The Growers’ Paddy

Land, Water and Co-operation in the Australian Rice Industry to the 1990s

Gary Lewis
‘THE GROWERS’ PADDY’

Land, Water and Co-operation in the Australian Rice Industry to the 1990s

Gary Lewis
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Acknowledgments

So many people have made this book possible, no more so than the farmers and families whose love and labours built the Riverina rice industry.

First and foremost, I would like to thank the shareholders of the former Ricegrowers’ Co-operative Limited (RCL) for their generous support in funding the research and RCL directors and staff for consistently providing me with high standard personal and professional support between 1991 and 1994. It was a joy and a privilege to work with such an intelligent and clear-sighted group of people, in particular, the late Ian Davidge, the late Clive Holden, Jim Kennedy and Bruce Caldwell, without whose abiding encouragement the book might never have seen the light of day. Chris Black and the RCL Public Relations team of Shirley Ernst, Rachel Pattot and Cathy Patten expertly managed field trips and the many complex stages through which the book needed to pass in its development and I am greatly indebted to them.

The editorial commentary provided by Terry Hogan, Frances Tsoukaledis and Barbara Sergi was invaluable in bringing balance to an evolving text and I greatly appreciate their contribution. Thanks also to Mike Hedditch of the Ricegrowers’ Association of Australia for his kindness in making useful information available.

I am especially grateful to the following people and organisations whose interviews, information, friendship and intellectual vitality did so much to drive the book’s development:

Anthony Blakeney
George Blencowe
Bert Brady
Ian Dahlenburg
Vera Davidge
Gertrude Delany
Neil Donaldson
Menzies Emery
Ned George
Peter Hinton
Richard, Helen and Theo Howell
Mrs Bernie Hughes
Mr and Mrs P Jones
George Kayess
John Kellock
Stan Lanham
Henry Leighton
Gary Giblán of the Victorian Office of
Public Records

Laurie Lewin
Rod Mc Cleary
Don McDonald
Siobhan McHugh
Colin Malcolm
Nona Ratcliff
Fred Robinson
Bessie Rutherford
Bob Shepherd
John Tagliabue
Mario Takasuka
Dennis Toohey
Frank Whelan
Wade Shire Public Library
Western Riverina Community Library
Jan Webb of the Hydro Hotel, Leeton
Austin Crampton and Staff of the
Bygalorie Motel, Leeton

I would particularly like to mention David Sissons, whose important prior work on Jö Takasuka was so helpful.

The book owes a great deal to Maureen and Bill Clarkson whose patient and efficient support in processing, organising, editing and indexing was indispensable in bringing the book, both hard copy and PDF versions, to successful conclusions. I am greatly indebted to them and admire their work.

Thanks also to The University of Sydney Co-operative Research Group, in particular, Director Professor Greg Patmore, Deputy Director Dr Leanne Cutcher and Dr Gary Oliver, for supporting publication of the PDF version. Special thanks go to Dr Oliver for recognising the potential of this research in the UN Year of the Co-operative and expertly managing its publication to finished electronic distribution.

Finally, nothing could have been achieved without the patient forbearance and unwavering love and support of my wife Lida, who knows all about the loneliness of the long distance author. Thank you again, darling.

