

REFERENCES

The Creation of the Committee of Direction of Fruit Marketing

by

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Spokesmen for successive Queensland governments have declared with considerable pride that their state early developed and still maintains the most comprehensive system of agricultural organization and primary produce marketing in Australia. More particularly, it has often been claimed that the Queensland fruit industry operates within one of the most efficient marketing schemes in the world. The Committee of Direction of Fruit Marketing is a significant statutory marketing authority not only for the wide powers it has come to possess but also because the train of events leading to its constitution, and the form which that constitution took, demonstrate an original and farsighted response to a pressing administrative and political problem.

In 1920 fruitgrowing accounted for 3.45% of the total acreage under crop in Queensland, ranking sixth after wheat, sugar, green forage, maize and hay, and for 10% of the total crop value, ranking fourth after sugar, wheat and hay. Bananas provided one-third of the total value, pineapples just over one-quarter and oranges just over one-eighth. Because various types of measure were used to record the quantities produced and quantities sent out of the State it is difficult to provide firm figures; both the banana and pineapple industries depended on export interstate. During the decade 1910-20 the population of Queensland had risen by 19% and that of Australia by 15%, but fruit acreage had risen by approximately 60% and production by nearly 300% at both state and national levels. The increase in production so far outstripped population growth that the problems of a fluctuating, often glutted, market were frequently attributed to this disproportionate expansion in production. Discussion of the fruit industry's problems in the contemporary newspapers, parliamentary debates and government publications suggests, however, that the main problem was under-consumption rather than over-production and that this was due to poor marketing and distribution arrangements. It was in an attempt to promote more efficient arrangements for getting fruit

from grower to consumer that the Labor government of the day introduced the legislation under which the Committee of Direction of Fruit Marketing was established as part of a wider programme of agricultural reorganization.

Although prior to 1922 no move had been made by the State Government to organize the marketing of fruit, numerous attempts had been made by growers themselves to form co-operative associations. In the early years of the century an organization with members drawn mainly from citrus growers of the Blackall Range districts, known variously as the Queensland Citrus Growers' Association and the Citrus Growers' Fruit Company, had been formed to organize transport to southern states and New Zealand. Eventually it was incorporated as the Queensland Industrial Fruit Trading Company later changed to the Queensland Fruit Industrial Trading Company (Q.F.I.T.). Growers sent fruit intended for southern markets to the Company which arranged shipping concessions and fumigation and carting, and also sought to improve standards of packing and grading.

In 1914 the Woombye Fruitgrowers' Association, the only other co-operative trading society operating at the time, approached the State Minister for Agriculture for the appointment of an experienced man from elsewhere in Australia or overseas "for the purpose of organizing the fruit-growing industry and establishing an organized system of marketing". After a three months' trial of a man from the Utah Fruitgrowers' Association, the Q.F.I.T. made representations to the Government which resulted in a conference in 1916 and in turn led to the formation of a new body, the Queensland Co-operative Fruitgrowers' Ltd. (Q.C.F.) with a subscribed capital of £10,000 and a policy of pooling. In 1918 J. T. Wilson of the Woombye Fruitgrowers' Association campaigned for improved transport to southern states, and in January 1919 a regular fruit train service was inaugurated. The improvement in distribution was, however, accompanied by disaster in the efforts of the Q.C.F. to cope with the glut in the banana and pineapple market of 1918. Its banana and pineapple pools had begun to operate in January 1918 and by early February the company was

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overloaded with fruit to the extent that the traffic department ordered it to remove the obstruction caused by fruit stacked in the street. Unsatisfactory prices were offered by the canneries and large quantities were shipped to Sydney and Melbourne, but shipping facilities were poor because of the war and further confusion ensued. The banana pool was promptly abolished and the other pools soon afterwards. Eventually the company went into liquidation and the shareholders lost the whole of their capital. The failure of the Q.C.F. has been attributed to many factors. It took on a task far beyond its resources in trying to control the whole fruit industry of southern Queensland. The staff were inexperienced in the fruit trade, especially in handling large quantities. There was no regular standard in the packs sent forward. Supervision was ineffective. Sea transport was unsatisfactory and the Company was unable to arrange alternative rail transport. The overhead expenses were grossly disproportionate to revenue. Perhaps the most serious consequence of the collapse of the Q.C.F. was the growers' loss of confidence in the idea of co-operation. From 1918 to 1921, the Q.F.I.T. carried on its trading activities with a limited degree of success, plagued by fluctuations in the market and transport problems, and eventually a prolonged shipping strike and the inability of the company to guarantee loadings for a fruit train led to its going into voluntary liquidation in May 1921.

