an insufficient inducement for closer settlement. The price of land rose and made it even more difficult for those with limited capital to commence farming and the only alternative seemed to be the resumption of land, subdivision and the settling of a large number of people on small holdings. But even this was not sufficient. As Mead said:

“The agricultural costs are always higher than the engineering, yet we have provided schemes of financing the canal, but until recently did nothing towards providing credit for the irrigator.”⁷⁶

Despite this delay in Government assistance, Australia was probably the first nation which recognised the need for credit schemes for settlers. The New South Wales Government, in the Murrumbidgee Irrigation Area made loans available to settlers for various purposes. In 1915 a settler could borrow from £175 (on a holding of from two to four acres) to £300 (ten acres or over) for the building of a house. In order to erect farm buildings he could borrow an additional £25 (two to four-acre holdings) to 100 (twenty-five acres and over). Fruit trees could be bought from the Government nursery and for this a credit of from £5 to £20 was available the first year, to a maximum of £50 in subsequent years. All these loans could be repaid over a number of years. The Government also provided a fruit and vegetable cannery, which opened in August, 1914.

In providing this assistance it was hoped to settle villages of a particular nature. The “socialisme sans doctrines” is well shown in the village regulations of some irrigation settlements in South Australia. People who were not eligible to become villagers included Asiatics and foreigners not sufficiently conversant with the English language. But this was apparently not deemed sufficient to keep the moral standards high enough and one could be expelled for living with a member of the opposite sex while not in

⁷⁵ Elwood Mead, *Helping Men Own Farms* (New York: The Macmillan Company, 1920), pp. 34-35.

⁷⁶ Elwood Mead, *Relations of Land Settlement to Irrigation Development*, Proc. of the Pan-Pacific Science Congress, Vol. 1 (Melbourne: Government Printer, 1923).

lawful marriage, for being found drunk, or for being absent from the village for more than two days without permission.⁷⁷ Needless to say the existence of these villages usually was short.⁷⁸

Here then was another powerful ally for the closer settlement movement. If Governments wanted to recoup the costs of the irrigation developments, they were obliged to promote the settlement of a large number of farmers who would be able to repay the relatively high cost of water. The decision to pursue a positive policy connecting irrigation and closer settlement was supported by engineering considerations. Transport of water over long distances had proven wasteful and costly and from a technical point of view the application of a maximum quantity of water to a minimum area was both cheapest and most spectacular in its effect. However, the choice (it can hardly be called a rational decision, for other possibilities were not considered), meant that the irrigation settlements would be oases in a dry environment, with which they had neither economic nor social ties. Instead of assisting production on as large an area as possible, all efforts were to be concentrated on a small area and the broad acre industries were left to fend for themselves. The decision might have been the right one, the lack of research data on the possibilities of integration between dry land farming and irrigation in Australia makes it impossible to appraise the choice. Whilst Australia has a relative advantage in broad acre production it is a pity that the problem was not given any thought.⁷⁹

To a certain extent the decision to use the new resources for fruit production and dairying highlights the fact that the cities had wrestled economic and political power from the rural areas. The cities needed fruit and dairy produce and this then was to be produced. The fact that the value of fruit imports into New South Wales during the twenty years between 1880 and 1900 increased three-and-a-half times and the per caput value doubled, shows the strong demand for more luxurious foodstuffs.

In New South Wales dairying in the irrigation settlements was not a success. For economic milk production, water has to be cheap and in New South Wales this was only the case in the Murrumbidgee Irrigation Area, where gravitational water was available. However, the soil in this area was unsuited for lucerne growing and it was not until many years later that it was found that lucerne there needed heavy applications of superphosphate. Although in the evidence supplied to the 1906 Public Works Commission by the Department of Agriculture, such crops as cotton and tobacco were also mentioned as likely to succeed, the emphasis from the outset was on fruit. In this New South Wales followed the precedent

⁷⁷ *South Australian Parliamentary Papers*, 1896, No. 113a.

⁷⁸ Cf. J. MacDonald Holmes, *The Murray Valley, a Geographical Reconnaissance of the Murray Valley and a New Design for its Regional Organisation* (Sydney: Angus and Robertson, 1948), Chapter 3, *passim*.

⁷⁹ From time to time voices have been raised in favour of a more rational attitude towards this problem. The Rural Reconstruction Commission in its Eighth Report on *Irrigation, Water Conservation and Land Drainage* (Canberra: Commonwealth Government Printer, 1945), stated that "Particular attention should be given to the development of irrigation as an ancillary to livestock industries in the drier regions. The opportunities which irrigation affords for increasing the production of citrus and dried and canned fruits enormously exceeds the capacity of Australia to sell such products" (p. 77). A plea for a reappraisal of this problem can be found in articles by John Rutherford, this *Review*, Vol. 26, No. 4 (December, 1958), and Vol. 27, No. 3 (September, 1959).

of California and the Chaffey settlements. Due to the distances from markets it was necessary that the fruit grown should not be highly perishable and this limited the choice mainly to dried fruits and citrus. However, considerably more capital was required for the establishment of citrus than dried vine fruits, whilst the type of soil on which it could successfully be grown was available in limited areas only. Citrus, furthermore, could very well be produced in the coastal belt, where, particularly in the area between Sydney and Newcastle, plantings were rapidly expanding. The production of dried fruit, seemed, therefore, the best way of attaining the desired objectives.

The Dried Vine Fruit Industry

Although during the period under consideration some dried tree fruits were produced in New South Wales notably dried apricots, the emphasis was on dried vine fruits, and in particular, sultanas. Under irrigation the grape vine could be grown in fairly low-lying areas, where citrus or apricots would not thrive. The grape vine had been cultivated in the Colony from the earliest days of settlement, but many difficulties had been met in its cultivation. "Grapes do not answer," wrote the botanist Caley to Banks, "for they are subject to be blited."⁵⁰ Little progress was made in grape vine cultivation before 1828, when James Busby returned from Europe with a large number of cuttings. Even then, however, its progress was slow and many difficulties, particularly due to diseases, had to be overcome.

In 1824 it was stated that "the vine is chiefly cultivated for the table."⁵¹ Nevertheless, until 1850, New South Wales was the chief wine-making colony. By 1862, however, the South Australian acreage of vines was more than three times that of New South Wales. In that year, New South Wales possessed 795 acres for wine making, 308 for table grapes, whilst 375 acres were non-productive, and the production of table grapes which had amounted to 366 tons in 1860, rose to 1,575 tons in 1880.

It was not until the advent of irrigation that the growing of fruit for drying purposes became of any great importance. The climatic requirements necessary for fruit cultivation and conditions for drying are completely different and only when it became possible to provide water by other means than by natural rainfall, could the two be combined. Once the industry commenced in New South Wales its progress was spectacular. In 1908, the first year that the production of dried vine fruit was recorded, it amounted to only some 45 tons. The following season this rose to 718 tons and during the next five years production rose steadily to 2,437 tons.

A considerable setback to vine growing was experienced in 1877 when the *Phylloxera vastatrix* aphis was first observed in Victoria. This aphis, which originally came from North America to Europe in 1866, spread rapidly over Victoria and in 1883 was reported in the Sydney Metropolitan area. Although damage there was not as heavy as in the neighbouring State, Coghlan reported that

"the knowledge that this pest has obtained a foothold in the colony, however slight it may be, has certainly stopped investment in vineyard properties, and has greatly damped enthusiasm of those interested in the wine trade."⁵²

⁵⁰ *HRNSW*, Vol. V. p. 294.

⁵¹ *Sydney Gazette*, April 22, 1824.

⁵² T. A. Coghlan, *The Wealth and Progress of New South Wales, 1898-9* (Sydney: Government Printer, 1900), p. 785.

The spread occurred mainly by the transport of plants and cuttings, and the New South Wales Government took immediate steps to prevent the pest from spreading further. Where necessary, replanting of vineyards was possible, with vines grafted on phylloxera-resistant stock, although this was a rather unsatisfactory solution as the grafted vines were less vigorous and yields were lower. The scare, however, did not last long and probably had little influence on the acreage ultimately planted.

In the meanwhile, a Commission to investigate the position had been appointed in 1885 and the outcome of this enquiry was the Vine Diseases Bill of 1886. The Act, however, was unworkable and new Acts were brought into operation in 1888 and 1893. Under these Acts a Board was constituted which could order the destruction of infested vineyards and compensate the owner for the loss. Although these actions had some influence on the spread of the aphid, the most successful measures were no doubt the curbs placed on the import into and transport within the Colonies of vine cuttings and plants.

Ab initio, the cost price of dried vine fruits was at such a level that production could only be maintained behind a tariff barrier. W. B. Chaffey admitted in 1906 that if the duty was removed and if there were no local production raisins would be cheaper on the Australian market and that "the whole of Australia [was] paying for the upkeep of Mildura." As counter argument he stated that when he arrived there, only one man, his wife and two children were living in the area, where in 1906, there was a population of 4,000, and 10,000 acres of land under cultivation.⁸³

The reasons for the high Australian cost price were not far to seek. Most of the dried fruit in the world market was produced in the Middle East and Mediterranean countries, where the wage level ranged from some 10d. to 1s. 6d. per day as against 6s. in Australia.

The costs of establishment therefore were considerable. Table X, based on 1914 prices, shows the amounts necessary for initial capital outlay and upkeep per annum for sultanas, stone fruit and oranges on irrigated land.⁸⁴

TABLE X
Estimated Outlay and Return per Acre for Dried Fruits and Citrus
(At 1914 Prices)

Type of Fruit	Capital*	Upkeep† per annum	Return per Unit	Income	Profit
	£ s. d.	£ s. d.		£ s. d.	£ s. d.
Sultanas	69 3 6	28 10 0	At 4½d. per lb. ..	42 0 0	13 10 0
			At 3¾d. per lb. ..	35 0 0	6 10 0
Stone Fruit	69 17 6	39 4 0	At 7½d. per lb. ..	45 10 0	6 6 0
			At 7d. per lb. ..	42 9 4	3 5 4
W. Navel Oranges ..	83 18 6	33 0 0	At 5s. 0d. net per case	50 0 0	17 0 0
			At 3s. 6d. net per case	35 0 0	2 0 0

* Including upkeep for 3 years plus interest. † Including depreciation.

⁸³ *Public Works Report, 1906, op. cit., Minutes of Evidence, pp. 118-119.*

⁸⁴ Compiled from figures in F. R. Arndt, *Fruitgrowing under Irrigation* (Adelaide: G. Hassell and Son, 1918), *passim*.