Gary Lewis
Wamboin NSW
October 2012
**Abbreviations**

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<thead>
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<th>Abbreviation</th>
<th>Full Form</th>
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<tr>
<td>Australia(n) Rice Industries (sometimes Associated Rural Industries)</td>
<td>ARI</td>
</tr>
<tr>
<td>Australian Bureau of Agriculture and Research Economics</td>
<td>ABARE</td>
</tr>
<tr>
<td>Australian Bureau of Statistics</td>
<td>ABS</td>
</tr>
<tr>
<td>Australian Farmers' Federation</td>
<td>AFF</td>
</tr>
<tr>
<td>Australian Labor Party</td>
<td>Labor or ALP</td>
</tr>
<tr>
<td>Australian National Commission on Irrigation and Drainage</td>
<td>ANCID</td>
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<tr>
<td>Australian National University</td>
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<td>Australian Producers Wholesale Co-operative Federation</td>
<td>APWCF</td>
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<tr>
<td>Australian Rice Millers' Association</td>
<td>Associated Millers or Millers' Association</td>
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<tr>
<td>Australian Workers Union</td>
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<td>Berriquin Irrigation District</td>
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<td>BIC</td>
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<td>Berriquin Rice Development Association</td>
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</tr>
<tr>
<td>Bureau of Agricultural Economics</td>
<td>BAE</td>
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<td>Coleambally Irrigation Area</td>
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</tr>
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<td>CISI</td>
</tr>
<tr>
<td>Commonwealth Scientific and Industrial Research Organisation</td>
<td>CSIRO</td>
</tr>
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<td>Co-operative Federation of Australia</td>
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</tr>
<tr>
<td>Council of Scientific and Industrial Research</td>
<td>CSIR</td>
</tr>
<tr>
<td>Department of Industry, Trade and Commerce</td>
<td>DITAC</td>
</tr>
<tr>
<td>Department of Water Resources</td>
<td>DWR</td>
</tr>
<tr>
<td>Dichlorodiphenyltrichlorethane</td>
<td>DDT</td>
</tr>
<tr>
<td>European Community</td>
<td>EC</td>
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<tr>
<td>European Economic Community</td>
<td>EEC</td>
</tr>
<tr>
<td>Export Enhancement Program</td>
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<td>Fair Average Quality</td>
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<td>FCOS</td>
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<td>Farmers and Settlers Association</td>
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<td>Free On Rail</td>
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<td>General Agreement on Tariffs and Trade</td>
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<td>Industries Assistance Commission</td>
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<td>International Business Machines</td>
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<tr>
<td>Irrigation Research and Extension Committee</td>
<td>IREC</td>
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<tr>
<td>Lower Burdekin Rice Producers' Co-operative</td>
<td>LBC</td>
</tr>
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<td>Melbourne University Press</td>
<td>MUP</td>
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<td>Member House of Representatives</td>
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<td>MLA</td>
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<td>Member Legislative Council</td>
<td>MLC</td>
</tr>
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<td>Murray Research and Extension Committee</td>
<td>MREC</td>
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<td>Murrumbidgee Irrigation Area</td>
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<td>MIA RGA</td>
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<td>Murrumbidgee Irrigation Area Ricegrowers' Co-operative Society</td>
<td>MIR Co-operative or MIARGA</td>
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<tr>
<td>Murrumbidgee Irrigation Dairy Farmers' Co-operative Society Limited</td>
<td>MID Co-operative Society</td>
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<tr>
<td>National Farmers' Federation</td>
<td>NFF</td>
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<td>National Library of Australia</td>
<td>NLA</td>
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The New South Wales Co-operation, Community Settlement and Rural Credit Act (1923)
The Co-operation Act

New South Wales Department of Water Resources
DWR
Oil Producers' Economic Community
OPEC
Papua-New Guinea
PNG
Prisoner of War
POW
Producers’ Co-operative Distributive Society
PDS
Returned Servicemen’s League
RSL
Rice Equalisation Association Proprietary Limited
REA
Rice Equalisation Committee
REC
Ricegrowers' Association of Australia
RGA
Rice Industry Co-ordination Committee
RICC
Ricegrowers' Co-operative Limited
RCL
Ricegrowers’ Co-operative Mills Limited
RCM
Rice Marketing Board for the State of New South Wales
RMB
Riverina Industry Development Council
RIDC
Riviana (Australia) Proprietary Limited
Riviana
Royal Australian Historic Society
RAHS
Soils of Irrigation Extension Service
SIES
Southern Riverina Irrigation Development (sometimes Districts) Council
BRDA
species
spp
Thomas National Transport
TNT
Trades Practices Commission
TPC
Unimproved Capital Value
UCV
United Nations Organisation
UNO or UN
United Nations Food Aid Organisation
FAO
United States of America
USA or US
United States of America Bonus Incentive Commodity Export Program
BICEP
Wade Shire Library
WSL
Wartime Organisation of Industry Regulations
WOI
Water Conservation and Irrigation Commission
WCIC
Water Resources Commission
WRC

Newspapers, Newsletters, Journals, Magazines

Advocate
AD
Area News
AN
Australian Financial Review
AFR
Murrumbidgee Irrigator
IR
Southern Riverina News
SRN
Sydney Morning Herald
SMH
Weights and Measures