As a result of the efforts of the Woombye Association a new body, the North Coast Fruitgrowers' Association, had been formed in 1918. Later, under the name of the Southern Queensland Fruitgrowers' Society (S.Q.F.S.), it ran the first regular fruit train service to the southern markets. It worked with new co-operatives such as the Palmwoods, Montville, Buderim Amalgamated Fruitgrowers' Society Ltd., formed in 1919, and the Bowen Fruit Export Company which had formed after the failure of the Q.F.I.T. All of these fruitgrowers' trading societies suffered, as their predecessors had done, from an inability to control their members and impose rigid standards for packing and grading. More importantly, they were affected by the lack of any overall planned organization of the industry, for in the free market it needed only a few growers within a co-operative to withdraw their support for the organization's effectiveness to be severely limited. Even when there was a strong co-operative association, such as the S.Q.F.S., it was only one among several. Had the various organizations been able to find some way of forming a co-ordinating body, a possibility which for reasons of geography and the sectional nature of the industry seemed neither desirable nor practicable to many growers, they would have been faced with the possibility that growers who remained outside could affect the market. The co-operative might be rendered useless, or at least of insufficient advantage to the member to be certain of retaining his loyalty. As the Director of Fruit Culture put it:

The experience of all successful co-operative efforts is that producers will only co-operate when they are absolutely compelled to do so for their own protection — in other words, when they find it impossible to obtain remunerative markets, and their products have cost more to produce than they will realise . . . 2

Prior to 1915 when the Labor government led by T. J. Ryan came to office with a comfortable majority in the Legislative Assembly, legislation on agricultural matters in Queensland had been confined mainly to measures designed to control agricultural pests. Measures intended to facilitate the organization of co-operatives by the farmers included the Co-operative Agricultural Production Act of 1914 which provided government advances for factories processing primary products and the Co-operative Sugar Works Act of 1914 which enabled co-operative groups of sugar farmers to acquire existing sugar mills with government aid. No attempt had been made to organize the farmers themselves or to interfere in any way with their right to market their produce as they wished, but by 1915 it was apparent that the market position of many sectors of primary production was such that some effort would have to be made to stabilize prices through legislation. The

first industry to benefit was sugar which already received bounties and heavy protection. It was feared that the main refining companies would take advantage of the higher world price to export and denude the local market. The state and federal governments decided to nationalize the industry at the point where raw sugar left the millers, with the growers protected from the millers by price fixing boards. A Cane Prices Board for each mill was elected from representatives of buyers and sellers, and a Central Board for hearing appeals was constituted. As a result of this government intervention, the farmer was assured of a fixed price for raw sugar and the consumer of a fair price at retail. At the same time in 1915 the first industrial award covering labourers on cane farms was made. Although the growers had complained that the costs would ruin them, the effect of the new system, which regulated the quantity of cane to be crushed in each district by allotting quotas and distributed the returns from the pool to the mills, worked so effectively that growers, labourers and the industry all flourished. The Ryan government's regulation of the sugar market is important for its institution of compulsory market regulation. Pools had for years previously been operated voluntarily by groups of primary producers. After the war the principle of compulsion was applied in more democratic forms to other areas of agricultural production and a new pattern of marketing reform began to emerge from the *laissez-faire* chaos.

A related lesson was learned from the wheat industry which experienced wild fluctuations of fortune³. The Queensland Department of Agriculture attributed much of the blame for the calamitous decline in the wheat acreage after 1916 to the operation of the federal wheat pool. This had denied entry to Queensland wheat on the ground that the state did not produce enough for its own consumption. The pool controlled its operations to the advantage of the southern states by imposing a high price without any consultation of the Queensland government. Since the state government had negotiated sugar prices at a reasonable level with the south, high wheat prices engendered great resentment and the government decided to assist the industry to the point where it was self-supporting with a guaranteed price. In September 1920 the Wheat Pool Act provided for a State Wheat Board empowered to classify, market and finance the scheme, control all grain sheds and nullify any unfair contracts. The State Wheat Board was the forerunner of the commodity boards created by the "Queensland Plan" instituted by the Primary Producers' Organisation Act and the Primary Products Pools Act of 1922.

In the fruit industry the first two decades of the century had been notable for a complete lack of organized marketing and distribution on a scale sufficiently large to prevent the conflict of one co-operative with another or with independent growers; similar marketing problems prevailed in other sectors of agriculture. The inability of farmers to judge the capacity of the market for any particular commodity led to blind production which aggravated the position by causing further gluts, at the same time denying the producer a just reward for his labours. A very small proportion of the commodity sold independently could affect and depress the market. So the co-operative was always at a disadvantage unless the commodity concerned was in chronic short supply or the co-operative had monopolistic control of an essential marketing facility such as transport, storage or processing⁴. It was decided to introduce a new principle to ensure the continued success of farmers' co-operatives, that of issuing a precept (or command) which would compel a small dissenting minority of producers to conform to the will of the majority who favoured establishing co-operative marketing of their produce. The government undertook to launch any approved co-operative and, once it was working, to ensure that the farmer received a percentage of the market value of his crop delivered to the pool pending its sale.