Given these figures, it is no wonder that the acreage of vines for dried fruit production expanded rapidly and while for several years, the outlook for sultanas remained favourable owing to the fact that the Australian grower could afford a superior product the competition from other countries made raisin and currant production a hazardous undertaking. Throughout this period the outlook for dried apricots was sound and no difficulties in exporting these were experienced. Indeed Chaffey could state that "we have never grown enough to supply the quantity required in a place like England."⁸⁵ On the eve of the great expansion it still could be said, therefore, that

"the fruit growing industry of the Murray Valley is at present in a sound condition. For it to remain so it is necessary for the growers to retain control of the marketing of their fruit. As the Commonwealth demand has been reached in most lines, a great boom in fruit-growing, resulting in very heavy planting, is to be deprecated as tending to result in over-production, and ultimate loss to the growers."⁸⁶

To a great extent the "sound condition" of the industry was due to the fairly close growers' organisations and the strong association of packers, who were able to exercise considerable control over the supply, quality, and price of dried fruit. Objections were raised against this control by the 1913-14 Royal Commission on the fruit industry, which stated in its report that it disapproved of the operations of the Australian Dried Fruit Association:

"because of its control of production, marketing, and exports, there is a tendency to maintain prices and profits by limiting production and restricting competition in distribution by exporting annually certain quantities and dumping the balance into local distilleries at a greatly reduced price to the growers. Consequently the law of supply and demand . . . is suspended; prices . . . are regulated according to the supply available in other countries from which these fruits would otherwise be obtained."⁸⁷

This criticism can hardly be described as fair. It was based on the evidence of one man only and that was given in answer to a leading question:

"17145. How do you regulate the amount that you sell to the distilleries?—The surplus that is carried over after the Commonwealth consumption has been met, and we sell the poorer classes of fruit particularly to the distilleries. Of the better class we export a certain amount.

"17146. Is selling the surplus to the distilleries one of your main price regulators? It keeps the quantity you place on the market down?—That is so."⁸⁸

The price difference between fruit sold for consumption, which at the time returned to the grower over £50 per ton, and the distillery's price, approximately £20, was guarantee enough that the quantities taken from the market

⁸⁵ *Public Works Report*, 1906, *loc. cit.*

⁸⁶ F. R. Arndt, *op. cit.*, p. 6.

⁸⁷ *Report of the Royal Commission on the Fruit Industry* (Commonwealth Parliamentary Papers, 1914, Vol. II), p. 13. (Hereafter referred to as *Commonwealth RC Report*, 1914).

⁸⁸ *Ibid.* Minutes of Evidence, pp. 564-565.

would be kept at a minimum. From the evidence given at the Victorian Royal Commission hearing, one receives the impression that this was indeed the case.

“10627. Do you send fruit frequently to the distillery, so as not to flood the market too much?—No, we withdraw low-grade stuff from the market and the distillery takes it . . . We want to make the name of the Mildura fruit so that it can always be relied upon as being good.”⁸⁹

Criticism implied in the evidence of the Victorian Royal Commission was more serious and related to the institutional arrangements of the dried fruit market. The Report stated:

“We think that corporations of this description should not be allowed to govern the selling price of an article, either for local disposal or export, unless such price receives sanction after due public inquiry by an authority established for such purpose.

There may be an alternative check imposed by placing public representatives upon such associations, who will report upon all such propositions to the Government whose assent should be obtained.”⁹⁰

This proposal then, foreshadows the structure of the later marketing boards where representatives of the Government and/or consumers would have a voice.

In order to understand the criticism levelled against the Association it is necessary to have a closer look at the industry. It is impossible to say how many growers were members of the ADFA. It seems that the Secretary did not keep a membership record; membership fees were levied on a production basis and were some 5s. to 6s. per ton. According to an estimate of W. B. Chaffey, who was President, there were approximately 500 members in 1915, which, according to him, comprised some 97 per cent of all growers.⁹¹ Anybody who sent fruit to Association sheds for packing and further delivery was regarded as being a member. The managers of the sheds were bound to pack and process fruit under the conditions laid down by the Association. The sheds did not play any further role in the distribution of the fruit, but it was further handled by an agent. Nine firms with branches in most capital cities, had been appointed as agents of the ADFA to deal with wholesalers. These agents had to lodge a security bond of £250 with the Association and were barred from handling imported fruit or fruit sold on other than the Association's terms. These terms were determined annually by a meeting of the growers, whilst price adjustments could be made during the years by a “price committee”. The 1915 Terms and Conditions of Sale of the ADFA provided:

“5. Agents and/or buyers agree to sell at current Association prices and to allow only the terms and discounts set out herein . . .

9. Agents and buyers are at liberty to buy any fruit from others than agents [the nine accredited agents] provided they resell at current Association prices and pay into the Association Equalisation Fund a sum equal to 10 per cent on the Association 10 ton price of each particular grade of fruit.”

⁸⁹ *Report and Minutes of Evidence of the Royal Commission on Fruit, Vegetables and Jam, Votes and Proc., Victorian Legislative Assembly, 1915, Vol. 2* (Melbourne: Government Printer). (Hereafter referred to as *Victorian RC Report, 1915*), p. 392. The N.S.W. growers at Curlwaa were associated with the Mildura Branch.

⁹⁰ *Ibid.*, p. 32.

⁹¹ *Ibid.*, Minutes of Evidence, p. 387.

Wholesalers could order from an Association agent and if the wholesaler at the end of the year was willing to sign a statutory declaration to the effect that he had adhered to the conditions laid down by the Association, he received a discount from the agent of approximately $\frac{1}{4}$ d. per lb. The same procedure was followed in the next phase of distribution. The retailer, in turn, had to sign a statement before a Justice of the Peace at the end of the season that he had handled Association fruit only, and was then entitled to a rebate of $\frac{1}{2}$ d. The final retail price was left to the discretion of the retail grocer.

The aim of the Association, it was said, was to maximise the return to the grower and to minimise the margin between the return to grower and the retail price. As W. B. Chaffey stated

“ . . . our experience was that the merchants charged any price they liked. We have confined them to a reasonable profit . . . ”⁹²

The abovementioned discounts, however, were not all, and it appears from the evidence that the “special allowances [which] may be allowed to the members of any association of wholesale distributors in any State” were particularly galling to outsiders. The qualifications for such an association were that it had to order a minimum of at least the total ADFA sales in such a State in the previous year, and that it would push the sales by travellers, particularly in country districts and by window displays.⁹³ In Victoria members of the Victorian Dried Fruit Distributors’ Association qualified for this discount— $\frac{1}{4}$ d. per lb.—and it seems that it was difficult for any outsider to join. R. C. Beach, Secretary of the Grocers’ Wholesale Co-operative Limited, stated that it was impossible to enrol as a member and that the Dried Fruit Distributors’ Associations tried to corner the market.⁹⁴

Several factors account for the fact that the ADFA was able to control the market to the extent it did. One of these was the rather inelastic demand for dried fruit in the Australian market. J. J. T. Lever stated:

“We know that last year, with very low prices, there was only an increase of 100 or 150 tons consumed.”⁹⁵

More important was the tariff barrier behind which the Australian producer was sheltering and the efficiency of the growers’ organisation.

The tariff amounted to 3d. per lb. and it was the aim of the ADFA to exploit this barrier to the full. In the Association’s rules it was laid down that one of the aims of its price policy was:

“To pay due regard to the settled fiscal policy of the country, which provides protection for the grower of dried fruits, and take any necessary advantage legitimately afforded by this policy.”

The tariff was not the only fiscal help which the Commonwealth Government provided. Under the 1907 Bounties Act a bounty was paid of 10 per cent of the market value of exported dry fruit (currants and raisins excepted) for a period of five years with a proviso that the total bounty paid in any one year would not exceed a sum of £6,000. However, this

⁹² *Ibid.*, Minutes of Evidence, p. 388.

⁹³ *Terms and Conditions of Sale for 1915*, Clause 19. The Terms are reproduced in the *Victorian RC Report*, 1915, *op. cit.*, Appendix F.

⁹⁴ *Victorian RC Report*, 1915, *op. cit.*, Minutes of Evidence, pp. 377-378.

⁹⁵ *Ibid.*, Minutes of Evidence, p. 393.

bounty had little effect ; during the year 1908 only £169 0s. 8d. was paid out, all in Tasmania, presumably for the export of dried apples of which Tasmania then produced small quantities.

Only because a strong organisation existed, however, was it possible to exploit fully the possibilities which the Australian market afforded. By 1914 the ADFA covered probably some 90 per cent of the total production of dried vine fruits. From time to time growers tried to break away from the organisation in order to reap the benefits of the sheltered market in Australia. These growers contracted with outside agents or wholesalers to provide dried fruit just below the Association price, and as long as they formed a minority they were able to do this. It is not surprising though that a strong resentment against these growers grew up. In lurid language C. J. De Garis described what would happen if the Association broke down⁹⁶ and W. B. Chaffey admitted under cross-examination that he had tried to influence bank managers to refuse loans to non-members.⁹⁷

Of course, little fault can be found with the growers for building as strong as possible an organisation. There can be little doubt that in the past merchants had taken advantage of the farmers as much as possible, and there are certainly reasons to believe that those who argued that the industry would disappear if there were no strong organisation to look after the growers' interests were not far wrong. One cannot, however, suppress an uneasy feeling that at times the Association was a tool of a small group of commercial interests, who, while their actions benefited the growers, would not hesitate to use the Association to further their own interests. The President, W. B. Chaffey, whilst a grower, had many other interests, and of the four vice-presidents only one was a growers' representative, the others being agents. Of 34 delegates to the 1911 Conference, 12 represented commercial interests ; of at least five others it was doubtful whether they were genuine growers or not. It is in the light of these facts that we have to consider such a statement as that quoted above to the effect that the aims of the ADFA were to reduce the merchants' profit. The Royal Commissioners at least thought that there was a "sufficiently wide margin of profit to justify a considerable reduction in the retail price to the public,"⁹⁸ it is unlikely that in writing this they thought of the retail margin or of the growers' profit.

4. WORLD WAR I AND AFTER, 1914-1940

Introduction

During the War the area under fruit showed little change. In some cases high prices were realised by producers, but the lines depending on export were very depressed due to the shortage of shipping space. Applegrowers in particular suffered considerably, although some relief was afforded by the Imperial Government, which bought large quantities of jam and dried fruits.

Even where prices of fruit rose, the rise did not always offset the steep increase in costs, whilst the shortage of labour and farm implements were also a bar to rapid expansion.

⁹⁶ C. J. De Garis, *Signs of the Times, Imaginary Story of the Dried Fruit Industry*, n.d.

⁹⁷ *Victorian RC Report, 1915, Minutes of Evidence, op. cit., p. 388.*

⁹⁸ *C'wealth RC Report, 1914, op. cit., p. 14.*

But even when the War was over, the increase in the fruit acreage was not spectacular. Between 1918 and 1940 the total acreage in the Commonwealth rose by little more than 2 per cent from some 265,000 acres to 271,000 acres. This total rise hides sharp decreases in certain States; in Victoria the acreage fell by almost 14,000 acres, or 16.2 per cent; in Tasmania well over 6,000 acres or 17 per cent went out of production. The acreage per caput in the Commonwealth also declined during this period from approximately 52 acres per 1,000 inhabitants to 40. Nevertheless, the decrease had beneficial aspects, for much of it concerned unprofitable and uncommercial areas. As is shown in Fig. 10, the acreage of less important, and probably less profitable, fruit crops, which had occupied almost half the Commonwealth acreage at the beginning of the period, dwindled considerably.

