

# Concessions, Conflicts and Collusion: Graziers and Shearing Workers, 1946-1956

by Kosmas Tsokhas

Recent studies of production relations in the Australian wool industry have focussed on the nineteenth century experience and the strikes of the 1890s in particular. The Australian Workers' Union (AWU) has been the subject of some fine histories, but twentieth century developments have received little attention. This article deals with the causes of the most important general strike in the industry since the 1890s, the 1956 strike which culminated the post war boom in the wool industry. In the 1890s the AWU was defeated because the forces of the state were aligned directly against it. The strike occurred in a period of deep and lasting depression without the mediating influence of an award or the arbitration system. The defeat of the union encouraged its leaders to explore a more co-operative approach to industrial relations and made a system of arbitration and conciliation more attractive to them.<sup>1</sup>

By the 1940s the AWU had developed a sound working relationship with the employers and a commitment to arbitrated conflict resolution rather than collective bargaining. The end of the Second World War promised some freeing-up of the labor market. The wartime regulations supposedly introduced to place ceilings on wages were terminated. Formal sanctions against the withdrawal of labor through strikes were eased. Immigration schemes and the shrinking of the armed forces expanded the number of wage-laborers. But the employers were concerned that the affects of these changes would only be felt gradually and labor shortages would continue, at least for the immediate post-war years. The rapid expansion in the number of sheep after the war led to the possibility of a more long-term imbalance between the supply of and demand for shearing labor. The deregulation of investment after the war, soaring wool prices between 1947-48 and 1951-52, and the decimation of rabbits by myxomatosis all gave rise to a growth in flock sizes and an increase of around 40 per cent in wool output in the decade after 1946. Woolgrowers began to worry about the price of labor. They also realized that prosperity and large profits made it difficult to justify any stubborn opposition to wage increases. And most graziers were keen to get their wool off the sheep's back and onto the auction floor with a minimum of fuss

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and bother. The majority of woolgrowers could afford to pay what their shearing employees were asking. Grazier organizations and the AWU leaders tried to institutionalize the process of wage fixation by agreeing to regular rises in rates of pay. In 1954-55 the boom broke, but pastoral investment continued to expand, albeit at a slower rate. Once wool prices began to fall in the mid-1950s conflicts intensified between graziers and the AWU, and between the dominant faction in the AWU and many rank-and-file members. These frictions contributed to a national strike in 1956. The immediate cause of this strike was a successful attempt by employers to reverse the upward drift in wages by means of a reduction in shearing rates. This resulted in a new phase of instability in the balance of forces between graziers and shearing workers in the industry. The employees went on the offensive and the employers' leadership was divided and confused as to how to cope with the resistance of pastoral workers to the implementation of the new, lower award rates.

### **TACTICAL RETREAT**

In the period 1945-46 to 1956-57 the pastoral industry had a considerable capacity to pay, with wool prices, numbers of sheep and the volume of wool production rising rapidly. There were only occasional slumps in wool prices. With the exception of 1951-52 and 1954-55 the gross value of wool production was also increasing. It is interesting to note that the number of shearing machines grew more or less in step with the number of sheep, suggesting that investment on plant and equipment was keeping up with the mounting number of sheep to be shorn. Sharp falls in nominal and real wool prices occurred in 1954-55 and 1955-56. At the same time, as the table shows, shearers' rates per 100 sheep in 1956 were over 300 per cent higher than they had been in 1946. Over the same period total shearing costs per head of sheep had doubled. As long as wool prices continued on their upward trajectory and incomes were high, this movement in shearing costs did not create a great deal of concern. But with the fall in wool prices in 1954-55 and 1955-56 shearing rates came to be perceived as excessive, although as we shall see later in this article, different groups of graziers reacted with varying intensity.<sup>2</sup> Until 1956 the employers avoided a head-on assault against their employees because this was likely to fail. They concentrated on helping the AWU to maintain its authority over its members. Grazier leaders also recognized that the arbitration system had to be seen to be delivering wage increases. If this did not happen employees would be more likely to resort to collective bargaining. The employers evolved a consensual strategy. They would allow employees to share in the post-war boom in wool prices by conceding a wool value allowance to the AWU. This allowance would attract labor into the industry and so reduce the

bargaining power of employees. It would also reinforce the AWU's absorption into the arbitration system. The employers were convinced that wages set by station-specific collective bargaining would be disastrously higher than the wool value allowance.

**Shearers' Rates per 100 Sheep and Estimated Cost per Head of Sheep 1946-56**

Year	Total Cost Per Head (cents)	Shearers' Rate Per 100 (\$)
1946	NA	4.68
1947	NA	5.23
1948	NA	6.05
1949	NA	7.00
1950	17	10.00
1951	NA	15.40
1952	32	12.75
1953	33	14.45
1954	33	14.60
1955	35	14.60
1956	35	14.60

NA Not Available

Source: Grazcos Cooperative, *Shearing Costs*. Australian National University Archives of Business and Labour, E266/115.