In 1966, Australian currency was decimalised. Metric conversion of weights and measurements commenced in 1970:

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<th>Metric Unit</th>
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<tr>
<td>12 pennies (12d)</td>
<td>1 shilling</td>
</tr>
<tr>
<td>shilling</td>
<td>s or /-</td>
</tr>
<tr>
<td>20 shillings (20s or 20/-)</td>
<td>1 pound</td>
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<tr>
<td>pound</td>
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<tr>
<td>1 pound (£1 ) Australian</td>
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<tr>
<td>dollar</td>
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<td>1 hectare</td>
<td>2.471 acres</td>
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<td>16 ounces</td>
<td>1 pound</td>
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<td>a bushel</td>
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Preface

It is rare for a student of co-operatives' history to be afforded an opportunity to research the advent of co-operation in a fledgling industry and investigate its development over several decades. Such an opportunity presented when Ricegrowers' Co-operative Limited (RCL) Chairman, the late Ian Davidge, inquired at an International Co-operatives' Alliance (ICA) conference what I did for a living. ‘Research and write about co-operatives’ history,’ I replied. ‘How would you like to write the history of our co-operative?’ he asked. And that’s how it began.

It soon became apparent that if the story of co-operation in the Australian rice industry was to be told usefully, several threads would need to be interwoven: the seizing of Aboriginal land by squatters; the wresting of that same land back by governments for closer settlement; the development of public irrigation systems; the egalitarian impulse among pioneer settlers to co-operate; experiments with rice agronomy; regulatory frameworks governing land and water use; corrupted markets; cartels and statutory marketing authorities; environmental issues peculiar to irrigation; deregulation of land and water use; globalisation of the economy; and (a constant thread) the fierce internal politics of an industry gripped by the idea that it was possible to organise and fund the enterprise democratically. Hence the title: The Growers' Paddy: Land, Water and Co-operation in the Australian Rice Industry.

Though many will disagree along environmental lines, what follows is the story of a successful democratically-run Australian primary industry: the co-operative rice industry of south-eastern Australia to the nineteen nineties (when funding for research ceased). A spacious, often dry narrative, reminiscent of the vast, flat landscape in which the industry functions, moments in the account will seem déjà vu, but this is both unavoidable and necessary in recounting a farming community’s endless adaptation to seasonal cycles and changes in land and water use, economic and political environments.

In 1924 a commercial rice industry began around the townships of Leeton and Griffith in the Murrumbidgee Irrigation Area (MIA) using japonica rice seed and cultural methods imported from California. Ricegrowing spread from the Yanco and Mirrool Irrigation Areas of the MIA to the adjacent Irrigation Districts of Benerembah, Wah Wah and Tabbita. As a wartime measure, ricegrowing was permitted in the Wakool Irrigation District of the Murray Valley, confirmed there on a permanent basis in 1948; and in the Tullakool Irrigation Area. In 1954 ricegrowing was extended to the Denimein and Deniboota Irrigation Districts, also in the Murray Valley. Ricegrowing began in the Coambilally Irrigation Area (CIA), south of the Murrumbidgee River, in 1960 and was confirmed there on a permanent basis in 1966. The following year ricegrowing commenced in the Berriquin Irrigation District (BID), in the Murray Valley. Thriving inland communities developed around the paddy fields in these areas of New South Wales, where, until the 1950s, ricegrowing was largely confined. As deregulation of water controls and land use in irrigation systems occurred, however, river pumpers and other irrigators took up ricegrowing wherever suitable soils existed.

Eight MIA farmers grew the first commercial rice crop in New South Wales in 1924, producing between them about 225 tonnes of paddy. (The term 'paddy', from the Malay-Indonesian word padi, refers to the field in which rice is grown and to the unhusked seed). By the early 1990s, 2,400 Riverina rice farmers were producing more than one million tonnes of paddy, their crop received, transported, stored, milled, processed, packaged and marketed by a co-operative, which was owned and controlled by growers: Ricegrowers’ Co-operative Limited (RCL). Approximately 90 per cent of all finished products were exported under RCL's 'SunRice' brand name in 2,000 configurations and pack-size combinations. Without any production or export subsidies (though this is contested), the New South Wales rice industry was regarded as the sole surviving free-trade rice industry in the world. Of the thirteen RCL Directors, eleven were farmers while two external appointments were invited for their special expertise. The co-operative, based in the Riverina and with headquarters in Leeton, employed 1,000 staff, operated six mills, extensive storage facilities and sales offices in five Australian capital cities, as well as subsidiaries and joint-venture
operations in Australia, Papua–New Guinea, Britain and the United States. A further 25,000 positions (50 per cent of them in metropolitan areas) existed contingent upon the industry's input and service needs in New South Wales alone. Though severely tested by the incremental deregulation of land and water use, the industry remained democratically structured, robustly supportive of pertinent research and was represented by a progressive body of growers, the Ricegrowers’ Association of Australia (RGA).