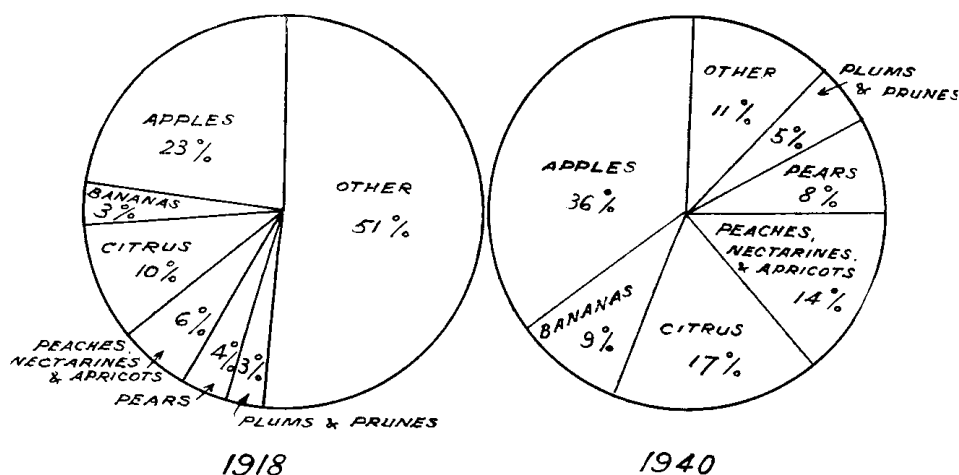


Fig. 10. Composition of Fruit Area, Commonwealth, 1918 and 1940

Source: Commonwealth Bureau of Census and Statistics.

In New South Wales the area under fruit kept pace with population growth. In 1940, as in 1916, there were 32 acres per 1,000 inhabitants. This figure had been higher in the meanwhile and between 1920 to 1922 it had been at a peak of 36 acres per 1,000.

In New South Wales there were no great changes in the composition of the acreage and the less important fruits ("other" in Fig. 10) never occupied more than some 7 per cent of the total acreage, the only major difference between 1919 and 1940 being the acreage of bananas, which increased from 5½ to almost 17 per cent of the total fruit acreage after considerable difficulties due to diseases were overcome. The increase in the total New South Wales acreage is shown in Fig. 11.

The income of the fruitgrowers fluctuated considerably as is shown in Fig. 12. The depression hit hard and the effects were barely overcome at the end of the period under consideration. Nevertheless, the Royal Commissioner came to the conclusion in 1939 that

"the impression left, by the whole of the evidence was that fruit generally, even during the depression years, had yielded a margin of profit, though the annual income of growers had been depreciated."⁹⁹

⁹⁹ Report of Royal Commission of Inquiry into the Fruit Industry of New South Wales (Sydney: 1939), p. 236 (Hereafter referred to as McCulloch Report).

There were considerable qualifications to this general impression though, for on the basis of the information collected, he calculated¹⁰⁰ that only 30 per cent of all growers were in a sound financial position whilst 37 per cent needed, and deserved, financial assistance. The balance he described as "dead wood", which comprised either inefficient growers (16 per cent) or orchards in unsuitable areas (17 per cent).

The Commissioner had little doubt that if the price spread between grower and consumer could be reduced the position of a considerable proportion of those growers who were now in financial straits, could be made sound.

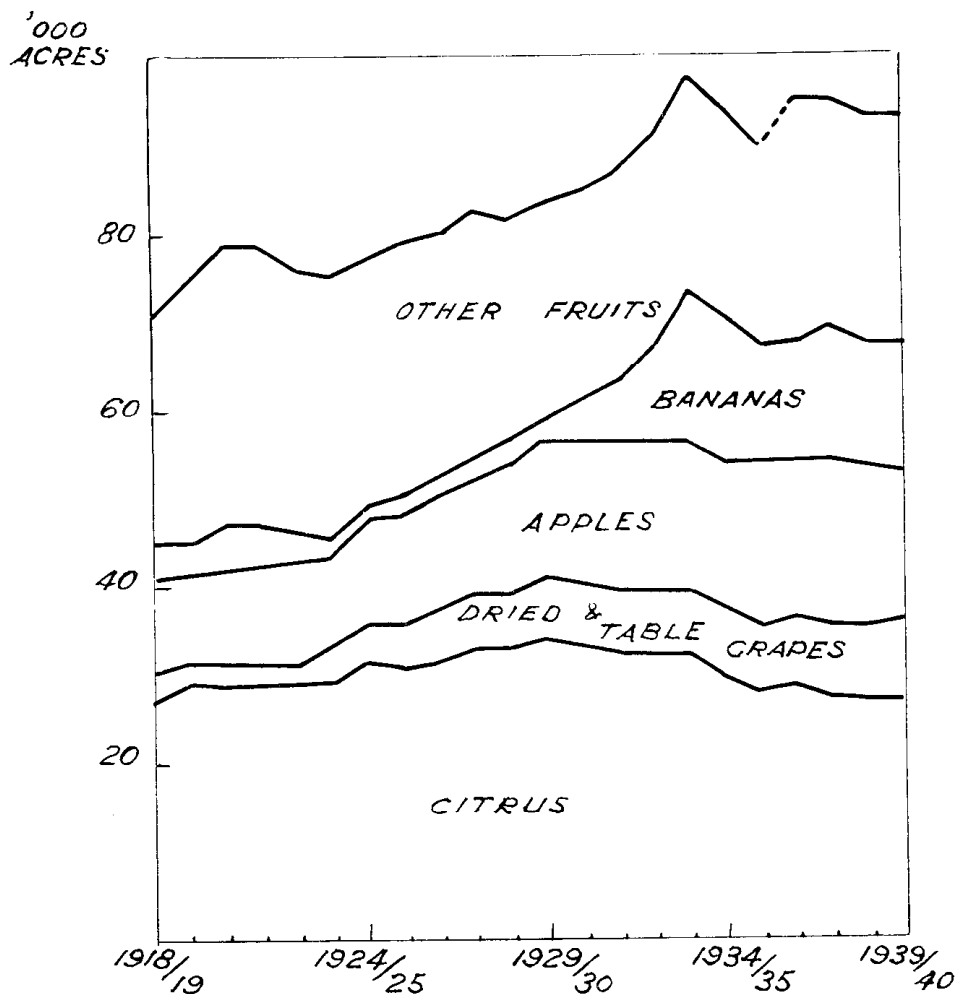


Fig. 11. Acreage under Fruit, New South Wales, 1919-20 to 1939-40
 Source: N.S.W. Statistical Registers.

¹⁰⁰ *Ibid.*, p. 244.

The State and the Producer

One of the outstanding aspects of the period under discussion was the extent of participation by the State in the development of primary industries. As it had been in the 'nineties, "Socialism," once again, became topical and a considerable amount of discussion arose as to whether "State Socialism" was desirable or not. The Deputy Leader of the Opposition, F. M. Forde, in the House of Representatives could state in 1935 that

"it was pleasing to the members of the Labor Party to realise that it was found necessary to introduce a form of socialism into the dried fruits industry . . . a form of State Socialism in order to control the industry effectively."¹⁰¹

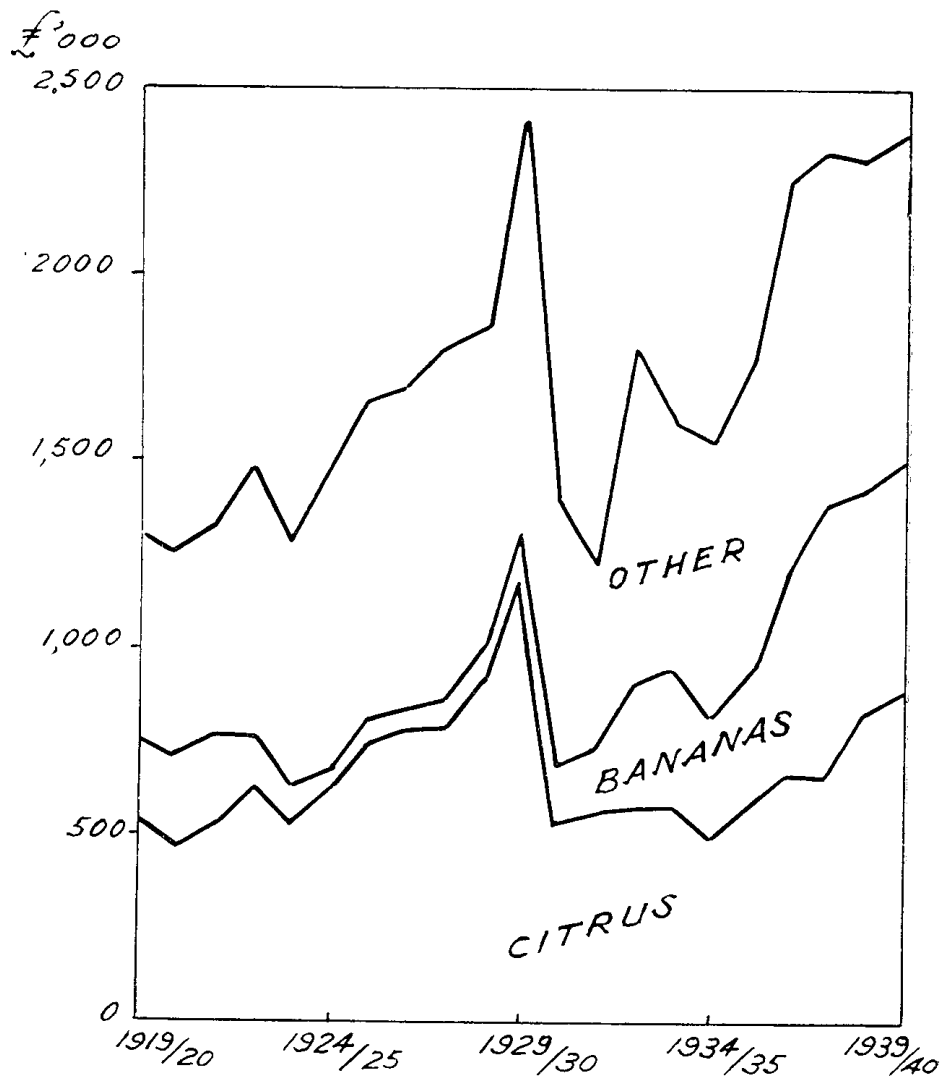


Fig. 12. Value of Fruit Production, New South Wales, 1919-20 to 1939-40

Source: N.S.W. Statistical Registers.

¹⁰¹ Commonwealth Parliamentary Debates, Vol. 146, p. 282.

whilst the other side complained:

“ . . . it will not be long before this country is run on entirely socialistic lines. It would be better to have out-and-out socialism than the piratical form in force today.”¹⁰²

This rather fruitless discussion was of course based on semantic misunderstandings but few of the national leaders were misled. The fact is that the system of planning, as it grew up in Australia, has also, and quite as well, been described as State Capitalism and this explains for instance how a man like F. W. (later Sir Frederick) Eggleston, whilst “urging a return in the direction of laissez-faire”, could at the same time state that “a reasonable amount of State Socialism seems good for a community.”¹⁰³

Both conservative and radical parties, when in power, have therefore seldom hesitated in initiating and planning economic development. How little this had to do with “socialism” is borne out by the fact that many of the enterprises which were initiated by the Government were intended to be handed over to the producers (e.g. the butter factory, cannery, tree nurseries and hostels in the MIA)¹⁰⁴ whilst in many cases the State granted the producer almost full control over and responsibility for the legal structures which were created to assist him in the marketing of his products.