Shearers were in a black mood at the end of the war. Their aggressive pursuit of over-award concessions created the preconditions for the employers' decision to propose a wool allowance. The Graziers' Co-operative Shearing Co reported of the 1947-48 season that it was a difficult one, due to the general shortage of labor: 'A certain amount of industrial trouble was experienced and demands for concessions were made by some of the teams'.<sup>3</sup> But the company stuck to the award and all sheep were shorn. Others did not remain firm. In Queensland the shearing was 'difficult' and Communist Party committees were blamed as many shearers seemed 'to be throwing over the A.W.U. and resorting to direct action trusting that the necessities of the various stations will force them to agree to their terms in order to get the wool off their sheep'.<sup>4</sup> In Tasmania wet weather delayed the shearing in 1949-50 and also increased the threat of blowflies. Hence graziers and station managers were quick to offer over-award payments. Such concessions were so widespread that the AWU used them as proof of a capacity to pay increased award rates.<sup>5</sup> There was evidence of a medley of over-award payments in 1948 and 1949. Employers were more amenable to requests for special payments for the wear and tear of combs and cutters. Compensatory payments were made when accommodation was not up to standard. The likelihood of offering extra money increased if grass seeds and blowflies were posing a menace. Owners with less than five stands were most desperate for labor, because under conditions of over-full employment in the industry their small flocks did not attract

contractors or shearing laborers. In the north, north-west and central districts of New South Wales higher crutching rates were conceded on many stations.<sup>6</sup>

Shearers refused to work with old or faulty machines.<sup>7</sup> In 1949 many AWU members did not sign agreements until the day on which they commenced work. This was a major threat to the ability of employers to enforce award conditions, as shearers who did not sign the agreement were legally free to bargain for conditions over and above those listed in the agreement.<sup>8</sup> Labor shortages also made it more likely that there would be an easing of work effort. This was described by the industrial officer of the Graziers' Federal Council of Australia before Arbitration Commissioner J.R. Donovan on 12 June 1952. He used Midkin station as an illustration:

The output was examined and the shed was working smoothly, but if you observed the work at the tables and the work of the pickers-up, you would have seen that there were many cases where the fleece was thrown on to the table in a tangle. The fleeces were not thrown beautifully, and 50% of them were thrown up badly. The wool rollers who were skirting were not pressed; they worked casually and although there was a vast output of fleeces, there was no real pressure on them.<sup>9</sup>

In Queensland shearers refused to shear sheep with scabby mouth, even though they were required to do so if the employer had made a reasonable effort to separate them out from the rest of the flock. In these cases the employers were reluctant to use their power under the award to withhold money owed to the employees.<sup>10</sup> In the post-war decade the AWU took steps to counter a trend among employers to have shearers work on fully grown sheep, while lambs which were easier to shear were done by station hands, the owner himself or his sons. When shearers found a large proportion of wethers in a flock they would claim that there was an imbalance in the distribution of types of sheep.<sup>11</sup>

There was another reason why the employers wanted to concede the wool allowance: the AWU's inability to demobilize the rank-and-file movement. In January 1948, T.D. Dougherty, the general secretary of the AWU, admitted as much when he noted that there had been many strikes, and that his union had stood aloof from this sea of troubles. The official position was in contrast to the approach of Communist Party members of the union. During the 1945-46 shearing they promoted a campaign for a 40 hour week in violation of the 44 hour week set in the award. The general secretary in a strange twist of thinking claimed that the campaign for a 40 hour week was not an unjustified objective, but he still condemned it as part of the Communist Party's strategy for seizing control of the AWU. Communist Party members 'by exploiting the legitimate desire of shearers and shed hands for a 40-hour week' were out 'to sow distrust of A.W.U. officials in the minds of members, and thereby undermine

the Union'. He could not accept that these militants were popular with AWU members because they reflected their feelings and interests: 'many good unionists were temporarily bamboozled into believing that these Communist auxiliaries. . . were active in their interests, and foolishly allowed themselves to be tricked, coerced or straight out bullied'. Eventually a compulsory conference with the employers saw them conceding the 40 hour week and a wool allowance, but Dougherty would not admit that these successes were due to rank-and-file action.<sup>12</sup> In fact, the AWU leaders had been more than willing to join forces with the employers to check this attack on managerial authority and on Dougherty's own position within the AWU.