Although no official announcement of the government's plans to place the marketing of all Queensland primary produce on a sounder footing was made before February 1922 the Minister for Agriculture and Stock, W. N. Gillies, in the second reading debate



A scene at the daily sale of bananas at the Committee's floor in Little Roma Street, 1924.

on the Wheat Pool Bill in 1920 had mentioned the importance of ensuring good prices for butter, sugar, cheese, maize, fruit or "anything the civilised man requires to keep him alive"^s. Early in 1922 the dairy industry was hit by the restoration of a free market in Great Britain and the decision of the Imperial authorities to unload their stores of Australian butter. On 21 February 1922 the Premier, E. G. Theodore, in what was termed an interim policy speech, reviewed the record of the Labor government in agricultural legislation. He declared that it was the government's aim to encourage an increase in the rural population by improving the living conditions of farmers and making life on the land more remunerative. The Premier's aim was to restore the producers' confidence in their agricultural future:

If the farmers are willing to establish co-operation on a large scale, the Government will confer the necessary authority upon the co-operative associations and, moreover, will back them financially . . . 6

and the scheme envisaged by Theodore in this speech at Laidley, and designated the "Queensland Plan", reflected an optimistic and progressive view of Queensland's agricultural prospects. It proposed employing co-operatives and pools, opening up more land, instituting advisory boards for the various sections of rural industry, and improving social amenities in rural areas. The model was that of the American Farm Bureau and, accordingly, the organization of agriculture would be on the basis of local associations of not fewer than fifteen members which would be entitled to elect district councils. At the apex of this pyramid would be a co-ordinating body, the Council of Agriculture. Its members would include representatives from the district councils and have not fewer than five nor more than one-quarter of the total number of members as representatives of the government; the Minister for Agriculture and Stock should be chairman. With the butter market collapsing,

Theodore called a conference of representatives of the dairying industry in March, outlined a scheme for the complete organization of all sections of agriculture including dairying and promised that if the scheme were adopted the state government would meet the organization's expenses for the first year at least. The conference unanimously adopted the Premier's proposals, and the Dairying Industry Advisory Board was appointed to consider all matters affecting the industry and hold office until the projected all-embracing organization had been instituted.

Theodore's Laidley speech had been attacked by the Country Party parliamentarians who considered that it had been stolen from their platform, and by conservative farmers because it was "socialistic". *The Brisbane Courier* condemned it editorially for introducing to the agricultural scene "a chain of bureaucracy", and declared that: "Farmers certainly do not want some inefficient State-controlled board"⁷. At Laidley the Premier had described the function of the Council of Agriculture as being one of co-operation with the Department of Agriculture and Stock in the following ways — in the development of rural industries; in investigating the dealing with agricultural problems; in advising agriculturalists with regard to matters which require scientific knowledge and training; in securing effective action for the controlling of diseases and pests generally; in securing improved markets for the disposal of farm produce; in formulating a general policy of standardization; to advise on agricultural education and rural schools; and to recommend when necessary the formation of advisory boards or pools to deal with wheat, butter, cheese, fruit or other sections of agriculture^s. When the government sought nominations for the provisional Council the appropriate primary producer organizations co-operated willingly. The Dairy Conference chose five members for the dairying industry, the S.Q.F.S. provided five for fruit. The State Wheat Board nominated three members

and the executives of the United Canegrowers' Association and the Australian Sugar Producers' Association each provided two members. The government representatives included the Public Service Commissioner, J. D. Story, who assumed responsibility for the preliminary organization of the Council, the Commissioner for Railways, the general manager of the Government Central Sugar Mills and the Director of Agriculture.

Standing committees were appointed to deal with administration, transport, and the sectional concerns represented on the provisional Council. The man chosen by the government to administer the affairs of the Queensland Producers' Association, subject to the general control of the Council of Agriculture, was Lewis R. Macgregor, whose distinguished career warrants a short digression at this point.

Lewis Macgregor was a Scot who had migrated to India in 1909 to an appointment as Assistant Manager of a group of estates in Northern Bengal, and had moved from there to Western Australia where he began working as secretary and accountant on large fruit estates. He became Manager of the Westralian Farmers' Co-operative where he organized wheat pools, and by the end of the First World War was working as an adviser on agricultural policy to the West Australian government. In 1922 Macgregor was approached at an Interstate Conference in Perth to become Director of Agricultural Organisation in Brisbane. He records that "at thirty-six years of age I was the highest paid official in Queensland, other than Judges of the Supreme Court"⁹. It is clear from Macgregor's account of his work in Queensland that the Queensland Plan was very much a "pet project" of Theodore. It should perhaps be pointed out that the plan in no sense was an extension of the Ryan government's state enterprises but rather a government-sponsored scheme for rationalizing the distribution and marketing of various kinds of produce. As Macgregor tells it:

We decided to create by legislation a Council of Agriculture, comprised of representatives of the various branches of agriculture, with the Minister of Agriculture as Chairman, and with me as executive officer. The purpose was to have those engaged in agriculture, under guidance, and with the facts before them, take decisions on broad lines of policy designed for their betterment. Nothing would be forced upon them. Legislation was drafted, such as:

The Primary Producers' Organisation Act,
The Co-operative Associations Act,
The Primary Products Pools Act, and
The Local Bodies Guarantee Act
all of 1922 . . .

All the above-mentioned statutes were enacted within a few months after our arrival in Queensland and with the active sponsorship of Premier Theodore.¹⁰

Macgregor's career led him to serve ten Australian Prime Ministers from Hughes to Chifley, and seven State Premiers, and over a period of forty years he served in one capacity or another a total of thirty-two governments all over the world, finally settling permanently in the United States.