As far as fruit growing was concerned, the stimulation of development mainly took the form of promoting settlement in the irrigation districts. It is of course possible to take the uncharitable view and argue that the consequent assistance in easing the credit burden and in marketing the produce of the irrigation settlements were promoted by either the desire to safeguard the large amounts of public money invested in the developmental works, or by attempts to capture the vote of the small landholders, at a time when rural interests often held the balance between the two major political parties. There is evidence, however, that there was also a genuine feeling of indebtedness to the returned soldiers, and many were concerned with the social consequences of a failure of closer settlement.

In New South Wales large scale State aid to small farmers dated back to the commencement of the development of the Murrumbidgee Irrigation Area. Here, the Government not only provided the capital works necessary for water storage and distribution, but it also made available credit for the settler, built his house and in general adopted a paternal attitude by promoting his economic, physical and even moral well-being.

During World War I, progress in the MIA was slow and two Royal Commissions were appointed in 1915 and 1916 to inquire into this lack of development. When the War was over, however, the pace of development gained momentum. The Water Conservation and Irrigation Commission planned to settle some 1,500 returned soldiers on the area, and whilst this goal was not reached, by 1924 a total of 1,076 soldiers had been settled, of which by then only ninety-seven had failed.

¹⁰² D. B. Copland and C. V. Janes, *Australian Marketing Problems, A Book of Documents 1932-1937* (Sydney: Angus and Robertson Limited, 1938), p. 9.

¹⁰³ F. W. Eggleston, *State Socialism in Victoria* (London: P. S. King and Son, Ltd., 1932), p. ix.

¹⁰⁴ G. J. Evatt, *Some Constitutional and Political Aspects of Water Conservation and Irrigation* (Stencil, 1946), p. 14.

State assistance to these returned soldiers comprised advances to buy the farm and to equip it, credit during the early period of establishment and a training scheme to familiarise the settler with irrigation techniques. This training period was spent either in Camp or on a Government Experimental Farm. Whilst considerable amounts of money were spent on development of the area as a whole, it was a pity that the education of the soldier settlers was abandoned in 1921, because it was deemed to be too expensive. The immediate cause of the curtailment of this scheme was the fact that the discharged soldiers were claiming pay at union rates; as they were engaged in preparing farmland and the expenses incurred were charged against the future settler, the debt burden so accumulated was thought to be excessive.

Under the stimulus of Government policy the area of fruit in the irrigation settlements expanded rapidly. In 1919, 7,673 acres (or 10.5 per cent of the total area under fruit) were located in the irrigation districts; at the end of the period of rapid expansion, in 1924-25, there were 20,357 acres (23.5 per cent); thereafter, the area increased slowly to 24,794 acres (28.6 per cent) in 1940. During these same years the area of fruit grown outside the irrigation districts decreased, from some 65,000 acres in 1919 to less than 62,000 acres in 1940. This shift away from non-irrigation areas was particularly pronounced for grapes and citrus. In 1919, of the total grape acreage (wine, dried and fresh) some 16.4 per cent was located in the irrigation settlements; in 1940 this had increased to 56 per cent. With citrus this shift was even more pronounced; in 1919 less than one-half of 1 per cent of the total production came from irrigation areas, at the end of the period production there amounted to well over one-third of the total. In addition, considerable numbers of apricots and peaches were planted in the MIA for canning purposes.

Most of the expansion in the irrigation districts was due to soldier settlement and in 1924 authorities were concerned about the lack of civilian settlers. Some soldiers were also settled in other parts of the State where they grew fruit, e.g. on the North Coast, in the New England district, near Young and Bathurst and in the Metropolitan and near-Metropolitan Area.

A large proportion of the soldier settlers failed, both on irrigated farms and in other districts. The scope of this article does not permit an analysis of the causes of these failures, suffice it here to say that the causes were complex and often varied from district to district. The most common ones were the inexperience of the new settlers, the smallness of their holdings, and the debt burden which became oppressive when prices slumped. Added to these must be mentioned the fact that orchards were often established in unsuitable places, where either the soil or the climate did not lend themselves to profitable fruit growing. Another prevalent complaint was that the varieties which had been planted were not suitable for commercial purposes.

Once the settlers encountered difficulties, Government assistance was lent in two ways; firstly to ease the financial burden of the soldier settlers and civilian farmers, secondly to assist in marketing the growing output.

Under Section 16D of the 1926 Irrigation Act, the Water Conservation and Irrigation Commission was authorised to "determine . . . whether the debt of the occupier to the Crown and the Commission should be paid"

and "if satisfied that such debt cannot . . . be paid in full, determine what part of the debt should be paid." The Commission was further enabled to make recommendations with regard to the area it deemed necessary to add to any farm, if it was thought that the existing holding was too small. Several Committees were also appointed to advise the Government on the conditions in the Irrigation Settlements. A committee of review operated from 1931 to 1933; that year an Anomalies Committee was appointed, whilst a Seepage Committee functioned from 1931 to 1934. A total of almost £2 million was written off the debt of the settlers in the M.I.A. on the advice of these Committees.

Further relief was afforded in 1934 when a "Murrumbidgee Irrigation Areas Occupiers Relief Act" was passed. This Act provided that the debt on any irrigation or non-irrigable lease or purchase in the M.I.A. of which the area exceeded five acres, was reduced by one third, whilst the rent on leases was also reduced by one-third retrospective from January 1, 1933. A detailed account of these various relief measures may be found elsewhere.¹⁰⁵

As a result of the expansion and world-wide depression in the 'thirties, serious marketing problems arose during the period, particularly for dried and canned fruits. The small home market was rapidly saturated and price levels on the export markets were generally at such a level that the high-cost Australian producer was unable to compete.

Government assistance in the export of fruit or fruit products was rendered in two ways, either through the rather straightforward method of a bounty (citrus, canned fruit) or by institutions set up for the purpose of operating the "home price" device.

This "home price" device differed little in nature from the bounty. In both cases the Australian public subsidised the Australian producer in order to offset his losses on the export market. The main difference between the two was that in the case of the bounty the subsidy was made available out of general revenue and the public therefore paid for the subsidy according to taxable income, whilst with the "home price" the subsidy was paid by the Australian consumer when he bought the particular commodity and this method therefore had the effect of a regressive tax.

The "home price", that is the price the Australian consumer had to pay for a particular commodity, contained three elements. The first one was the world parity price, that is, the price the commodity would have cost if it had been bought on the open market; the second element was the surplus cost with which the Australian producer was faced as a result of his disadvantage in operating conditions, the third element was the amount the local consumer had to pay to offset the loss on the export market. This device could not operate in an uncontrolled environment, for if the producer was free to sell where he wanted, he would try to sell all his produce on the profitable home market. The instrument used to control the situation was an Australian innovation, the marketing board.

¹⁰⁵ Cf. *Report on the Losses due to Soldier Settlement*, Commonwealth Parliamentary Papers, 1929, Vol. II; T. Langford Smith, *Landsforms, Land Settlement, and Irrigation on the Murrumbidgee* (unpublished thesis, Australian National University, 1958), Part 3, McCulloch Report, *passim*.

In New South Wales two types of marketing boards came into existence. The first type was established under a special Act and could take any form desired by the Legislature.

The more prevalent type was established under the Marketing of Primary Products Act of 1927. This was an enabling Act and gave the producers power to create a Board under their control. It provided that on petition by a number of growers a poll should be held. If at least three-fifths of the growers voted at this poll and a majority of two-thirds of the votes so cast were in favour of establishing a Board, the Governor would declare that a board was to be constituted. The two-thirds majority was reduced in 1931 to a majority of one-half of the votes.

When it was decided that a Board was to be established the growers elected either two, three or five representatives. On Boards comprising two growers' representatives the Governor appointed one more member, on Boards consisting of three or five growers' representatives two more members were appointed. On the date that the Board was proclaimed the commodity became "the absolute property of the board", giving the Board full control over its disposal.

As has been noted above (p. 297), the institution of the producer-controlled marketing board was already foreshadowed in the Victorian Royal Commission Report of 1915. The first producer-controlled board was created in Queensland in 1920 when the Queensland Wheat Pool Act of that year authorised the Minister to appoint the State Wheat Board to comprise elected growers' representatives and a Government representative acting as chairman. The ownership of all wheat produced in the State was vested in the Board and it was provided that "all wheat shall be delivered to the Board, or their authorised agents, within such times, at such places, and in such a manner as the Board may fix or as may be prescribed."

During the period under discussion several boards to market fruit were constituted under the Marketing of Primary Products Act in New South Wales. In 1928 a poll of growers of Trevatt apricots and clingstone peaches was held, but only 57.3 per cent of the voters decided in favour of a Board so that the required two-thirds majority was not obtained. However, Boards were established in 1932 for wine grapes (76.1 per cent in favour) and in 1935 for bananas (51.9 per cent). The Banana Marketing Board comprised seven members of which five were elected by growers and two were appointed by the Government. The Board operated for two seasons but then the growers sought its dissolution and after a poll in which 50.9 per cent of the voters voted for dissolution, the Board was wound up.

The view often taken of the grower-controlled marketing board was that of a compulsory co-operative. A. A. Watson, the first Director of the New South Wales State Marketing Bureau stated that

"there is a definite connection between Marketing Boards and all genuine forms of co-operation as applied to the marketing of primary products . . . the difference between Contract Co-operatives [where members contract to market all their produce through the Co-operative], and Marketing Boards narrows down to the distinction to be drawn between compulsory co-operation by contraction and compulsory co-operation by statute."¹⁰⁸

¹⁰⁸ A. A. Watson, *The Significance to the Co-operative Movement of Grower-Controlled Marketing Boards*. (Stencil, 1938), pp. 46-47.

Effective criticism of the marketing boards generally came from two sides, from the growers themselves and from the commercial interests in the industry. The complaints from the producers were usually levelled against the alleged inefficiency of the Board and on the system adopted to distribute the Board's income. These latter complaints were particularly prevalent where the pool system was adopted and the growers' return was calculated on the basis of the average price the commodity in the pool had fetched. This system made it less attractive for the grower to concentrate on the improvement of the quality of his products (as against quantity) and the growers who were able to supply a commodity of outstanding quality felt at a disadvantage.

The pooling of fruit was one of the main complaints of growers against the Banana Marketing Board, although the fact that the grower was restricted in his choice of agent was also considered oppressive. The growers' opposition was further

"fanned by certain interests in the City Markets, who became hostile to the Board for actions taken for the benefit of growers, but which have affected agents' interests."¹⁰⁷

Attacks on the Board were also made by, or rather on behalf, of the consumer. As a rule these attacks, as for instance in the press, were biased and not well informed. There were exceptions of course. W. Millar Smith, spoke for the consumer:

"The aim of producers' combinations since the war has been to maintain prices. It is significant of the circumstances in which the new methods were ushered in that no adequate provision is made in any of the statutes for the safeguarding of the consumer. (The N.S.W. Marketing of Primary Products Act, 1927, provides one consumer's representative appointed to each Marketing Board, but this is no safeguard on a Board consisting of 'at least five members'.)"