If the AWU was pleased to throw cold water on mass action that challenged its authority, within its preferred field of battle it bargained cleverly with the employers.<sup>13</sup> In July 1952 Commissioner J.R. Donovan accepted a new log of claims by the AWU and granted an increase. After this success grazier leaders were in a quandry as to how they should approach future wage cases. In the opinion of the industrial officer of the Graziers' Federal Council, Donovan appeared to speak a different language from the employers. His judgements were not primarily the result of persuasive or rational argument. They were political decisions bound up with the Commissioner's desire to retain his authority and legitimacy in the eyes of the AWU. For the employers this was far from unacceptable. His decision in 1952 showed that given the distribution of power in the industry, Commissioner Donovan was keen to either avoid making a decision at all, or to try and make one which would satisfy both sides, but especially rank-and-file pastoral workers who were aware of their superior bargaining power as a result of labor shortages and the rapid increase in the number of sheep since 1949:

The decision was one of expediency. The Commissioner had no desire to accept any responsibility, as an arbitrator, for the amounts of the wool value allowances, he was anxious to produce rates satisfactory to the Union, and he had no wish to grant or refuse marginal increases as the subject of margins was extremely controversial at that time. His decision, if it is otherwise inconsistent, at least reconciled all these aims. The Union's case for increased margins is a strong one, if only on the ground of comparison with margins given under other awards. . . . If the wool value allowance were substantially reduced or eliminated, the Commissioner might feel that the co-relation between margins and wool value allowances no longer relieves him of the obligation to deal with margins.<sup>14</sup>

For graziers there were a number of interrelated considerations, which pointed towards a need to forestall protracted conflicts over pay and conditions. There was a calculated expectation that concessions negotiated with the AWU leaders would be less costly than those resulting from a general strike. There was also a broader concern shared with the Dougherty faction to institutionalize

bargaining over wages. Anything which bolstered the authority of the conservative ruling faction of the AWU made it easier for this clique to counter the manoeuvres of left-wing groups and rank-and-file militants. The authority of this faction would be enhanced by its successful extraction of increased rates of pay from the employers. At the same time, the employers had to avoid giving the impression that they were content to meekly capitulate to the union rather than risk the outbreak of a strike. This could be interpreted as a lack of resolution and could lead to excessive demands from the AWU. P.A. Wright of the Graziers' Association of New South Wales pointed out in June 1947 that graziers needed to appreciate that there were limits to the compliance of the AWU leadership: 'whatever we do the AWU must remain in opposition to us and especially because of the set up of the AWU today, with the Left Wing pressing on every side more and more on the moderate side, the AWU must feel, in their own defence, that they must show a desire to be willing to fight their own battle and then there is the other side where the AWU may feel comfortable in meeting us in such circumstances.'<sup>15</sup> J. Forrest of the Pastoralists' Association of Western Australia agreed that such dilly-dallying could be interpreted as a 'sign of weakness', given 'the present conditions that are operating throughout Australia in connection with the labour market in relation to shearers'.<sup>16</sup> He elaborated: 'we will have probably to agree to what they demand and what they ask for . . . the conditions today are such that I do not think we should lead to a fight. We might fight a losing battle. That is the reason, and a wise reason, why we have granted the demands they have put before us'.<sup>17</sup> And as the secretary of the Graziers' Federal Council noted in July 1947, in return for pay increases the AWU had, after all, agreed that it 'would resist any demands from extremists for extra payment and the union would play the game generally in regard to the agreement'.<sup>18</sup>

The most important concession granted by graziers was the wool allowance, which operated from 1949 to 1954. The allowance involved extra payments to shearing employees in step with increases in the price of wool above a base level of 39.5d per lb. The advantages were outlined in an assessment prepared for the Graziers' Federal Council of Australia:

Because shearing labour was scarce and employers were strongly disposed to make concessions, rates based solely on the award formulae would not, during this period, have been high enough to provide even a practicable starting point for the making of extra-award bargains. The allowances set a standard of concessions acceptable to employers and employees. They were, by and large, an effective standard and produced a useful degree of stability.

Total rates were high in relation to competing wage rates, and this, combined with the absence of industrial trouble has attracted labour to the industry and removed the scarcity which was a problem of the early post-war years.<sup>19</sup>

Each year graziers and the AWU would negotiate a new wool allowance, and in 1950 it was increased to take account of higher wool prices. In return the AWU committed its members to work at these rates and no more. The employers were willing to surrender the wool allowance to the AWU's leadership rather than endure a continuation of collective bargaining. However, boom times would not last forever and if the wool value allowance were to be retained when wool prices fell below the minimum level at which the allowance could be paid, the AWU would press for a margins component to be added to the award. Declining wool prices also pushed some woolgrowers away from their defensive posture and towards a more aggressive approach.