How did this remarkable achievement in democratic industry self-management come about? The Growers’ Paddy seeks to answer this question.

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Rice is the most important food in the world, the main source of nutrition for three-quarters of the earth's population. The word for 'rice' is a synonym for 'food' or 'agriculture' in some countries. At least half the world's people consume rice three times daily. The grain belongs to the genus *Oryza*, of which there are at least twenty species distributed throughout the humid tropics of Asia, Africa, America, Madagascar and New Guinea. It is possible that *Oryza* originated in Gondwanaland and, as the mega-continent broke up, was widely distributed throughout the humid tropics. There is an indigenous Australian variety of rice, *Oryza Australiannes*, which grows in the tropical regions of Queensland and the Northern Territory but, at the time of writing, this was considered to be inedible.

In the 1990s there were two main cultivated rice species, *O.sativa* and *O.glaberrima*. *O.sativa* is derived from Asian common wild rice (*O.rufipogon*), a perennial growing in deep swamps which remain moist throughout the year. *O.glaberrima*, West African rice, derived from *O.breviligulata*, an annual occurring in temporary swamps along the southern fringe of the Sahara Desert. Some researchers believe *O.sativa* and *O.glaberrima* originated from a common species, *O.perennis*. *O.sativa* was by far the more commonly cultivated species. Cultivars of *O.sativa* are divisible into at least two types: *Indica* (Hsein or Xian), an elongated, thin and slightly flattened grain which stays separate in the cooking; and *Japonica* (Keng or Geng), a broad, thick, short, rounded grain which tends to soften if over-cooked. The eminent Australian Plant Breeder, Don McDonald, adds a third type, *Javanica*, a long and sticky variety, which possibly originated in Indonesia. There are also two sub-species of *O.sativa* which are not widely recognised: *Brevindica*, a short, narrow grain similar to *Indica*; and *Brevis*, a short, wide grain.

Rice varieties are classified by kernel dimensions:
- extra long: 7 millimetres or more
- long: 6 millimetres – 6.9 millimetres
- medium: 5 millimetres – 5.99 millimetres
- short: less than 5 millimetres

The grain is also classified by length and breadth into 'slender', 'bold' and 'round' categories.

A remarkable semi-aquatic plant, rice has been cultivated for at least 8,000 years, possibly much longer, in widely different agro-climatic regions throughout the world. The plant has the root system of a dry-land plant but flourishes in swamps or under irrigated inundation. Rice is similar to other cereal grasses of the Graminae family such as oats, rye, wheat and barley, in that it has a fibrous root system extending outward and downward from the plant and has flat, long leaves, but can grow in situations too hot and wet for other cereals.

There are two distinct forms of cultivated rice: 'upland' and 'lowland'. 'Lowland' rice is grown under almost continuous flooding on submerged soil. 'Upland' rice cultures encompass a wide variety of practices ranging from strictly non-irrigated culture in elevated areas to situations in which the plants may be flooded for a considerable part of their life-cycle. In tropical Asia, 'upland' rice also refers to rice grown in fields without levees. Plants vary in size from dwarf mutants, less than 0.4 metres high, to floating varieties capable of growing through seven metres of water. Most varieties attain a height of between 0.8 and 2 metres. *O.sativa* grows at latitudes from 36° south in Australia, to 49° north in Czechoslovakia, occurring on every continent except Antarctica, at altitudes from sea-level to 2,400 metres (in Kashmir). *O.sativa* is grown
extensively in tropical and temperate regions, normally in water, but also as a dry-
land ('upland') crop.