It is significant perhaps, that, with the aid of the tariff, producers of sugar, dried vine fruits, and butter have striven to make the public subsidize their surplus production and to exact the last penny of advantage which protection afforded them. They have not been concerned directly, if at all, to increase distributive efficiency, nor to improve their services to the public."¹⁰⁸

As long as high prices could be offset by increases in the basic wage and increases in the tariff for manufactures, few people were disturbed. There was in Labour circles however a feeling that "producers and consumers [were] both losers under the present system" and one of the promises made in the election campaign for the 1925 elections was a conference between consumers and producers. When Labour came in power, this Conference, the first of a series, was held the following year in Bathurst.

From the outset it became clear that the Conference was concerned mainly with the margin between the return to the grower and the retail price of farm products. The tenor of the reports of the committees into which the Conference dissolved, was that co-operative marketing was desirable and the *Marketing of Primary Products Act* which was passed the following year was a direct outcome of the Conference.

There were other drawbacks to the system of Marketing Boards, however, than those which showed up in the complaints of the interested parties and some of the constitutional and economic difficulties of planned marketing will be discussed in connection with the dried fruits industry.

¹⁰⁷ McCulloch Report, *op. cit.*, p. 508.

¹⁰⁸ W. Millar Smith, *The Marketing of Australian and New Zealand Primary Products*. (London: Pitman and Sons Ltd., 1936), pp. 54, 55 and 56.

The Marketing Problem—Dried Vine Fruits

During the war years the acreage and production of dried vine fruits expanded slowly. By 1919, Australian production amounted to some 20,000 tons annually, of which Victoria contributed slightly more than 60 per cent, South Australia 30 per cent and New South Wales 2 per cent. By 1940 total production had risen to over 90,000 tons, of which New South Wales share had increased to 8 per cent.

The increase in the area devoted to dried vine fruit growing in New South Wales is shown in Fig. 14. However, whilst the total area in New South Wales rose steeply, a considerable shift occurred in the centres of production.

Initially, the expansion was centred in the Murrumbidgee Irrigation Area, where large numbers of soldier settlers took up blocks. It soon became clear however, that this Area was altogether unsuited for dried vine fruit production. Temperatures in the MIA and the Mid-Murray districts were only slightly lower than those of the Wentworth area. The latter however, was already a marginal area for dried fruit production and the differences

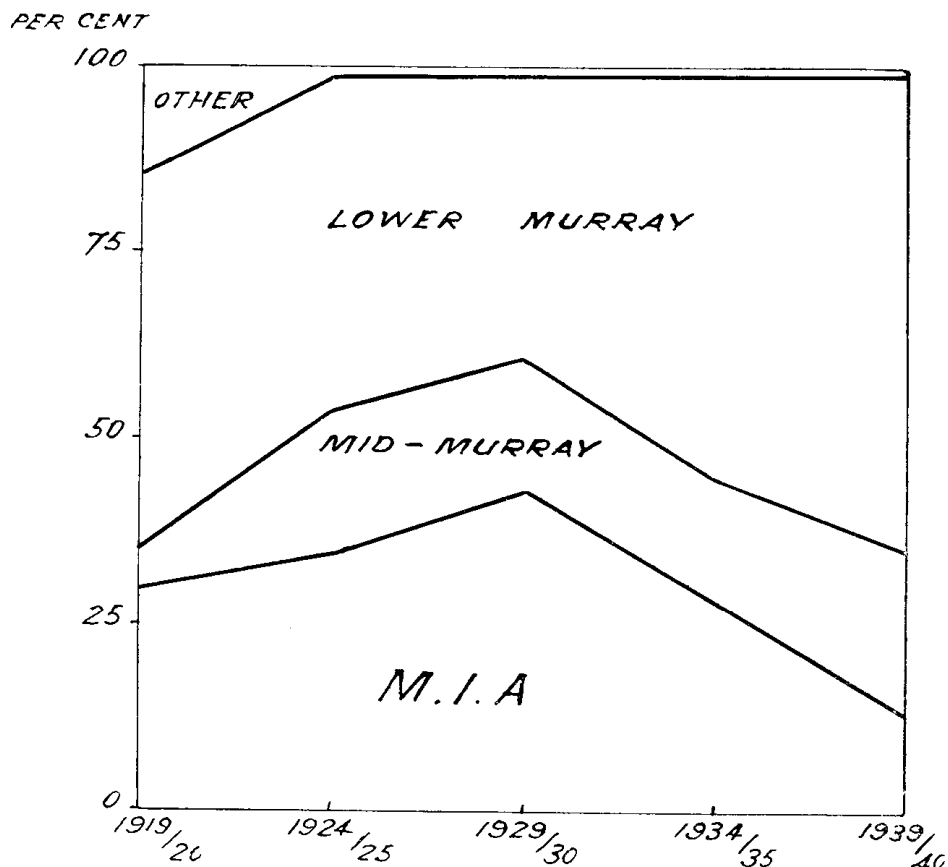


Fig. 13. Percentage Distribution of Acreage Dried Vine Fruits over New South Wales by Area 1919-20 to 1939-40

Source: Compiled from figures in N.S.W. Statistical Registers.

therefore became quite important.¹⁰⁰ Rainfall was even more unsatisfactory. A 30 years' average for the critical months of March and April showed 61 points in the Wentworth district, 83 in the Mid-Murray and 127 in the MIA.

The fall in production in the MIA, however, was more than offset by the expansion in the settlements along the Murray as is shown in Fig. 13. This expansion took place mainly at a time when the overseas market for dried vine fruit was deteriorating rapidly. This is illustrated in Fig. 14, where it can be seen that the sharp upturn in the area planted, occurred

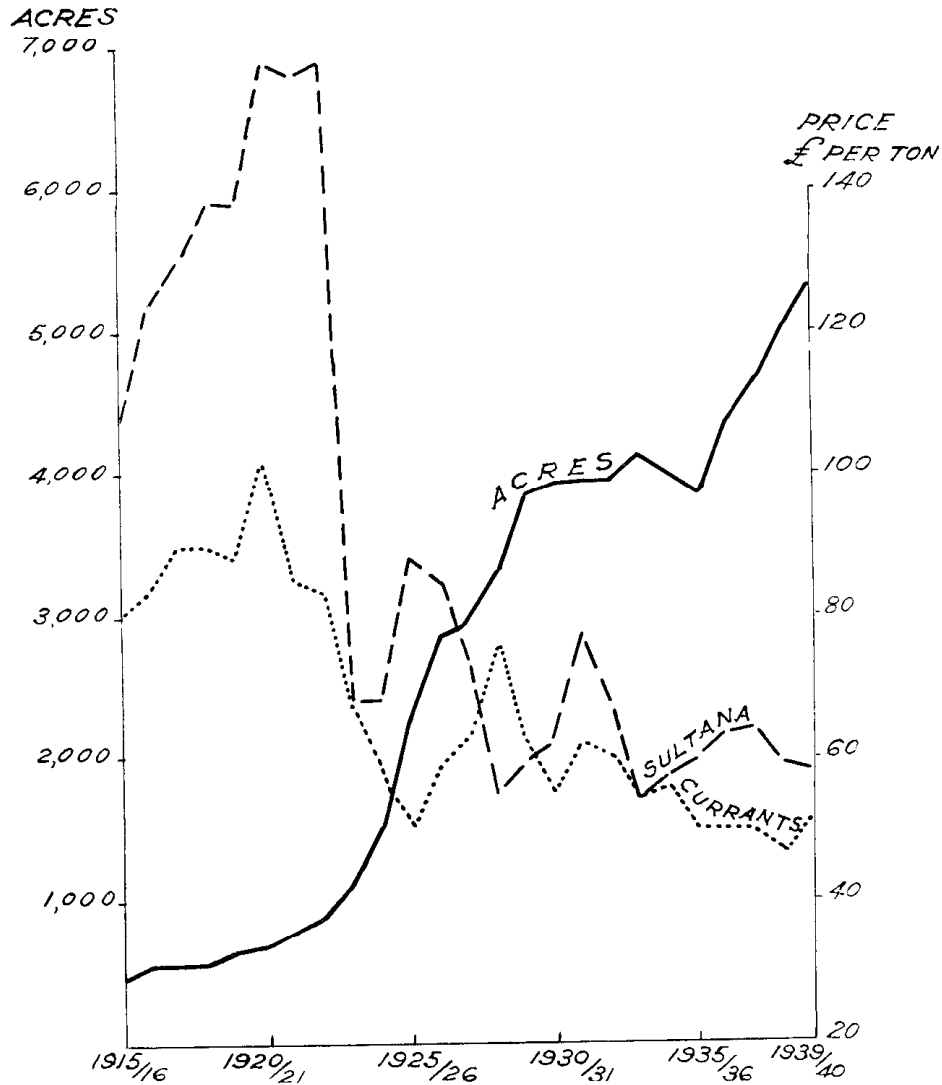


Fig 14. Total Acreage Dried Vine Fruit New South Wales and London Wholesale Prices of Sultanas and Currants, 1915-16 to 1939-40

Source: Acreage: N.S.W. Statistical Registers.
 Prices: 1915-16 to 1925-26: Commonwealth Bureau of Census and Statistics.
 1925-26 to 1939-40: Annual Reports, Commonwealth Dried Fruits Control Board.

¹⁰⁰ Report of an Intergovernmental Commission of Inquiry in the Mid-Murray Dried Fruits Area, Stencilled, 1955.

after the price collapse in the London market. For some years the acreage kept on expanding and it was hoped that the price fall was temporary only. In Parliament the Prime Minister, the Rt. Hon. S. M. (later Viscount) Bruce, said:

“At the present time, if Australian dried fruits could attain a pre-eminent position in the British market, we should not have the requisite supplies to retain it. Therefore, the Government does not subscribe to the view that there has been over-production, and that the whole future of those engaged in the industry is black.”¹¹⁰

It was some years before it was realised that the fall in prices constituted a more or less permanent adjustment to a new level and it was not until 1930-31 that the expansion was halted.

Prior to the War the quantities of dried vine fruits exported had been small and the export was primarily designed to relieve the home market from a relatively small surplus which might have depressed it unduly. Through strong producers' organisation and with the help of the tariff it had been possible to keep the home price above the price on the world market. When the War ended, prices soared and growers were in a very favourable position. Then, in 1923, the slump came and whilst alternative marketing methods were discussed, the old and well tried technique of a high home price to balance the low export price, was maintained. This was done by increasing the tariff to 4d.; in 1930, the import of dried fruits, along with a number of other commodities was prohibited altogether in order to preserve the rapidly deteriorating balance of payment, whilst later a tariff of 6d. per lb. was levied.