### RESTRAINED OFFENSIVE

After 1952 one of the main aspects of this new approach adopted by pastoral employers was a drive for an improvement in their disciplinary powers, so that employees would work intensively for the full labor-time for which they had been employed. In 1954 the Graziers' Federal Council moved to have the federal award varied so that if any employee was absent from work without a reasonable excuse on the day before or the day after a public holiday, he would not have to be paid for the holiday. There was also a tendency for station managers and owners to enforce provisions in the award which enhanced their authority on the shed floor. In the first place, before work began shearers were required increasingly to draw lots for pens in the presence of the overseer; any exchange of pens had to be approved by the overseer. Second, despite the opposition of shearers, at a number of sheds the employers insisted that more than one wet sheep vote be taken on each day. The award allowed this, but in the past shearers had managed to ensure that only one vote was taken. If there was more than one vote it was possible that the second would reverse an earlier decision that sheep were too wet to shear, thus reducing the amount of working time lost. The custom of having only one wet sheep vote per day allowed the shearers to go into town and make merry, rather than waiting around the station for half a day or so until another vote could be organized. Shearers had also been voting before the sheep had their fleeces scientifically tested for moisture content. This was not permitted by the award and shearers who did this were liable to prosecution and dismissal. For a decade or so graziers had been afraid to exercise such sanctions, but now a growing number were taking action against early votes. Some woolgrowers and station managers were even beginning to resist preference for unionists.<sup>20</sup>

With the AWU comfortably jousting against the employers within the arbitration system and the majority of shearing workers now looking hopefully to this system to defend their wages and influence within the relations of production, graziers started to take back what they had always believed to be rightly theirs. They began bit by bit

to assert their control over how work was done; they moved with growing success to intensify work effort and to demand obedience, but the employers did not go all the way. A decline in strikes and more widespread adherence to the award could not be risked through adventurism. Instead they came to an agreement with the AWU to do all possible to make sure that agreement forms were signed prior to the commencement of work. This was a major advantage for the employers, as such forms made it easier for them to deploy legal sanctions against shearing employees who were deemed to not be shearing competently and quickly, or who abandoned work before completing their contracts, and the greater the likelihood that discipline would prevail. For the AWU leaders there were also positive outcomes. Union members would be working under conditions settled through bargaining in courts and commissions, while there would be less scope for independent negotiating with individual graziers. The employers recognized that at a time of full employment, high wool prices and rising sheep numbers, a de-regulated labor market could only be to the advantage of the employees. Nevertheless, collective bargaining did not cease and award rates of pay continued to rise.

While Communist Party members were active within the AWU, their presence alone was not enough to explain the restlessness of pastoral workers. There was a tradition of rank-and-file self-organization within the AWU, and despite the wool allowance, in the 1950s local committees were especially active in Queensland and in New South Wales, where a radical central committee met regularly at Dubbo, the strategic focus of major droving routes. The first extended from the Darling Downs across the Namoi at Wee Waa and over the Castlereagh at Lee's station. The second, central route penetrated the Liverpool Ranges at Pandora's Pass, where it was joined by the eastern driveway which unrolled through New England and over the Macquarie River. The Dubbo committee coordinated the activities of a number of district committees, and it was one of the first targets of the employers' attack on indiscipline and award violations. The Graziers' Federal Council began legal proceedings under the Commonwealth Crimes Act against the committee's members and the publishers of its literature. The Graziers' Federal Council could take such proceedings with comparative ease, for it expected no opposition from the AWU leaders, having been informed as early as March 1952 that the AWU was 'not against our attacking the Dubbo Committee; as a matter of fact, earlier this year Mr. Dougherty asked whether we could do anything to prosecute them'.<sup>21</sup> Nevertheless, there was an element of risk; if the prosecutions failed this could stimulate further rank-and-file mobilization: 'In the past it has been hard to prove cases against these inciters, and there is no point in taking a case against them unless we are certain of success because if we. . . lose it the Committee's status in the eyes of the men would be enhanced'.<sup>22</sup> Under section 7A of the Commonwealth Crimes Act a person who encouraged a



violation of a Commonwealth law, or printed material designed to encourage a breach of such a law, could be fined £ 100, be imprisoned for 12 months, or both. Moreover, the Arbitration Advisory Committee of the Graziers' Federal Council was encouraged by the fact that the dominant faction in the AWU would 'not be embarrassed by a prosecution of members of the Dubbo Committee'.<sup>23</sup> Such collusion became more difficult when the employers decided to pursue a wage cut in 1956.

### THE 1956 STRIKE

Despite these early steps towards a more confrontationist strategy grazier leaders remained indecisive. It would require further reductions in wool prices and the protracted strike in 1956 to push them onto a consistently offensive course. In 1954-55 there was a major fall in wool prices, so steps were taken by grazier organizations in Queensland and at the federal level to cut shearing rates. The employers decided to base their arguments for a reduction on the logic underlying the agreement with the AWU in 1949 that the wool allowance be determined according to changes in the price of wool. Since wool prices appeared to be drifting downwards this needed to be reflected in lower rates of pay. The resulting tensions and pressures between graziers and pastoral workers led to a major strike in 1956. The strike began in Queensland in January and lasted into October of the same year. The immediate cause was a decision by the Queensland Industrial Court to reduce shearing rates by 10 per cent, the United Graziers' Association having asked for a 15 per cent fall. And the ruling was in fact based on the principle underlying a 1949 agreement that the rates should move in tune with the price of wool. While the AWU had accepted this principle as a way of obtaining a share in the prosperity of the industry, it rejected the notion that workers' incomes should fall whenever the price of wool declined; after all, the cost of living did not change in step with the price of wool. After Commissioner Donovan decided to reduce shearing rates by 5 per cent partly under the influence of the precedent set by the Queensland court, the state-wide strike in Queensland grew into a national strike when AWU members were instructed to work only at the old, higher rates.