The first real task of the provisional Council was to enlist the sympathy of the primary producers for the scheme. Fifteen district agents were appointed by the Council, each man to concentrate on one of the provisional districts which had been constituted for the purpose of organizing local producer's Associations. A. A. Morrison claims that from 1922 onwards Labor agrarian legislation, by removing many of the old grievances of the farmers, removed also much of their desire for a political organization of their own and in this way undercut membership of the Country Party¹¹. At the outset some opposition on political grounds was met by the local producers' associations but by October most of these had broken down and by the end of the year the target of 500 associations with a membership of 12,000 producers had been greatly exceeded. By 31 December there were 707 associations with a registered membership of 18,361 primary producers; according to the 1921

Census there were at the time 50,532 primary producers in Queensland pursuing agricultural as opposed to pastoral production. Early experience indicated that the boundaries of the original fifteen provisional districts were not quite satisfactory and the number was raised to nineteen.

During its period of office — from April 1922 to March 1923 — the provisional Council did not confine its activities merely to laying the organizational foundations for the permanent Council of Agriculture. The Primary Producers' Organisations Act, assented to in August 1922, had provided for the establishment of provisional district councils but the provisional Council of Agriculture had ignored these for the time being to concentrate on the formation of local associations. However, apart from this organizational activity, the various standing committees began to work in co-operation with the Department of Agriculture and Stock and produced a number of benefits for dairying and sugar. From the beginning the Council made representations on behalf of producers to ameliorate conditions in rural industry, and the government, on its part, made use of the special knowledge of Council members by consulting them as part of the policy formulation process. The government had, in effect, created a pressure group and a statutory advisory body in the one organization. Subsequently the Queensland Producers' Association developed along sectional, commodity board lines, rather than on a geographic basis. The consequent aggregation of specialized knowledge within these constituent bodies, along with the synthesizing, generalist function of the Council, have meant that the Council has continued to be a source of invaluable information to the government. This may partly account for its success in representing the interests of primary producers compared with, say, the Australian Primary Producers' Union, a non-specialist, rank-and-file organization.

The first elections to the district councils were held in February 1923. All registered primary producers, grouped according to their registration under dairying, general agriculture, fruit or sugar sections, were entitled to vote. Four hundred nominations were received for 171 places, indicating the considerable degree of interest. Each District Council consisted of nine members, each section receiving as many places as were proportional to the number of its registered producers in each district. In his report to the Council in 1923, the Director, Macgregor, reiterated that marketing was the central objective of this scheme to organize state agriculture.

Whatever else is done for the agriculturalist, if prices remain unpayable and marketing is disorganised little advantage will accrue to him from the new Organisation. The stabilisation of prices and a paring of the margin between producer and consumer is desirable from the standpoint of both the agriculturalist and the general public.¹²

The provisional Council had met with an enthusiastic response from producers and government alike, but the major problems of marketing and distribution required a new framework of enabling legislation. This took the form of modern co-operative legislation contained in three acts, the Primary Products Pools Act, 1922, the Primary Producers' Co-operative Association Act, 1923, and the Fruit Marketing Organisation Act, 1923.

The Primary Products Pools Act was complementary to the Primary Producers' Organisation Act, providing the basis upon which could be constituted "bodies charged with authority to create compulsory marketing units"¹³. The Act was not an experimental measure for there already existed the Wheat Pool (1920) and Cheese Pool (1921) Acts upon which it was modelled. But it was considered preferable to have a general pooling act to make the setting up of pools conditional upon the consent of a majority of the producers of any given commodity. The Act gave the Governor in Council power to declare as coming under the provisions of the Act any grain, cereal, fruit, vegetable, or other produce, and any dairy product, and to determine the class of persons who should be deemed to be growers of that commodity for the purposes of the Act. The Governor in Council should have due regard for any

representations made by the growers prior to declaration by Order in Council of the constitution of the board and the number of representatives to be chosen. Notice of intention to make such an Order should be gazetted at least twenty-one days before the Order was made, and within that period any fifty or more growers might petition for a poll which would then have to be carried by a 75% majority before the pool could be instituted. In 1923 the power to conduct polls was transferred from the Department to the Council, and the Council was given a representative on each commodity board. In 1925 ownership of the commodity was vested in the board and the requisite majority reduced to 66 2/3%. By mid-1924 pools existed for wheat, canary seed, cheese, Atherton Tableland maize (when a poll for a statewide pool had failed to attain the 75% majority) and arrowroot.

During its first year the Council gave much attention to the need to protect and encourage the co-operative movement, and in 1923 the Primary Producers' Co-operative Associations Act was passed to "encourage and assist the formation of co-operative companies to deal with primary products"¹⁴. Its first impact was in dairying but within a few months all of the co-operative companies connected with the fruit industry had placed themselves under its provisions. Fruit growers had responded quickly to the new system. The Fruit Standing Committee of the provisional Council had been appointed at the Council's second meeting on 4 May 1922, charged with the task of dealing with or advising on all matters relating to the fruit and vegetable industry. Its chairman was William Ranger of Eukey, who was also appointed

district agent for the electoral districts of Carnarvon and Warwick, centre of the deciduous fruit industry. The committee applied itself to a number of matters — fruit fly control; compulsory standards for packing and grading; the employment of instructors in picking, grading, and packing by the Department; experimental plots; proper returns of production figures; hail insurance; and improved transport. Polls for a statewide banana pool and a south-of-Gympie pineapple pool were lost. The 1923 banana crop was a poor one, due to inadequate rainfall and to the inroads of bunchy top and banana beetle borer. As a result prices were satisfactory. But the pineapple industry had experienced difficulties of over-production in 1922, leading in June 1922 to the S.Q.F.S. being asked by a conference of North Coast pineapple growers to undertake distribution of the crop. Every possible avenue of sale was utilized: state shopkeepers, stationmasters and railway gatekeepers acted as agents for the retail of pineapples. In the summer of 1923 the glut was aggravated by the large yields from the farms of the new soldier settlers so that it was estimated that when the 1923 winter pack was ready there would be a carry-over of 30,000 cases.