With the gap between home and export price widening, it became clear that the Australian Dried Fruit Association could no longer control the industry on a voluntary basis. Temporary relief was afforded by the Commonwealth Government which, during 1924, made an advance available of £9 per ton on raisins and £1 10s. on currants if exported. A total of £200,000 was distributed in this way. In introducing the Bill in the House the Prime Minister stated:

“Its provisions are not regarded as furnishing a permanent solution of the difficulties in which this particular industry finds itself at the present time; they are merely designed to meet a financial crisis that is so serious that, unless action is taken, a large number of settlers—particularly returned soldiers—will be compelled to abandon their blocks, and operations cannot be resumed until the industry has been re-organised and placed upon a sounder basis.”¹¹¹

The more permanent measure foreshadowed in Bruce's speech was taken the same year when a Commonwealth Export Control Board was appointed under the Dried Fruits Export Control Act. The Board comprised seven members, of whom four represented growers, one was a Government representative, and two were men with commercial experience. Export control was by means of a prohibition of exports, except under licence issued by the Minister for Commerce. Before this Act was brought into operation a growers' poll was taken in which 2,434 growers, or almost 95 per cent, voted in favour of establishing the Board. The Board, which still operates today, was financed by a levy imposed under the Dried Fruits

¹¹⁰ *Commonwealth Parliamentary Debates*, Vol. 108, pp. 3632-3

¹¹¹ *Ibid.*, Vol. 108, p. 3632.

Export Charges Act of 1924. This levy amounted initially to one eighth of 1d. per lb. This was later reduced to 1/16th of 1d. for currants and lexias, whilst after 1927 the levy was determined annually.

The Board more than paid its own way. One of its first actions was to approach the British Government with the result that Australian dried fruits were allowed to be imported duty free into the United Kingdom, where formerly sultanas and currants had been subject to a duty of £5 16s. 8d. and £1 13s. 4d. per ton respectively. Duties on foreign sultanas and currants were maintained at the old level of £7 and £2. In its first Report the Board also announced that it thought the freight charges on dried fruit too high and the following year it was able to report that these rates had been reduced from £4 7s. 6d. per ton to £3 2s. 6d. The Board was successful also in abolishing "draft", an English custom to pay for 110 lb. only in each cwt. of dried fruit received, and in reducing insurance premiums, storage costs and agents' fees.

The Board went about these matters in no uncertain way. Announcing in its first Report that it was negotiating the reduction of freight charges it added that

"serious consideration is being given to the question as to whether freight arrangements should not be effected with the Commonwealth Shipping Line or any other agency prepared to reduce the freight on Australian dried fruits."

Similarly, when it was negotiating about the "draft" it hinted that:

"failing a satisfactory result of the negotiations now being carried on, considerations may have to be given to the entire methods of marketing Australian dried fruits in Great Britain".

This attitude shows both the strong position of the Board, and also the growing impatience and indignation with which many Australian primary producers were considering the various links in the chain to the consumer.

It is therefore not surprising that opinions on the Board's activities were not unanimously favourable. In 1935 a number of South Australian firms made an attempt to have it declared invalid. However, a unanimous decision of the High Court upheld the validity of the Board and no further challenges were made. The constitutional position of the Commonwealth with regard to the control of external trade has, of course, never been so ambiguous as is the case with the control of interstate trade and the position of the Board in that regard was therefore strong.

The control of export, however, was not sufficient to maintain the necessary margin between home and export price. On the State level therefore, supplementary legislation was passed. Late in 1924, Victoria and South Australia instituted dried fruits boards, whilst New South Wales and Western Australia followed this example in 1927. Under the various Acts the Boards were empowered to acquire the dried fruit production of the State and to determine the proportion which was to be exported.

It was not long before these Boards were attacked in the Courts. In 1927, the South Australian Government attempted to prevent F. A. James, a packer and merchant, from sending dried fruit from South Australia to other states. James took the case to the Privy Council, where it was contended that Section 20 of the South Australian Dried Fruits Act,

1924-25, infringed Section 92 of the Constitution, which provided that "trade, commerce, and intercourse among the States, whether by means of internal carriage or ocean navigation, shall be absolutely free." James won the case.

The States then approached the Commonwealth with a request for Commonwealth legislation. At that time, as a result of the Macarthur case, it was still understood that the Commonwealth was not bound by Section 92 and therefore could control interstate marketing. This impression was created by Section 51 which provided in part that:

"The Parliament shall, subject to this Constitution, have power to make laws for the peace, order, and good government of the Commonwealth with respect to—

(i) Trade and commerce with other countries, and among the States."

The Commonwealth, in 1928, passed the Dried Fruits Act, which prohibited the transport of dried fruits from one State to another except under license, issued by a "prescribed authority".

James immediately questioned the validity of this Act. The High Court decision upheld the right of the Commonwealth to control interstate trade. However, the Regulations which were passed under this Act were invalid as they infringed Section 99 of the Constitution, which states that

"the Commonwealth shall not, by any law or regulation of trade, commerce, or revenue, give preference to one State or any part thereof over another State or any part thereof."

The mistake the Commonwealth had made was that it had appointed "prescribed authorities" only in those States which produced dried vine fruits, and had neglected to appoint anyone in the non-producing States, therefore it lost its case. The omission was immediately rectified by the appointment in each State of the Collectors of Customs as the "prescribed authority."¹¹²

Again James attacked, and the High Court now upheld the validity of the Act. James took the case to the Privy Council and here the Act was declared invalid as it infringed Section 92.¹¹³ This decision invalidated Commonwealth legislation with respect to the marketing of dried fruits, wheat and dairy products. One commentator called it "a triumph for the middlemen, but a triumph that can only be sustained at the expense of the producer," whilst the Queensland Premier commented that "unless the Constitution is amended, farmers will be at the mercy of speculators."¹¹⁴

This, of course, could not influence the Privy Council. As they stated in their Findings, it was not

"their Lordships' function [to rewrite the Constitution] . . . The Constitution, including Section 92, embodied the will of the people of Australia, and can only be altered by the will of the people of Australia . . ."¹¹⁵

¹¹² In 1934 the "prescribed authority" in Queensland was the Chief Veterinary Officer in that State. For those who think this odd, the "prescribed authority" under the Commonwealth Dairy Produce Act, 1933 for Western Australia, was the Deputy Director of Navigation and Lighthouses.

¹¹³ An extract from the findings in the case *James v. Commonwealth of Australia*, July 17, 1936, may be found in: D. B. Copland and C. V. James, *op. cit.*, pp. 124-141.

¹¹⁴ *Ibid.*, p. 142.

¹¹⁵ *Ibid.*, p. 141.

Several solutions were possible. The Federal Attorney-General, R. G. Menzies, summed these up at a Conference of Commonwealth and State Ministers held in August, 1936.¹¹⁸ It would be possible to pay an export bounty on dried fruit out of general revenue, or an excise duty could be levelled and this distributed as an export bounty or in some other way, or a referendum could be held in order to alter the Constitution. The latter course was preferred by the Lyons Government, then in power; because the other solutions were fraught with political difficulties as periodically an Act would have to be passed in order to levy a special tax, whilst the objective of organised marketing still would not have been obtained. The alteration of the Constitution which the Government proposed was to add a Section 92A as follows:

“92A. The provisions of the last preceding section shall not apply to laws with respect to marketing made by, or under the authority of, the Parliament in the exercise of any powers vested in the Parliament by this Constitution.”

Considerable discussion arose out of this proposal and when the motion was put to the Ministers' Conference the ministers were equally divided on the proposal, the representatives of New South Wales, Victoria and Queensland voting in favour and South Australia, Western Australia and Tasmania against the proposed alteration. Despite this deadlock the Government introduced the Referendum Bill in the House where it was carried. The referendum was subsequently held on March 6, 1937, an analysis of the negative result is shown in Table XI.

TABLE XI

Constitution Alteration (Marketing) 1936—Referendum, March 6, 1937

	Percentage of Formal Votes	
	In Favour of Alteration	Against Alteration
	Per cent	Per cent
New South Wales	33·8	66·2
Victoria	46·6	53·4
Queensland	38·8	61·2
South Australia	20·8	79·2
Western Australia	27·7	72·3
Tasmania	21·9	78·1
Commonwealth of Australia	36·3	63·7

The future of the industry now rested on voluntary action. Packers and merchants were persuaded by the State Boards that they would serve their own interests best by adhering to a voluntary marketing scheme, whereby the proportions of home consumed and exported dried fruits were determined not by the price mechanism, but by planning. James' packing shed was bought by the Australian Dried Fruit Association and

¹¹⁸ A report of this Conference can be found in *Commonwealth Parliamentary Papers*, Session 1934-37, Vol. 2 (General), pp. 126-150.

he was appointed an agent for this Association, so that no fear of further action from that side existed. Gradually ADFA bought out all other private packing sheds as well, the finance having been raised by a special levy on the growers of £1 per ton in 1938. It must be noted, however, that although James generally was blamed, this was not quite correct. James had not so much acted on his own behalf, but had been a tool in the hands of State politicians. This is clearly brought out by a statement of the Tasmanian Premier—A. G. Ogilvie—at the Ministers' Conference in 1936. Ogilvie said:

"I played some part in bringing it [the decision of the Privy Council] about, by securing the co-operation of Western Australia to intervene in support of Mr. James, and by briefing Sir Stafford Cripps, K.C."¹¹⁷

During the 'thirties some criticism was levelled against the home price, mainly on the grounds that it had the effect of a regressive tax and that as long as losses on export could be offset by increases in the home price, production would expand. During 1926, for instance, the Australian wholesale price for sultanas was £80 and the average price realised approximately £62, so that the Australian consumer subsidised export by £18 in every ton he bought. With a falling world price and an increasing export proportion (Fig. 15) the margin became even greater during the

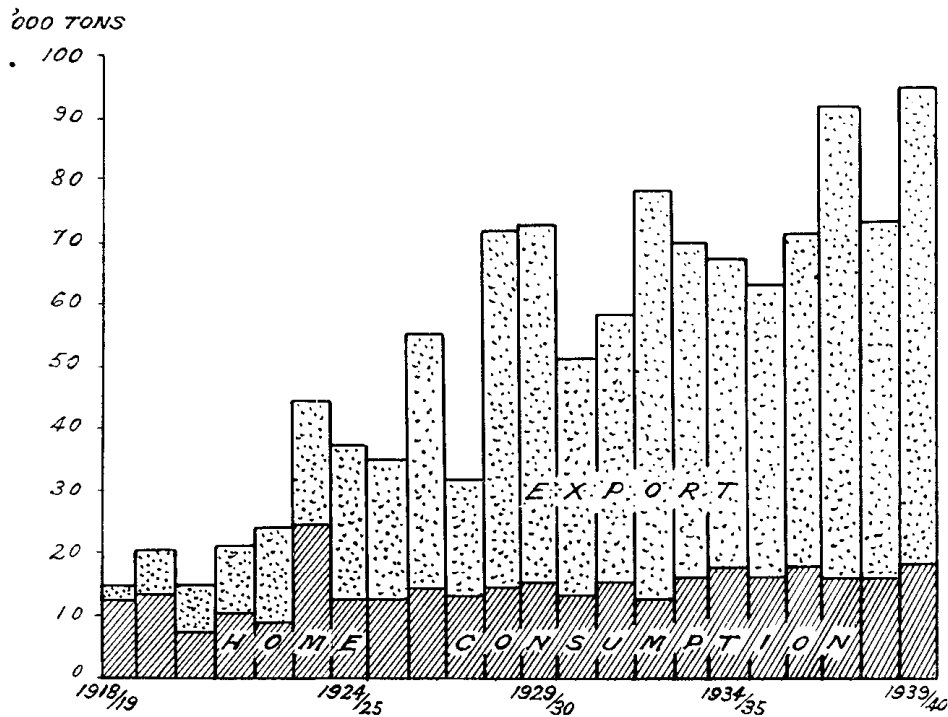


Fig. 15. Australian Production and Utilisation of Dried Vine Fruits, 1918-19 to 1939-40

Sources: 1915-16 to 1925-26: Development and Migration Commission Report, 1927. 1925-26 to 1939-40: Annual Reports, Commonwealth Dried Fruits Commission Board.