In the beginning graziers' spirits were given a lift when Donovan agreed to insert a clause in the award prohibiting bans and limitations on work which was being performed under award conditions. This encouraged grazier organizations in Victoria, New South Wales and South Australia to recruit union and non-union employees who were willing to work at the new rates. But defeat appeared to be snatched out of the jaws of victory when the High Court decided that those provisions in the Commonwealth Conciliation and Arbitration Act which gave strictly judicial powers to the Commonwealth Court of Conciliation and Arbitration were invalid. Graziers were taken by

surprise and wondered how this would weaken resistance to the strike. The industrial officer of the Graziers' Federal Council lamented: 'This decision deprived the Arbitration Court of its principal powers to punish disobedience of awards, in particular the powers to enjoin unions to observe awards and the power to punish for contempt of Court. These were the principal sanctions on which employers have relied for enforcement of awards and their disappearance seriously affected the defence of the Award'.<sup>24</sup> The Graziers' Federal Council immediately appealed to the Commonwealth government to introduce legislation rectifying the situation. However, the government had a program of arbitration-related legislation, which it was unwilling to change. Amendments to the Conciliation and Arbitration Act had been designed with the cooperation of an Advisory Council made up of employer and Australian Council Trade Unions (ACTU) representatives. The government did not want to prejudice its good relations with the ACTU by introducing stop-gap, precipitous legislation on such a sensitive matter as penal powers, without first consulting the unions.

Woolgrowers were further confounded by a judgement of the High Court on 15 June 1956, overruling a decision by Commissioner Donovan to extend the coverage of the new federal pastoral industry award to include non-unionists. The High Court simply affirmed the precedents in this field of labor law. The Graziers' Federal Council had applied to Donovan to allow the federal award to include non-unionists so they would also be required to work at the new lower federal rates. As things stood, unionists were covered by the federal award and non-unionists by some state awards, which had not been modified to take account of the new lower federal rates so large numbers of pastoral workers were free to earn the higher, pre-1956 rates. As has been pointed out, in order to combat the strike, grazier organizations were signing-up unionists and non-unionists who were willing to work as strike-breakers. But employers had to observe the New South Wales state award for non-unionists. The New South Wales state award required a shearing rate of over £ 7 per 100 sheep, while in February Commissioner Donovan had reduced the federal rate from £ 7/6/- to £ 6/18/6 per 100. The problem for the employers was that they would now be paying more to non-unionists who were still working, than to the unionists who had defied the AWU. This was no way to reward loyal employees, and there was some concern that disenchantment would drive such men closer to the militants in the AWU. Also, the reduced rates of pay for which the employers were holding out, were lower than those to which non-unionists were entitled in New South Wales.

These legalities were secondary to an intense struggle which was fought out on particular sheep stations. In the permeating heat of Queensland's pastoral zone, under the strong leadership of W. Gunn (later Sir William Gunn), graziers tenaciously defended the new award

rate, as teams of volunteers were secured by several big sheds. But in the western reaches of the state where the largest stations could be found, a number were shearing under the old award. These stations had many more sheep to shear, but there were few local shearers and therefore less likelihood of finding persons willing to work against AWU policy. In order to attract labor even under normal conditions these stations had to offer payments which were above the award. More isolated and insecure, such graziers and station managers were under greater pressure to abandon the discipline of collective obligations. While to the north of the state there was solid support for the United Graziers' Association of Queensland, this could not be expected to last through the peak shearing period. Nevertheless, in April 1956 a majority of Queensland sheds were shearing at the new rate, and only some 10 per cent at the old rate.<sup>25</sup> However, in the Longreach area, traditionally a centre of shearer militancy, graziers soon began to lose their resolution. Floods led to further delays of the shearing and made it difficult to send volunteer labor from Brisbane. Eventually ten sheds in the Longreach district began shearing, but with non-union labor. With the aid of 100 shearers recruited by the United Graziers' Association, Charleville stations also commenced shearing. But by May 1956 a number of big stations with 15 months of wool on their sheep had to shear at the old award rate.<sup>26</sup> In the Roma district where flocks on average consisted of 3-4,000 sheep, graziers banded together and did the shearing themselves.<sup>27</sup> Further cracks began to appear in the wall of employer unity in the south-west and Warrego areas of Queensland. With 750,000 sheep three months overdue for shearing, it was not surprising that work had begun at the higher rates.<sup>28</sup>