Although the provincial Council had brought about some remarkable improvements in the fruit industry in a short time, its measures were at best palliative. Only by tackling the overall organization of the industry rather than the symptoms of its disorder could the Council reach the root of the trouble and cope with the intricacies of fruit marketing. Macgregor and Burtt, the Chairman of the S.Q.F.S., examined the conditions under which



THE FIRST OR PROVISIONAL COMMITTEE OF DIRECTION OF
FRUIT MARKETING, 1923-24.

Front row (left to right): Messrs. W. Ellison (Transport Superintendent), J. J. Thomas (Vice-Chairman), L. R. Macgregor (Chairman), W. Ranger (Manager), J. Campbell (Secretary).

Middle row: W. A. Cathcart, W. B. Christie, D. Pfrunder, H. Vinnicombe.

Back row: H. Archibald, T. H. Brown, L. G. Swain, J. S. Mehan.

Queensland fruit was being marketed in Sydney and Melbourne and prepared a report on all aspects of fruit marketing in the state and on the activities of co-operative bodies in Queensland and in other states. Their report was considered by a special committee of the Council which included members of the Fruit Standing Committee, the manager of the S.Q.F.S., the Chief Instructor in Fruit Culture of the Department, and representatives of growers, and was chaired by William Ranger. That committee's conclusions were published in a pamphlet with the report, and a copy sent to every registered fruitgrowing member of the Queensland Producers' Association¹⁵. The committee considered every detail of fruit marketing from the use of second hand fruit cases to the control of agents; also it analysed the failure of past attempts to rationalize the industry. It reached conclusions similar to those which had been often stated since the war in the debate on the difficulties of primary produce marketing. The crux of the problem lay in deciding whether or not to make participation in the activities of a co-operative marketing organization compulsory, and, if this were considered desirable, how best to provide for the minority to be heard. In order to ensure that the switching of fruit from glutted to under-supplied markets might be possible, a measure of control was essential.

The committee's proposals were presented to a conference of delegates of local producers' associations in fruit growing districts which began in Brisbane on 19 July 1923 under Ranger's chairmanship. More than one hundred delegates, representing three-quarters of the state's fruit-growers, attended. The committee had recommended as follows — that legislation be sought to reorganize fruit marketing; that an endeavour be made to use existing local organizations, corporations, and agencies of distribution as far as practicable; and that the local organizations be allowed to trade in fertilizers, fruit cases and growers' requisites by consent of the central organization, whose activities should be confined to the marketing of fruit. The central organization should be controlled by a committee of direction elected annually by members of the local organizations and comprising two representatives for each of the banana, pineapple, citrus and deciduous sections, one representative of growers of other fruits and a nominee of the Council of Agriculture. The committee might devolve certain powers upon an executive of three, elected from among its number.

It was intended that the central organization be a "non-profit", "non-capital" body. Control of the marketing of all Queensland fruit should vest in the committee of direction from a date to be fixed. At the same time, control was to be imposed gradually, awaiting an appropriate time such as the need to extend markets or to overcome impending glut. Meanwhile fruit was to continue to move through existing channels. While it was considered desirable that the committee formulate and carry out its own policy some suggestions of what could be accomplished were set out in the plan. These recommendations included: the adoption of the principle of packing shed inspection, consignment in bulk where possible, marketing of fruit under the grower's or community brand, encouragement of growers to remain with agents with whom they were accustomed to deal, and the maintenance of constructive competition with agents with whom agreements embodying guarantees might be negotiated. The cost of setting up the committee of direction and the central growers' organization was to be met initially by government guarantee, and since the organization was not intended to be a trading body, financing of the scheme did not involve a trading risk. *Del credere* (agency) would be carried out by the existing distributors whom it was not proposed should be eliminated, and the expense of developing markets and advertising would be met by deductions from sales accounts or by such methods as the committee of direction might determine¹⁶.