¹¹⁷ Report of a Conference of Commonwealth and State Ministers, August, 1936, *op. cit.*, p. 140.

'thirties. In 1935, with an Australian price of £77 per ton the average realised was £49, or in other words the Australian consumer paid some 55 per cent more than the amount the Australian producer was receiving.

Until the depression nobody particularly worried about an increase in the price of foodstuffs. These rises were automatically incorporated into the basic wage so that the wage-earner was no worse off, whilst the manufacturer had admission to the Tariff Board to claim more protection on the grounds that his costs had risen.

Copland summed the objections up as follows:

"Attention both in Australia and abroad is focussed on the effects of the tariff to secondary industry and the increasing burdens of protecting primary industry are being neglected . . . The protected secondary industries have been compelled to submit to it in the form of investigation, and report to Parliament by the Tariff Board. All industries are subject to awards by wage-fixing tribunals as to the wages they pay. Primary industries can scarcely expect to be given *carte blanche* to exploit the device of the home price. At least we should know (a) whether expansion of production will follow, and if so, whether it is economically sound; (b) whether there are other and more economic methods of rendering necessary assistance; (c) whether satisfactory progress is being made in promoting efficiency in the industries concerned."¹¹⁸

Restriction of production was something entirely foreign to the Australian frame of mind, at least prior to the depression of the 'thirties. Even then, restriction was advocated only half-heartedly and in his 1939 Royal Commission Report McCulloch wrote that:

"In view of these facts, I made search to ascertain the powers taken by State or Commonwealth legislation to control plantings, and am astonished to find that, although millions of pounds of public money have been expended in schemes for impounding and reticulating water for irrigation operations, no statutory authority has been provided which will allow any State department or instrumentality to limit plantings if, and when, the economic stability of any individual fruit is threatened."¹¹⁹

There was some sort of a voluntary agreement between the States to restrict new plantings of grape varieties suitable for dried fruits production, but these were not strictly adhered to and it appears that breaches were frequently made. Another difficulty was that, whilst the grape vines could be reworked with varieties suitable for fresh fruit and wine production, other alternatives were almost non-existent and a large reduction in the grape acreage would have meant the waste of a considerable amount of public capital invested in large irrigation works.

One way out, if technically possible, would have been to switch from the production of fruit to other commodities which might have been able to assist dry land farming. This possibility was never fully examined. A bounty system was politically unacceptable and so there remained a reduction in the cost of production. The scope for this, however, was rather limited. As far as production proper is concerned the 1927 Development and Migration Commission in its Report on the dried fruits industry thought that

"the main opportunity for reducing costs per ton in the working of a block lies in securing increased yields per acre . . . by growers combining in the

¹¹⁸ Copland and Janes, *op. cit.*, pp. 34-35.

¹¹⁹ McCulloch Report, *op. cit.*, p. 111.

use of machinery, by the cultivation of fodder to decrease the horse fodder bill and an organised system of cartage from the block to the packing shed.”¹²⁰

Another means of reducing production cost would have been cheaper credit. In 1927 interest on money borrowed from the packing sheds or agents was 8 per cent. The packing sheds or agents obtained their money at 6½ per cent and the Report states that a charge of one half of one per cent ought to have been sufficient to cover any administration and accounting expenses, so that a 7 per cent interest rate was thought reasonable. Growers could usually only obtain credit through these channels because the bankers refused to make advances to growers direct. The Rural Credits Branch of the Commonwealth Bank only provided finance when it held the fruit for export or when storage warrants were produced, and the Report came to the conclusion that

“advantage has not been taken of the Rural Credits Department of the Commonwealth Bank to finance the processing and marketing of dried fruits.”¹²¹

This indictment was even more serious as “final realisation of the fruit sometimes takes two years from when the productive work for the crop is commenced.”¹²²

Many of the growers were deeply in debt. During the period of prosperity it had been easy to obtain loans from banks and if this was not enough additional credit could easily be obtained from agents and packing sheds. The price of land rose steeply and interest rates ranged from 6½ per cent to 10 per cent. Only the soldier settlers were better off, and paid 5 per cent.

Where considerable savings could be made was in the cost of marketing. The system of discounts which had already irritated the Royal Commissioners in 1915, was still in existence in 1927, and the middleman was treated very generously by the Australian Dried Fruits Association. In the Development and Migration Report it was calculated that the total agents' and wholesalers' charges amounted to from 13 to 17½ per cent of the total costs, and it was found that a reduction of commission from £5 to £1 7s. 4d. on a price of £80 per ton would be quite reasonable.

Another weakness according to the Development and Migration Report was the large number of packing sheds, most of which were too small to be efficient. In 1927, of a total of 111 of these sheds more than half packed less than 100 tons per annum; a considerable reduction in their number was therefore possible. In Nyah West (Victoria), Bungunyah and Goodnight (New South Wales) for instance, there were twelve sheds, whilst it was thought that the crop could easily be handled by one. The total of eighty-eight sheds in the Murray area could be brought back to twelve. By these means the total costs of packing and distribution could be reduced from £22 18s. 1d. to £19 7s. 0d. per ton.

In this context it is interesting to note that, in 1951, packing and distribution costs were quoted at £16 7s. 0d.¹²³

¹²⁰ Development and Migration Commission, *Report on the Dried Fruits Industry of Australia* (Melbourne: 1927), p. 46.

¹²¹ *Ibid.*, p. 48.

¹²² *Ibid.*, p. 41.

¹²³ Australian Dried Vine Fruit Industry, *Economic Survey* (Stencilled Report compiled by Bureau of Agricultural Economics, 1951), p. 24.

The Marketing Problem—Citrus

Whilst the area under citrus in New South Wales showed only a slight increase, production, quantitatively and in value, rose by roughly one half during the period under observation. The average annual value of production per acre increased from £25 in the five years between 1919 and 1924, to £30 per acre during the five years ending 1940. (Expressed in 1919-24 money terms, after adjustment by the Melbourne Wholesale Price Index (all groups), the latter figure becomes £37.)

The increase in monetary returns per acre, was almost wholly attributable to increases in productivity, which rose during the same years from an annual average of 91 bushels to 115 bushels per acre, and from a total New South Wales production of some two million bushels to two-and-a-half millions.

As shown in Fig. 16, vast improvements were noticeable in the variety composition during this period. By the end of the relevant period, Valencia and Washington Navel oranges occupied more than two-thirds of the total citrus acreage, whilst the acreage of "other oranges" (mainly "commons") was much reduced. "Sevilles and other Citrus" which, in 1918, consisted almost entirely of Sevilles, comprised mainly grapefruit in 1940.

Australian production per caput increased slightly. In 1920 approximately 0.5 bushels per caput was available, this had increased to some 0.7 bushels in 1940. Nevertheless, during the 'twenties and early 'thirties there

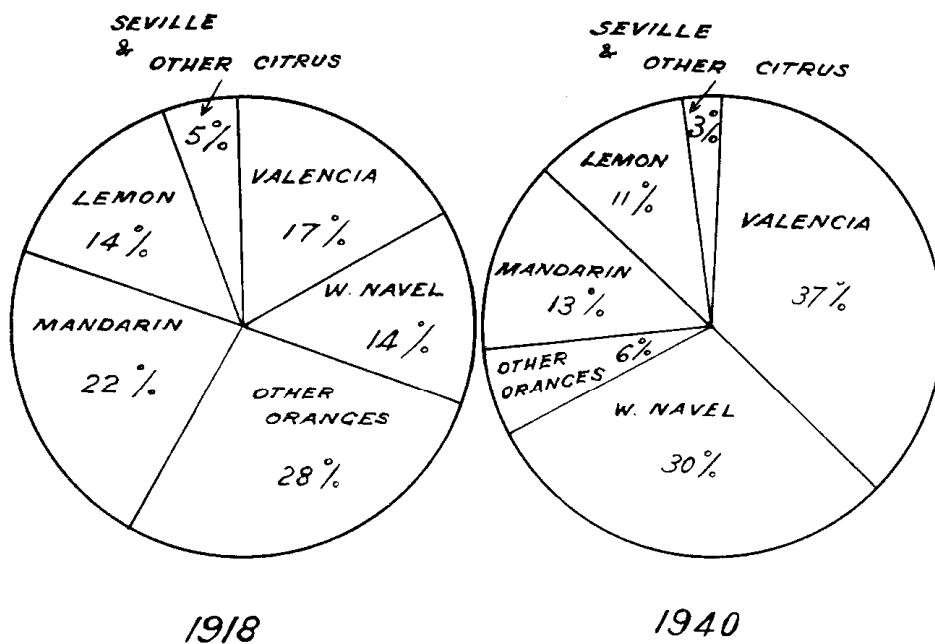


Fig. 16. Composition of the Acreage of Citrus by Varieties, New South Wales, 1918 and 1940

Source: New South Wales Yearbooks.

was a constant pressure from certain organisations to make growers and the Government, more "export conscious", although this pressure was far from unanimous. Indeed the diversity of opinion on this, and similar matters, set the citrus industry well apart from, for instance, the dried fruits industry.

In New South Wales the first organisation of citrus growers commenced in 1919 in the MIA with the result that co-operative packing houses in Griffith and Yenda came into existence. During the following ten years more co-operative packing houses were established in Gosford and other coastal districts; most of these, however, were only short lived.

Until 1931 the tie between the growers was formed by the Central Citrus Association of New South Wales; a similar body operated in Victoria, the Victorian Central Citrus Council. In 1921, at a conference of the Victorian body, it was proposed that a "Federal executive" be created, which would co-ordinate the efforts of the Victorian, New South Wales and South Australian associations. At the VCCA conference of the following year it was resolved:

"That a Federal executive, comprising one representative from each State, be established to deal with all matters of common interest to the growers in the various States, and particularly to make uniform arrangements for export in the coming season, and that the executive of each State be asked to appoint a representative to such federal executive."

The later preoccupation of the Federal body with export is already foreshadowed in this motion. Indeed promotion of export, together with the organisation of the Melbourne market, where not only the Victorian and South Australian crops were marketed but which was also the principal outlet for the production of the New South Wales irrigation areas, became the main functions of this "Federal Citrus Council" as it was named.