South Australia held firm in the first half of 1956, but the main shearing did not begin until August. In April few sheds were shearing at the old rates; by May 315,000 sheep had been shorn at the lower rates. However, smaller stations were showing a willingness to allow shearing at the old rate, and of the 3,230 members in the Stockowners' Association of South Australia, 1,700 were smaller owners who had flocks of 3,000 or less. Bigger stations were more likely to shear at the new, reduced rates. The situation was finely balanced and the Stockowners' Association of South Australia described it as follows: 'most of our men work for themselves or are helped by their sons and a few men from outside. . . we will get through the Autumn shearing. Unless the trouble is settled, however, we may have difficulty with our main shearing.'<sup>29</sup> The West Darling was a different kettle of fish: 'they have broken badly. They are small holders, and practically all the shearing has been done at the old rates.'<sup>30</sup> This should not surprise us, for in the period from 1945 to 1957 South Australia witnessed a greater proportionate increase in sheep numbers than any of the other states, the number of sheep growing by 44 per cent; 81 per cent of this increase was in the lush high rainfall districts.

This was partially due to the use of superphosphate and the addition of trace elements to improve grasses; there were also substantial increases in sheep numbers in wheat-sheep districts. Together with the destruction of rabbits, these technical innovations gave rise to improved lambing rates and higher yields, while also increasing the number of sheep which could be carried on what were relatively small parcels of land. Pasture improvement could be exploited most efficiently by running sheep other than merinos. These other breeds benefited from the higher protein content in the new pastures and were sources of both wool and meat, unlike merinos which in Queensland and large parts of New South Wales were run mainly for wool. By producing wheat and meat as well as wool on smaller more intensively farmed properties, South Australian growers were less vulnerable to slumps in the price of wool than were growers in Queensland and New South Wales. So South Australian woolgrowers were less affected by the lower prices in 1954-55 and were not as unstinting in their desire for a cut in shearing rates.

In the high rainfall areas of Western Australia, with the exception of some hardy soldier settlers who pooled their manpower resources and did their own shearing, most stations capitulated and were shearing at the old higher rates.<sup>31</sup> The major increase in sheep numbers in Western Australia in the post-war years was in high rainfall areas. As well as excellent wool prices, woolgrowers in Western Australia benefitted from a number of technological breakthroughs. Land which previously could not be used for grazing was brought into production by the use of new pasture species. Action was taken to prevent breeding ewes from eating subterranean clover which caused disease and reduced their yield of wool. Better methods for sinking dams and the mechanization of water delivery reduced the impact of hot and dry summers on the yield of wool per head of sheep, while fertilizers and trace elements were used more often. From 1952-53 to 1956-57, with the exception of 1954-55, the returns on existing investments were high enough to allow for further capital investment as family incomes accounted for around 50 per cent of these returns after allowing for costs. In addition, properties in the high rainfall areas employed less wage-labor and relied more on family labor.<sup>32</sup>

In the Riverina too, resistance to the strike had been weak. A leader of the Graziers' Association of Riverina reported: 'At the eastern end of the Riverina I foresee a difficulty with the smaller sheds and local shearers owing to the great desire of our members to have their sheep shorn.' He was 'pretty certain that the majority have no intention of sticking to the new Award.' Big sheds were also giving in. This was quite damaging to the employers' cause and drew angry reactions from the Graziers' Association of New South Wales. In Victoria as well, small graziers appeared to be the weak link in the chain of employer solidarity. Contractors, even though they may have been hiring labor at the new rates, were offering all sorts of bonuses and extra payments.

Like many of their Riverina colleagues, Victorian graziers could not see the wisdom in making sacrifices over what was after all only a small amount of money. A dismal scenario of grazier retreat was painted by an official of the Riverina association in April 1956:

I have surveyed the situation from the East to the West of the Riverina, visiting every branch and, notwithstanding their lip service to conciliation and arbitration, numbers of our members intend to have their sheep shorn, whatever the cost. They can see the terrific lag in shearing in Queensland. They see hundreds of sheep being shorn at the old rates, and they are so debauched with prosperity that the few shillings involved does not enter into the question. They are pushing the long term view completely out of range. . . . About nine-tenths of Graziers in the South are apathetic and are not long sighted in this matter. They do not look to what may happen with next year's shearing. The fact remains that numbers of our members have always paid more than the minimum award rates. That is common knowledge in the Riverina, in Victoria, and in many parts of New South Wales. We have no security with our registered or unregistered contractors. Most of them are sitting on the fence. . . . because they do not wish to offend the Australian Workers' Union.<sup>33</sup>

Victorian graziers in the wheat-sheep districts were not dependent solely on wool production, although many of the properties ran mainly sheep. However, between 1952 and 1955 the area under wheat cultivation in acres per property rose steadily, thus signifying a reduced reliance on wool for income. There was also a decrease in the number of sheep, ewes mated and lambs marked, and in the quantity of wool produced in 1952-53 and 1953-54. Total labor costs fell between 1952-53 and 1954-55, while incomes recovered after the slump of 1953-54 in the wheat-sheep districts of Victoria, so that by 1955-56 incomes were on an upswing.<sup>34</sup> Such growers were less concerned to win the 1956 contest with the AWU.