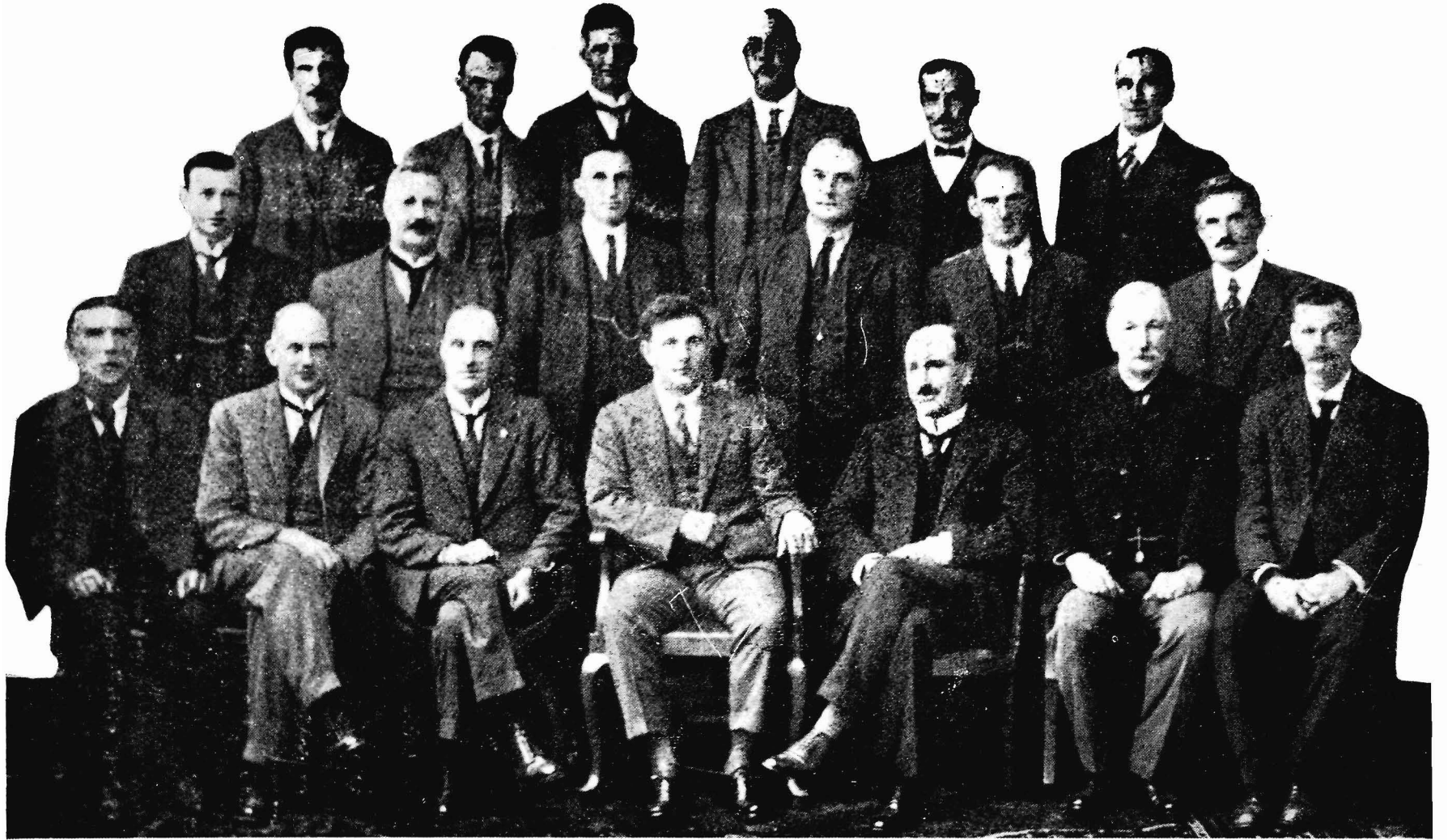
Considerable time had been devoted to working out the implementation of the scheme, and, as Director of the Queensland Producers' Association, Macgregor devoted his conference address to the exposition of practical details. The first step was to unify local associations where several existed in the one area. This would

facilitate establishment of packing shed inspection and move well towards standardization of grade, pack and quality. Also, supervision at trans-shipping points would need to be instituted immediately, and the railways approached in the hope of improved loading. These aims could only be attained, however, if the committee of direction were certain that all fruit would be involved. Macgregor took up the proposal of the special committee for a chain of co-operative retail shops established and run by the growers' societies, rather than by the committee of direction, to act as a stabilizing influence on the market and expend extra efforts in times of over-supply. These, Macgregor suggested, should be administered by the S.Q.F.S. reorganized on a local association rather than an individual basis¹⁷. The new marketing organization would exist on four levels: the individual grower, the local association to which any grower might belong, the sectional group whose members would be elected from the local associations, and the committee of direction which would act as co-ordinator and general policy-maker. Linked with this structure would be the retail shop chain, and both wings of the organization would be connected with the Council of Agriculture through its nominee.

Rather than hold a referendum of all registered fruitgrowers it was decided to accept the vote of the conference as representative of all interested persons. This decision later came in for strong criticism in parliament¹⁸, but it was defended by Macgregor on the ground that the Council of Agriculture had been set up in such a way as to be representative of growers, thereby making a poll redundant. After two days' deliberation the conference adopted the special committee's scheme in its entirety, subject only to minor amplification of some of the aims of the organization and elaboration of the organizational structure. Thus it was agreed that membership of local associations should be open to every fruitgrower in the district allocated by the committee of direction to that association. The controlling bodies of the local associations would be elected annually. There would be five sectional group committees, one each for bananas, pineapples, deciduous fruits, citrus, and other fruits. Each committee would be constituted of one representative from each of the local associations whose major interest lay in that section. In cases where any local association had five or more of its members directly engaged in a section of the industry other than the major interest of that district the association should be entitled to a representative on the sectional group concerned. Representatives should be elected annually from the local association to the sectional group committees.