In the early 1990s about 90 per cent of the world's rice crop (around 500 million
tonnes of paddy) was produced and consumed in Asia. Leading rice producing
nations included China, India, Indonesia, Bangladesh, Thailand, Japan, Vietnam,
Burma, Brazil and South Korea. Less than 5 per cent of the annual crop was traded
internationally, major exporters being Thailand and the United States. The Australian
rice industry was geared to exports in Europe, Africa, Asia and the Pacific with more
than 80 per cent of product finding markets in those areas. By world standards, it was
a tiny producer but not an insignificant player in rice trade, consistently ranking in
the first ten. By contrast, the domestic market was relatively small, taking only about
15 per cent of output and providing no buffer against fluctuating export prices.

Agronomist Don McDonald tells us that the most important environmental factors in
rice plant growth are water availability, temperature (particularly, variability), day
length during the growing season, soil fertility and salinity of soil and water. Of
these, the supply and control of water is perhaps the single most important. Given an
adequate and well-controlled water supply, the crop will grow on almost any soil-
type. The water requirements of the rice plant, however, make it particularly well
suited to flat lowlands and river basins. Whilst rice is grown under irrigation in
Japan, Spain, Italy, the United States of America (USA) and Australia, 80 per cent of
the world crop is dependant on natural rainfall, involving shallow flooding in the
early stages of growth, followed by a slow rising water level and an equally slow
decline late in the crop season.

In dry south-western New South Wales, where irrigated rice at time of writing was
grown along the Murrumbidgee, Murray and Edward rivers, and elsewhere, the
average annual rainfall is only 0.4 metres, less than half of which ordinarily falls in the
growing season. The remaining 1.0 to 1.5 metres required to grow the crop must be
supplied by irrigation. The climate is temperate, with high solar radiation, high
temperatures and long periods of summer sunlight. Winters are cool to cold, with
short days. There is a frost-free growing season of about 200 days with intermittent
cool snaps at either end. Crops are usually sown from September to October, but
occasionally as late as mid-November. Soils range from red loams to heavy, grey clays
and, in chemical potentiality, are similar to soils commonly found in South and South-
East Asia.

Almost certainly edible 'upland' and 'swamp' varieties of rice, which grow
spontaneously in tropical regions of the continent, were introduced into Australia by
Asian travellers, fishermen or traders prior to European occupation. It is not known
whether Aborigines made use of these introduced plants, but it is likely.

Chinese prospectors carried rice seed with them to the southern Australian gold-
fields in the 1850s, possibly cultivating the grain in marshy areas or in ponds using
effluent from mining. This has not been verified but we do know that Chinese grew
rice in the Northern Queensland gold rushes of the 1860s. Indeed, a small rice
industry using 'upland' varieties and 'coolie' labour emerged there to supply local
demand. Chinese were still growing rice in the Northern Territory in the early
twentieth century, for example, Jimmy Pang Quee, the son of a rice farmer, who
cultivated rice at 'Rice Gardens' near Pine Creek and Brock's Creek in 1910. Although
still generally seen as a 'coolie' crop in Australia, mechanised ricegrowing methods
were not unknown in Queensland in the late nineteenth century when attempts were
made to develop a rice industry. The New South Wales Department of Agriculture
also began trials with 'upland' varieties in the north of that state in 1891. Results were
not encouraging in either locality.

Then, in 1906, a Japanese ex-parliamentarian, Isaburo (Jõ) Takasuka, began
cultivating rice using Japanese (Japonica) varieties near Swan Hill on the Murray
River in Victoria. By World War I he had demonstrated the feasibility of ricegrowing
in southern latitudes and completed possibly the first commercial sale of paddy seed
rice ever in Australia. Through the Great War, and for some years after, the New
South Wales Department of Agriculture experimented with Takasuka seed and other varieties on the MIA and elsewhere. In 1920, a Water Conservation and Irrigation Commission (WCIC) employee, John (known as 'Jack') Brady, studied ricegrowing in California and made arrangements while there to secure seed. In 1922/23 and 1923/24 Department of Agriculture Experimentalist Austin Shepherd, employing Japonica varieties obtained in California, demonstrated the viability of rice under field conditions on the MIA and in the following season, farmers pioneered the cultivation of the grain.