To regulate the Melbourne market, a panel of agents was appointed, which sold the citrus on a commission basis, under direct supervision of a market representative, and by 1929-30, over 50 per cent of all citrus received on the Melbourne market was controlled in this way.¹²⁴

It was expected that citrus production would increase fast and it is therefore understandable that there was a strong desire to develop export markets. During the 'twenties only some 3 per cent of the citrus crop was exported and some 90 per cent of this export went to the New Zealand market, a market which could not be expected to expand to any great extent in the foreseeable future. Following representations by the Federal Citrus Council the Commonwealth Government decided to assist the industry in its attempts to develop other outlets. Britain imported large quantities of citrus each year, but the distance and the keeping quality of the Australian fruit barred full exploitation of this market. In order to stimulate experiments the Commonwealth Government, in 1924, made an amount of £10,000 available, which was put in a guarantee fund out of which the exporter could be paid his out-of-pocket expenses if the fruit deteriorated on the journey

¹²⁴ *Report on the Present Position and Future Prospects of the Citrus Industry in Australia*, prepared for information of the River Murray Advisory Committee by the Development Branch of the Prime Minister's Department (Canberra: Government Printer, 1930). (Hereafter referred to as *Citrus Report*, 1930.)

and brought less than 15s. 0d. per box (1½ bushel). Only small amounts were paid out in this way; a few hundred pounds during 1924, some £80 during 1925, when a maximum of 5s. 0d. per case was paid.

By 1930 it could still be said that "citrus production in the Murray Valley irrigation areas was undoubtedly profitable"¹²⁵ and the efficient coastal producer would be at least in a comparable position. Then, however, the industry sustained some serious shocks. At the very time that, owing to the spreading unemployment, the local markets became very sluggish, the Report by the Prime Minister's Department was published. In this Report it was calculated that by 1936 the Australian citrus crop would amount to over 5.6 million bushels, of which 4.5 million bushels would be absorbed by the Australian consumers, leaving an exportable surplus of some 1.1 million bushels.

As it turned out, the Report was fairly accurate in its forecast of total production, as the actual production by that time was close to 5 million bushels. (Although it had overstated the New South Wales production by almost 30 per cent.) Local consumption had almost reached the expected level and the exportable surplus was some 600,000 bushels.

In the meanwhile however, another serious crisis had been experienced. In December, 1932, the New Zealand Government had put an embargo on the import of Australian oranges. This measure was in retaliation to an Australian ban on New Zealand potatoes, the import of which had been forbidden on the grounds that the disease "corky scab" occurred in New Zealand and that there was a danger that this disease might be imported into Australia, where it was unknown.

New Zealand however, was largely dependent on Australia for its oranges and now had to import from California at twice the Australia price. Already in August, 1933, the New Zealand Government was obliged to allow a few shipments of South Australian oranges to be imported and by 1936 fruit from the Murrumbidgee Irrigation Area and Victoria was also allowed to enter. During that year and the years following, New Zealand again became our principal export market and bought three out of every four cases exported.

The Australian Government had reacted to the New Zealand ban by reinstating the guarantee, and during 1933 it paid out almost £4,000 on citrus exported to Britain. The Government was however increasingly irritated by the lack of concerted action by the growers, who were strongly divided on the merits of the guarantee system. The New South Wales Central Citrus Council had ceased to exist in 1931, when the co-operative packing houses in the irrigation districts had broken away. These packing houses remained affiliated with the Federal Citrus Council through the Irrigation Co-operative Societies, whilst other New South Wales producers joined the New South Wales Fruitgrowers' Federation, which also became affiliated with the Federal Council. The Federation however, was an extremely awkward instrument to represent the interests of one particular branch of the industry as it was based on a number of *regional* societies, which might each represent different interests.

¹²⁵ *Citrus Report*, 1930, *op. cit.*, p. 70.

Several other associations therefore sprang up, with the aim of promoting the interest of the citrus grower in particular. The biggest of these was the Citrus Growers' Defence Association, which claimed to represent a greater acreage, although not a greater number of growers, than any other New South Wales organisation. This Association was against Government assistance in any form as it feared that assistance would mean Government control and its attitude was well shown by the fact that it even objected to a Government subsidy on fertilisers.

The Federal Citrus Council, although it was the most representative Australian organisation, did not possess the full confidence of the New South Wales growers. The Council, so it was felt, was too closely connected with the Victorian Central Citrus Association, which had not only been the godfather of the Council, but also looked after its administration and published its monthly journal. In the mind of the New South Wales coastal growers, the VCCA was identified with compulsory marketing schemes, which were continually advocated in the Council journal. On the other hand, the Victorian Association was rather cool towards a levy on production in order to assist export, a measure which the New South Wales growers in the irrigation districts, together with their South Australian counterparts, would have liked to adopt.

The Government then, while quite willing to assist the industry, was confronted with a bewildering variety of opinion and in 1935 the Acting Prime Minister, Sir Earl Page, was reported to have said that:

"At present, Federal and State Governments found that on broad questions of policy there was no citrus organisation sufficiently representative of the industry to act as an advisor to them. Even within each State there were different groups of growers advocating various remedies. Some growers were opposed to marketing organisations of any kind; others wanted voluntary organisation, still others sought statutory marketing legislation."¹²⁶

As a result of Commonwealth Government pressure attempts were made to create a more acceptable body. In April, 1936, a conference of representatives was held in Sydney and this conference recommended the formation of a Citrus Advisory Council. This Council was to control export and to assist it financially by a levy on production of 1d. per bushel.

When the representatives who had attended the conference reported back to their respective organisations, it became clear that this proposal was unacceptable. The New South Wales Fruitgrowers' Federation strongly opposed a levy on production in any form, the growers in the Murray irrigation districts thought that the proposal did not go far enough and the VCCA, although it did not refuse outright to co-operate, stated that at this stage it did not wish to commit the growers, although it might go along with the wishes of the majority in the other States.

Undaunted the Commonwealth Government made another attempt in August, 1936, and this time a Citrus Advisory Council was formed which was not committed to any definite policy. The Council comprised five delegates from New South Wales, whilst the growers in the other producer States appointed two delegates each.

¹²⁶ *Citrus News*, May, 1935.

It is understandable that this Council was not particularly effective in pursuing a firm policy. Most of the work it did could probably just as well have been done by the Federal Citrus Council.

In the meanwhile, the Commonwealth Government had proposed substituting a system of bounties for the guarantee. The guarantee had come under attack on several grounds, the main criticism being that the growers did not benefit by it, only the exporter.

The proposed bounty was given for the first time in 1936 at the rate of 2s. 0d. per box (1½ bushel). A total sum of £20,000 was put aside for this purpose and when it became clear that only some £8,000 was needed, the Government paid a bounty of 6d. per box on fruit exported in 1933; this in addition to the guarantee.

The bounty system also came under attack from the New South Wales growers. The New South Wales Citrus Growers' Defence Association's opposition was not only grounded on its general dislike of Government interference, the Association was also of the opinion that promotion of export of citrus was wrong at that time, the argument being that:

" . . . citrus fruits of a quality capable of travelling such a distance and then bringing a profit are very eagerly sought at profitable prices to growers by Australian consumers who are compelled to accept a large proportion of fruit which can only be classed as poor to fair . . . If Australian consumers are not to be denied their average requirements it would appear that we shall have a deficit instead of a surplus, to rectify which import is indicated, not export."¹²⁷

Doubts even spread to the Victorian Central Citrus Association, traditional advocates of export. Its manager, in an article entitled *Is Export the Solution?*¹²⁸ claimed that export of a relatively small quantity of choice fruit would have little or no effect on the price of medium quality fruit which made up the bulk of the production.

The citrus growers in the irrigation districts complained that the bounty system was inefficient in its operation:

" . . . delayed payment . . . provides an excellent example of what happens under a bounty system . . . as an alternative to the present orderly system of marketing dried fruits."¹²⁹

There was also disappointment in New South Wales at the decision to grant a bounty, irrespective of the export realisation. It was felt that in case of deterioration of the fruit on the journey, the exporter was better off under the guarantee system.

Nevertheless, the Commonwealth Government maintained the bounty in 1937 at the same level as the previous year (and ignored the advice of the Citrus Advisory Council to raise it to 2s. 9d.). Despite the threat that "the citrus industry must not look for a continuance of any bounty after this year", the "Citrus Bounty Act" was passed in 1938 providing for the bounty to be continued for a period of three years from January 1, 1938, on export other than to New Zealand.

¹²⁷ *Ibid.*, June, 1937.

¹²⁸ *Ibid.*, September, 1936.

¹²⁹ *Ibid.*, March, 1937.

Despite the criticism that the bounty system was ineffective or even that it would reduce the industry to chaos, there can be little doubt that it stimulated the export to British markets which increased their share of the total export from some 5½ per cent during the years 1927 to 1929, to an average of over 13 per cent between 1936 and 1939.

A comparison between the dried vine fruits and the citrus industry is interesting on several accounts. In the first place experience with the citrus industry had shown that a bounty system was, after all, politically feasible. No resistance was met when the necessary bills went through Parliament and the Opposition stated at one time that it was "glad to support the measure". It may, of course, be asked whether co-operation from the Opposition parties would have been so easily obtained, had bounties been given to all primary industries which were in need of assistance. The fact remains, however, that whilst the bounty system had everything in its favour from an economic point of view, it was never tested on a fuller scale.

In the second place it became clear that the mere fact that producers were operating in the same industry, was not sufficient to create a bond, strong enough to enable them to attack marketing problems together, even when it must have been clear that concerted action would benefit all in the long run. The differences between the dried vine fruit industry, where such concerted action was apparently possible, and the citrus industry were, of course, striking. The dried vine fruit producers were all faced with the same difficulties in production, and were located within a relatively narrow geographical area, facilitating contact. In contrast, the citrus producers were widely dispersed and the grower in the irrigation settlements was confronted with entirely different problems from those facing the grower in the coastal belt.

But perhaps even more important were the social differences. The dried vine fruit growers, owning farms which differed little in area and productivity, differed little in their income and social status, whilst citrus producers presented a social pattern almost as varied as that of Australian society itself. There was a world of difference between the owner of the small "salad orchard" comprising a variety of fruit trees and the big grower who might own several hundred acres under citrus. The latter usually had close connections with trade interests and, more likely than not, was a member of the Citrus Growers' Defence Association, which, as mentioned above, claimed to represent a greater citrus acreage in New South Wales than any other organisation.

Compared with these great differences in social status, wealth and geographical location, the bond of common interest was not strong enough and it was therefore possible for such a diversity of opinion on marketing policy to exist.

5. CONCLUSION

Only a few aspects of the fruitgrowing industry have been dealt with in the preceding pages, the choice having been determined by the writer's interests and by a desire to show that the importance of the industry has been greater than might be suspected if judged only on the narrow basis of figures concerning its value of production or the number of persons employed in it.

This wider importance of the industry has been due mainly to two factors. In the first place fruitgrowing has proved an effective vehicle to implement closer settlement policy; in the second place the industry has made important contributions to Australian thought in the field of marketing policy of primary products in general.

Without Government aid it would have been impossible for the industry to attain its present status. In the Australian environment, where physical difficulties were combined with a high cost structure, protection and where and when this became necessary, assistance in exporting the surplus, were essential. The degree to which this Government aid was forthcoming in the past depended largely on the extent to which growers in any particular branch of the industry were able to organise themselves in order to protect their particular interests. Owing to the fact that the fruitgrower closely approached the Australian ideal of a small, independent landholder, Governments have always proved extremely sympathetic to his requests for assistance.