Following the precedent of the provisional Council of Agriculture the conference requested a provisional Committee of Direction to hold office for a transitional period of six months. Nine fruit-growers who had served on the sectional advisory councils to the Council were nominated, and Macgregor accepted the post of Council representative and was elected chairman of the provisional Committee of Direction at its first meeting on 1 August 1923. This meeting adopted a draft bill embodying the conference decisions, save that the Committee of Direction held that separation of the retailing body from other sections of the new organization led to unnecessary duplication. Amalgamation of the two would be more economical and efficient, and make the services of experienced personnel such as Ellison, Manager of the S.Q.F.S., more readily available to all sections of the organization. The S.Q.F.S. agreed, and in the following November the two bodies merged with Ellison becoming Transport Superintendent of the C.O.D.¹⁹.

Following the Conference the Minister for Agriculture and Stock enlisted the aid of his Director of Fruit Culture, and members of the Council of Agriculture, the provisional Committee of Direction, the S.Q.F.S., and the State Advisory Fruit Board (set up in connection with the Commonwealth Government's fruit pools scheme of 1920-23)²⁰, to translate the conference's proposals into legislation. The result was the Fruit Marketing Organisation Act passed in October-November 1923 with the support of most members of the opposition parties although severe criticism was levelled at each of the main provisions. The key to the new



THE SPECIAL COMMITTEE APPOINTED BY THE COUNCIL OF AGRICULTURE TO CONSIDER THE ORGANIZATION OF FRUIT MARKETING IN QUEENSLAND.

Front row (left to right): Messrs. J. J. Burgess (Zillmere), F. Burt (Chairman, Southern Queensland Fruitgrowers' Society), L. R. Macgregor (Director, Council of Agriculture), W. Ranger (Chairman, Fruit Standing Committee), W. H. Austin (State Trade Commissioner), A. H. Benson (Director of Fruit Culture), J. T. Wilson (Chairman, Woombye Fruitgrowers' Society Ltd.).

Middle row: W. A. Cathcart (Landsborough), W. Ellison (Manager, Southern Queensland Fruitgrowers' Society), T. H. Brown (Montville), F. M. Ruskin (Zillmere), J. N. Ward (Chief Instructor in Fruit Culture), J. Campbell (Secretary of Special Committee).

Top row: J. A. Grassick (Ballandean), H. Vinnicombe (Glasshouse Mountains), L. G. Swain (Flaxton), H. H. Bentley (Secretary, Council of Agriculture), W. Crosby (Buderim Mountain), and J. J. Thomas (Montville).

system was provided by Section 7 of the Act:

7.(1) The Committee of Direction, as from a date to be fixed by the Governor in Council by Order in Council, shall take control of the marketing of all fruit.

Thereafter as and when the Committee of Direction shall so direct, either generally or in any particular case or class of cases, all fruit shall be tendered for sale, transported by railway or otherwise, and handled at water fronts, railway stations or sidings, or fruit or vegetable markets or exchanges, wholesale depots, shops, stalls, barrows, or otherwise, or elsewhere in the State of Queensland, only under the authority of the Committee of Direction.

The main debate upon the Fruit Marketing Organisation Bill was concerned with argument whether a referendum of fruitgrowers should have been held to which the government replied that as the conference had represented three-quarters of the growers and endorsed the programme almost unanimously, a majority of growers could be said to have accepted the proposals. Other points of criticism raised in parliament and the press related to the ability of the fruitgrowers to administer the organization through the Committee of Direction, the alleged failure of many of the state

enterprises set up by the Ryan government, and the extent to which the fruit marketing measures and other Queensland Plan legislation were part of a socialistic plot to undermine free enterprise. *The Brisbane Courier*, in an extremely hostile editorial, described the fruit marketing legislation as a "foretaste of the compulsion of Sovietism"²¹. In the *Parliamentary Debates* the pools system of marketing was frequently mentioned and the earlier rejection of pools for pineapples and bananas was cited as evidence that the government proposals were ill-timed and unlikely to receive grower approval, while several members pointed out that the Primary Products Pools Act provided for a ballot. The debate on this point reflected some misunderstanding of the intention of the Bill and of the proposed method of operation of the Committee of Direction. The Bill specifically provided that nothing in the Primary Products Pools Act of 1922 should apply to any operations under the Fruit Marketing Organisation Act, and that no pool should be constituted for fruit. The new Act was not just one more piece of pooling legislation as many parliamentarians seem to have thought. Under the pools system the whole of the crop was acquired and marketed according to its grading system by the pool. A unit return was calculated on the total amount realized for each grade, and the grower was paid in proportion to the size of the consignment

marketed through the pool. This method was unsatisfactory for fruit because of the large variety within the commodity, the number of grades necessary, the crop's perishability and the consequent difficulty of determining a unit price that was fair to each grower. The alternative was to make the pattern of control as flexible as possible. The Committee of Direction was empowered to opt for control of only some of the functions of marketing or of certain fruit or of certain areas.