The New South Wales rice industry, which subsequently developed from this, helped save the MIA, then one of the largest and most expensive irrigation systems in the world, from economic ruin. From the outset, it was a co-operative enterprise, commencing as a joint effort of the Department of Agriculture and WCIC. The department's role was to demonstrate the feasibility of ricegrowing through research, seed improvement and extension work, whilst the commission, clothed with sweeping powers in respect of water allocation, water pricing and land use, guided the industry's early development by matching production targets with markets and implementing sensible water access policies. A federal government 'gentlemen's agreement' confined ricegrowing to the state of New South Wales while the industry was being established. Proprietary millers, grocery merchants and rice importers assisted by providing infrastructure and ready markets for paddy and finished products through an organised network of retail outlets. Apart from a tiny tariff, the industry developed without further protection.

An early attempt at a growers' co-operative, the Murrumbidgee Irrigation Ricegrowers' (MIR) Co-operative, soon failed, due to inexperience, indifferent grower support, miller resistance and the fickle nature of paddy rice in storage. Partly as a response to this, MIA ricegrowers voted to form a statutory marketing authority in 1928: the Rice Marketing Board (RMB) for the State of New South Wales; the first of its kind in the state. RMB, consisting of five elected grower representatives and two government appointees and clothed with compulsory powers of paddy acquisition, levied growers for services (particularly storage), appointed agents, allocated quotas and introduced orderliness into the infant industry's marketing and capital accumulation arrangements. The MIA Rice Growers' Association (a forerunner of RGA) was formed in 1930 to advance the interests of growers and to promote ricegrowing. A Rice Industry Co-ordination Committee (RICC) was convened, bringing together representatives from RGA, RMB and proprietary millers, to liaise with WCIC and make recommendations about production levels, water policy, industry participation and the geographic dispersal of the industry. The Irrigation Research Extension Committee (IREC), the first organisation in Australia to link rural, industrial and business interests with qualified researchers for extension purposes, advised government and co-ordinated research in respect of ricegrowing and other forms of irrigated agriculture. So structured, the industry grew strongly, equitably and democratically, grounded in quality research, matched to markets and with an ability to finance itself. Indeed, the rice industry was the envy of many other agricultural industries and regularly pointed to by politicians as an example of what was possible in Australian agriculture.

Ultimately, however, decisions about production, water pricing, industry participation and land use were subject to ministerial discretion. RICC recommendations were occasionally ignored or altered for political reasons, sometimes with serious consequences for industry and environment alike.

In the Great Depression of the 1930s, when the grain earned a reputation as a 'salvation crop', many more farmers turned to ricegrowing. The industry was given a further boost during World War II when New South Wales rice was of strategic importance in nourishing combat personnel in Pacific War zones. Following the war, with rice bringing phenomenal prices, not reflected in grower returns, ricegrowers formed another co-operative, Ricegrowers' Co-operative Mills (RCM). By the 1960s, after securing a RMB quota and overcoming bitter opposition from a cartel of proprietary millers, the co-operative virtually controlled milling and was marketing extensively on domestic and overseas markets.

With RMB's customer list effectively reduced to one — RCM — friction developed between the co-operative and the board as the latter's raison d'être was drawn into
question. Then, as pressure to rationalise industry costs mounted through the 1970s, and as disagreements between competing water-user groups arose, a politically-driven process of deregulation in water and land use began, accelerating through the 1980s, exposing the water resource to market forces and transforming the industry’s structure. Contending with a cost-price squeeze and corrupted international markets seriously eroding profitability, RCM found itself at a crossroad. In the first merger of its kind in New South Wales, the co-operative and the statutory board amalgamated to create Ricegrowers’ Co-operative Limited (RCL).

In 1994, when research for this book ended, the industry was celebrating its seventieth anniversary. With production controls virtually a thing of the past, ricegrowing occurring wherever suitable soils existed and affordable water was available, a tsunami of paddy rice waiting in the fields to be harvested, markets feverish, the industry’s democratic structure under a cloud and wrestling with a capital adequacy problem, the co-operative faced an uncertain future.