The large number of graziers from the pastoral zone of New South Wales and Queensland bore the brunt of the strike and had no intention of acceding to union demands, despite the capitulation of many of their more skittish colleagues. The pastoral zone included the western division of New South Wales and the western fringes of the Riverina, as well as the central and north-central plains of New South Wales. In Queensland it spanned the large sheep stations of the north, the south-west and the far west, which together accounted for a majority of the state's sheep. The pastoral zone was especially suited to merinos and in 1955-56 around 95 per cent of sheep in Queensland and around 82 per cent in New South Wales were merinos, most of which grazed on land with a low carrying capacity. Graziers in this zone had not diversified into cereal production and suffered from a low and erratic rainfall, while also relying in many areas on native pastures of limited nutritional value. Their flocks were the largest, as were their land holdings. To make economic use of station labor it was necessary to have work all year round, and the high

number of sheep made this possible. At the same time, remoteness resulted in the virtual absence of local labor markets for shearing workers such as existed in the high rainfall areas. Lacking the ability to adopt alternative land-uses, Queensland graziers in the pastoral zone were more vulnerable to price fluctuations for wool and to poor seasons. Hence it was not surprising that graziers from the pastoral zone in New South Wales and Queensland should be so antagonistic to the level of shearing rates, given the fall in the price of wool in 1954-55, and the further drop in 1955-56. In the pastoral zone of New South Wales from 1952 to 1956 average farm income had fallen by 11 per cent. These decreases in prices and incomes did not affect the number of sheep shorn and carried; in 1955-56 they were respectively 19 per cent and 20 per cent higher than in 1952-53, thus increasing the burden of shearing costs on employers who had developed an expectation of regularly ascending wool prices and returns. Even more confirming of the concerns of pastoral zone graziers was the growth in costs as a percentage of returns, and labor was the largest cost in the pastoral zone.<sup>35</sup>

### RESULTS AND PROSPECTS

Internally divided and with an increasing number accepting the AWU's demand that they shear at the higher pre-1956 rates, towards the latter third of 1956 the employers began negotiations towards a compromise with the AWU. It was agreed that the New South Wales award rates, which were higher than those initially set by Donovan, would apply there, as well as in Victoria, South Australia and Tasmania; in Western Australia the higher 1955 federal rates plus the basic wage flow-on constituted the basis for settlement. In due course the parties would return to Commissioner Donovan for a reconsideration of the federal award. In Queensland by October 1956 the two sides had returned to the conference table and a new trade-off was under discussion. The Queensland Premier had the Public Service Commissioner apply to the Industrial Court to review rates of pay for pastoral employees. The court now decided to award a shearing rate of £ 7/11/- per 100 sheep and corresponding rises for all other categories of shearing labor. This amounted to 9/6 per 100 more than the rates that would have commenced on 1 January 1956.

The 1956 strike brought into clearer relief the reactive and discrete nature of legal institutions. Judges and arbitration commissioners could not intervene in relations between employers and employees until they had been asked to do so. Even then their decisions were influenced by rules of evidence, precedent and with due regard to the limits of their jurisdictions. Their decisions were given form and content by differing traditions and arguments. On the one hand, they were made within particular jurisdictions. On the other, the judgements of judges and arbitration commissioners had wider consequences that they often did not care to know about, or could not have anticipated. This was

the case with the judgements made by the High Court. Also, woolgrowers were troubled by the tangle of complications caused by the overlapping of federal and state awards. The federal award regulated relations between employers who were either members of various registered organizations named in the award or were individuals cited as respondents to the award, and employees who were unionists and members of the AWU. Otherwise employer-employee relations were governed by state awards. Both federal and state awards operated in Victoria, New South Wales, Tasmania and Western Australia; only some parts of the industry in South Australia were covered by the federal award. Members of the AWU were bound by the federal award, while non-unionists who worked in the pastoral industry were covered by the state award. This meant that employees laboring on the same task at the same station received different rates of pay, and enjoyed dissimilar overtime and working hours.

Governments, courts and commissions were subject to fields of force which pushed and pulled them in directions unfavorable to the immediate interests of graziers. Still, some use was made of the police force. It had assisted the Stockowners' Association of South Australia in combating the intimidation of strike-breakers. When the Stockowners' Association learned of the bashing of some loyal shearers it 'informed the police.' A leading member of the Stockowners' Association explained: 'We had to get a statement from the men. . . We are keeping these men and are claiming the station hands' award rates for them. . . Also, we went to the Commissioner of Police, who is pursuing the matter with the greatest energy. . . the best deterrent will be to follow up the matter and get substantial convictions.' The president of the Graziers' Federal Council of Australia agreed that it was necessary to: 'Come out into the open and support those who were not obeying AWU directives.'<sup>36</sup> While some reliance could be placed on the police, unlike in the 1890s when another general strike gripped the industry, the arbitration system, the caution of politicians and the divisions among the employers allowed shearing employees to win a major victory in 1956.