Despite the assurances of the Minister that it was not intended that produce agents should be put out of business and that the committee's function was to control existing arrangements rather than take over the industry completely the C.O.D. soon ran into difficulties. For its first fifteen months it pursued compulsory measures in the belief that most voluntary co-operatives were killed in their early stages by rumour and misrepresentation. It was believed that only by the institution of such measures would the organization have a chance to prove itself. In June 1924 the C.O.D. became sole agent for bananas in Queensland. Six months later it issued another directive that it would act as sole wholesale commission agent for Queensland tomatoes in Brisbane. These directions aroused great hostility among growers and agents, and led to two actions being brought against the committee. Mr Justice McNaughton in the State Supreme Court held that the committee had no power to prohibit fruit produce agents from carrying on their business on behalf of growers or owners of fruit or of prohibiting the latter from consigning their fruits to agents for sale. The decision was upheld in the High Court²².

As a result of the litigation and doubt thereby cast upon the adequacy of the Act, amending legislation was passed in November 1925. In the 1923 Act "marketing" had been defined in Section 2 as "everything involved in the transmission of fruit from the producer to the consumer". The 1925 Act altered this to read: "Everything involved in the preparation and packing of fruit for sale, and the offering thereof for sale and selling thereof, and in the transmission of fruit from the producer to the consumer". Even more important was the amendment of Section 7 so that notice of an intention to exercise compulsory powers of control over any fruit crop or portion of any crop had to be advertised for thirty days before becoming effective. During that period any thirty growers of the commodity concerned could demand a poll which would have to be carried by a two-thirds majority (reduced in 1928 to three-fifths) for the compulsory powers to become effective. It is a matter of record that very few directions have been challenged in the forty-three years since then. This has probably been because directions were issued in response to growers' requests in the first place, or, in the case of those originating with the C.O.D. itself, because grower sentiment was sounded through the sectional groups concerned before the notice of intention was issued. The 1925 Act also brought fruit into line with the Primary Products Pools legislation by placing the conferring of property in the commodity on the same conditions as in the pooling legislation, i.e. subject to a poll if sought by thirty growers. This opened the way for the C.O.D. to control the marketing of Queensland fruit interstate; since ownership vested, at the growers' request, in the one organization, the C.O.D. was able to co-ordinate transport and marketing on its own account without infringing Section 92 of the Federal Constitution. In 1945 the committee's powers were extended to include the control of marketing in Queensland of fruit and vegetables grown outside the state. And the repeal of a provision limiting the life of the organization to five year periods meant that after twenty-two years' operation, the Committee of Direction had become a permanent body corporate.

So it seems that the decision of the Theodore Labor government in 1922 to introduce a comprehensive scheme of agricultural organization in Queensland was made in response to a number of environmental factors — economic, political and emotional. Thus the several schemes introduced were pragmatically rather than ideologically conceived. In the subsequent history of at least one of the institutions created at this time, the Committee of Direction

of Fruit Marketing, the wisdom of the government's conception has been amply demonstrated, for, while its structure stands substantially unaltered, the C.O.D.'s powers have been extended in a number of important directions. It has met the acid test of a pragmatically conceived organization; it works.

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2. Queensland, Department of Agriculture and Stock, *Report 1917-18*. p. 48.
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4. H. S. Hunter. — "Co-operative Marketing in Queensland"; in *Queensland Agricultural Journal*, Oct 1946, Vol. 63. p. 240.
5. *Queensland Parliamentary Debates*, 1920, Vol. CXXXVI. p. 138.
6. *The Brisbane Courier*, 22 Feb 1922.
7. *Ibid.*
8. *Ibid.*
9. L. R. Macgregor. — *British Imperialism: Memories and Reflections*. Millbrook, N.Y., Dymer, 1968. p. 271 and *Queensland Parliamentary Debates*, 1923, Vol. CXLII. p. 2067; his salary was £1,500.
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11. A. A. Morrison. — "The Government of Queensland"; in S. R. Davis [ed.]. — *The Government of the Australian States*. Melbourne, Longmans, 1960. p. 297.
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17. *Queensland Producer*, 4 Aug 1923.
18. *Queensland Parliamentary Debates*, 1923, Vol. CXLII. p. 2059; J. S. Kerr (United Party, Enoggera) and p. 2061; G. P. Barnes (United Party, Warwick). Both protested that all producers concerned, an estimated 4,000 fruitgrowers, were not polled.
19. D. Campbell. — *Co-operation in Queensland as Expressed by the Committee of Direction of Fruit Marketing*. Brisbane, Watson, Ferguson and Co., 1946. p. 5; the name of the organization, The Committee of Direction of Fruit Marketing, was determined by the Conference which proposed the abbreviation C.D.F.M. The fruit trade, in derision, christened it "C.O.D.", the title by which it is best known, and which refers not only to the executive committee itself, but to the enterprise as a whole.
20. *New South Wales Official Year Book 1924*. p. 478; *Commonwealth Parliamentary Debates*, 1923, Vol. 103. p. 333; 1923, Vol. 104. p. 1664 and *The Brisbane Courier*, 13 Oct 1923.
21. *The Brisbane Courier*, 29 Nov 1923.
22. See *Robsons Ltd. v. The Committee of Direction of Fruit Marketing and Collins v. The Committee of Direction of Fruit Marketing*, (1925) State Reports of Queensland. p. 182 and *Committee of Direction of Fruit Marketing v. Collins*, (1925) Vol. 36, Commonwealth Law Reports. p. 410.