The history of the co-operative rice industry which follows was constructed from primary data located in a scattered jigsaw of official records, newspaper clippings, annual reports, unpublished manuscripts, promotional material and memorabilia painstakingly gathered from the industry’s earliest days and found in farm attics, a Pharaoh vault in RMB offices at Leeton, and tucked away in numerous bottom drawers and dusty top shelves ‘awaiting attention’. It has been a privilege to access this rich resource, particularly as so much of it is of a fragile nature and decaying. Additionally, recorded interviews and discussions with industry pioneers, farmer leaders and families provide glimpses into the intense passions of a democratically-organised industry, often obscured in the official reports and academic treatises.

To commemorate the industry’s seventieth birthday, RCL published a beautiful coffee-table book drawn from this research, *An Illustrated History of the Riverina Rice Industry*, which might usefully be read in conjunction with the e-book.

*The Growers’ Paddy*, considering the complex interaction of co-operation and environmental, economic and human factors driving change, provides a detailed historical description of an important co-operatively-based Australian agricultural industry. It is offered as a modest contribution to the historiography, a sobering tale for those persisting in a view that natural resources exist solely for exploitation by mankind and as a tribute to the people who built the industry and the communities which have grown up around it.

Gary Lewis
Wamboin NSW
October 2012
PART I

RICE
Chapter 1

A False Start:
‘Upland’ Varieties in Queensland and New South Wales, 1869–c1914

Introduction

A viable rice industry could not begin in New South Wales until a riddle was solved: how to productively unleash the chemistry of seed rice varieties, soils, climate and appropriate cultivation techniques?

In America, the puzzle had been solved in Arkansas early in the twentieth century and later in the Sacramento Valley of California when it was demonstrated that Japanese ‘lowland’ or ‘swamp’ varieties could be cultivated by Europeans using conventional sowing and harvesting techniques. By flooding enclosed fields on hard clay soil for the growing period and draining before the harvest, European farmers could grow what was generally seen as a ‘coolie’ crop requiring large amounts of cheap labour. By 1913 a robust rice industry had commenced.

More than a decade would pass before the Californian solution was applied to the Murrumbidgee Irrigation Area (MIA) of New South Wales. For more than half a century before that in Australia, governments, experts and farmers, insofar as they were interested in rice at all, were concerned with ‘upland’ or ‘mountain’ rice varieties, which were dependent upon abundant and reliable rainfall in the growing phase, critical soil moisture, temperature and humidity levels, and abundant, cheap labour.

John Kellock believes this fixation with ‘upland’ varieties, based on false assumptions about the Australian environment and the adaptability of Australian farmers, slowed development of a commercial rice industry in New South Wales through official persistence with outmoded methods long after the Californian solution was known about, wasting resources and causing unnecessary disappointment.1

Early developments in Queensland, 1869–c1914

An indigenous rice variety occurs in Australia: *Oryza Australianises*; in tropical regions of the far north where other introduced varieties also grow spontaneously. The eminent Botanist, Von Mueller, found introduced ‘swamp’ and ‘upland’ varieties growing in tropical regions of Queensland and the Northern Territory, along Brock’s Creek and Pine Creek in the Northern Territory, for example. Some were probably introduced by Asian travellers, traders and fishermen prior to European settlement and some by Chinese gold prospectors in the nineteenth century. The evidence is unclear.2

Possibly the first attempt to grow rice in southern Queensland occurred in 1869 when W A J Boyd, the son of a Scottish military officer who had seen rice cultivated in Java and other tropical countries, successfully grew a crop of ‘upland’ rice on the Ormeau Plantation in the Logan District inland south-west of Brisbane. The grain, cultivated in an area of swamps and creeks known as ‘Pimpana Island’ between the Logan, Albert and Pimpana Rivers, near Woongoolba, was used to feed indentured Polynesian labourers working in the sugar industry (whose labour was essential in cultivating the rice). Surpluses were used as fodder food. Rice was grown intermittently in the Logan District over the following decade when, in good seasons (five inches or more of rain falling in each month of the growing period), up to 300 acres were planted. Droughts between 1881 and 1884 interrupted progress. By 1886, however, Karl Lars, a German settler, was growing two or three varieties of China and Japan rice and operating a small mill. Though meeting with moderate success, Lars and other Logan District settlers had largely abandoned rice by the 1890s probably due to unfavourable weather conditions and the repatriation of Pacific Island labourers.