#### NOTES

1. See for example J. Merritt, *The Making of the AWU* (Oxford University Press, Melbourne, 1986).
2. See L. Hume, 'Wool in the Australian Economy, 1946-58', in A. Barnard, ed., *The Simple Fleece*, (Melbourne University Press, Carlton, 1962), p.617.
3. Graziers' Co-operative Shearing Co, Annual Report, 1948.
4. K.A. Mitchell to Herbert Brookes, National Library of Australia, MS 1924/11/2260.
5. See the *Australian Worker*, 11 January 1950.
6. See Commonwealth Court of Conciliation and Arbitration Records (CCCAR), Dispute No 10 of 1948, No 194 of 1949, File of Papers.
7. See E154/17. Official Report of the 61st Annual Convention, Sydney, 29 January 1947. E154 refers to Australian Workers' Union Records, Australian National University Archives of Business and Labour.
8. See CCCAR, Dispute No 11 of 1948, No 172 of 1949.

9. CCCAR, Dispute No 148 of 1950, No 189 of 1952.
10. See E154/17. Official Report of the 67th Annual Convention, Sydney, 27 January 1953.
11. See E154/17. Official Report of the 69th Annual Convention, Sydney, 24 January 1955.
12. For the above views of the general secretary see E154/17. Official Report of the 62nd Annual Convention, Coolangatta, 28 January 1948.
13. See the *Australian Worker*, 23 April 1952, 30 April 1952.
14. E266/40. Interim Report of the Industrial Officer for presentation to the 79th (Special) Convention of the Graziers' Federal Council of Australia. E266 refers to the Records of the Australian Woolgrowers' and Graziers' Council held at the Australian National University Archives of Business and Labour.
15. E266/34. Graziers' Federal Council of Australia, 69th Convention, Melbourne, 30 June — 2 July 1947, p. 26.
16. *Ibid.*, p. 27.
17. *Ibid.*
18. *Ibid.*, p. 21.
19. E266/41. Graziers' Federal Council of Australia, Memorandum: Rates of Pay.
20. See E266/41. Graziers' Federal Council of Australia, 81st (Special) Convention, Sydney, 12 January 1954, pp. 37-8.
21. E266/39. Graziers' Federal Council of Australia, 76th Special Convention, Sydney, 24 March 1952. Some Notes on Proceedings at the 76th (Special) Convention, Sydney, 24 March 1952, p. 35.
22. *Ibid.*
23. E266/39. Supplement to Report of Arbitration Advisory Committee. Pastoral Industry Award, p.3.
24. E266/43. Graziers' Federal Council of Australia, Report of the Federal Industrial Officer to the 87th (Annual) Convention, Brisbane, 17 July 1956.
25. See E266/43. Graziers' Federal Council of Australia, 86th (Special) Convention, Melbourne, 9 April 1956, p. 21.
26. See *ibid.*, pp. 22-3. See also the *Australian Worker*, 7 March 1956.
27. See G.W. Bayliss to Herbert Brookes, 6 July 1956. National Library Australia, MS 1924/11 1930A.
28. See E266/43. Graziers' Federal Council of Australia, 86th Convention, Melbourne, 9 April 1956, p. 27.
29. *Ibid.*, p. 29.
30. *Ibid.*
31. See E154/17. Official Report of the 71st Annual Convention, Sydney, 21 January 1957.
32. See K. McGuire, 'Family Income and Investment in the Sheep Industry. The High Rainfall Zone of Western Australia', *Quarterly Review of Agricultural Economics*, 15, 2 (1962).
33. See E266/43. Graziers' Federal Council of Australia, 86th Convention, Melbourne, 9 April 1956, for the quotations in this paragraph.
34. See H.G. McConnell, 'Trends in Farm Incomes in the Wheat-Sheep Zone of Victoria', *Quarterly Review of Agricultural Economics*, 10, 1 (1957), especially pp. 13, 15.
35. See J.P. Carney, 'Trends in Incomes from Sheep Properties in the Pastoral Zone of N.S.W.', *Quarterly Review of Agricultural Economics*, 11, 1 (1958), and F. Anderson and J.O. Moulden, 'The Australian Sheep Industry. Recent Changes in Property Incomes', *Quarterly Review of Agricultural Economics*, 12, 4 (1959), especially p. 175.
36. See E266/43. Graziers' Federal Council of Australia, 88th (Special) Convention, 18 October 1956, p. 37, for this paragraph.