Ricegrowing began in northern Queensland in the late 1870s and developed through the 1880s. At that time up to 18,000 Chinese were located in the Cairns and Port Douglas regions, prospecting in the Palmer and Hodgkinson gold fields. Encouraged by high import duties, the Hop Wah Syndicate (a Chinese farmer 'co-operative' established in 1879 on leased land three miles west of Cairns) began growing small quantities of rice. In 1884 Ah Wing, a Cairns pioneer, is reported to have grown rice with good results. In 1885, by which time the Hop Wah syndicate controlled 2,528

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acres, he planted three acres at Fairview Estate and planted other pockets elsewhere in swampy land. Crops required hoe cultivation and heavy, reliable rainfall. The harvest was completed with reaping hooks and was labour-intensive and arduous, confirming a view among Europeans that the grain was a 'coolie' crop.

As gold production dwindled, Thomas Behan, a surveyor with the Lands Department in Cairns, formed the Barron River Rice Company in 1885, financed principally by Hop Wah with the support of Ah Ching and involving European farmers employing Chinese labour. The Barron River Rice Company proposed building a mill to service the approximately 77 acres of rice being cultivated in the area at the time. Delays in delivery and other interruptions, however, meant that the mill was not operational until 1887, consisting of a 76 x 30 foot shed housing a small hydraulic 'planters' mill of American manufacture. Another small mill was developed at the Hambledon Sugar Mill, operated by Thomas Swallow and Frederick Derham.

By now about 95 acres of rice were being cultivated annually in the area, almost exclusively by Chinese, the main rice producing area near Port Douglas, approximately 60 kilometres north of Cairns, where access to the Hodgkinson gold field was easier there. By 1886, when 498 acres of rice were being grown in the district R O Jones of Mossman River was operating a mill. Then the gold petered out and the Queensland Government decided to centralise rail development on Cairns. Thereafter, the Chinese population in Port Douglas rapidly dwindled and rice cultivation slowed. Brief intermittent revivals in ricegrowing followed but, by 1907, no rice was grown in the district at all.

Meanwhile, in Cairns, following severe drought and disaster in the banana industry, many farmers had turned to rice. By 1892 about 850 acres of rice was growing in the area and mechanical harvesting methods were being used. Three years later, a substantial three-storey mill run by the Cairns Rice Manufacturing Company was functioning at Trinity Inlet.

A Royal Commission into the Sugar Industry in 1899 heard R F Walker, an experienced farmer from the Mulgrave River near Cairns, who had successfully grown small quantities of rice, argue that rice was a suitable alternative to sugar in some areas. Walker said he could comfortably and independently grow 300 acres of rice annually using dry land techniques developed in southern USA. All that he required was a decent road to get machinery on to his property. There was little official interest in the proposal, probably stemming from the imminent repatriation of Polynesian labourers, the departure of most Chinese, Chinese preference for China-grown rice, improved wages for rural workers and better returns from alternative commodities, especially sugar.

At the turn of the century, W A J Boyd, responsible in 1869 for the rice crop on the Ormeau Plantation and now editor of the Queensland Agriculture Journal, joined with F W Peek, General Secretary of the Logan Farming and Industrial Association, in an attempt to revive ricegrowing in the Logan District. Peek planned to employ mechanical harvesting and dry cereal farming techniques used by American farmers in Louisiana and called for government assistance, co-operative organisation and a rice mill in the area. The Department of Agriculture responded positively, distributing a new seed variety, White Java. By 1901, Karl Heinrich Heck and son William, Lutheran Germans from Prenzlau in East Prussia, were operating rice milling, polishing and grading machines at Rocky Point using 'Engleberg' machinery imported from the United States, which was suitable for both rice and sugar. These promising developments, however, coincided with the drought of 1901-1903, which destroyed rice crops and again killed interest in the grain. By 1902, there were only 32 acres of ricegrowing in the Logan District and 6 acres elsewhere in Queensland. Six years later, only seven acres of rice were being grown in all of the state and by the following year none at all. The Queensland rice industry was for the time being effectively dead.

With the outbreak of World War I, however, and rice prices rocketing, attempts were made to revive the industry. Small quantities of rice were grown in the Merrimac and Mudgeeraba Districts of southern Queensland using a combination of mechanisation and irrigation (for the first time in Queensland). In 1917, six acres of 'upland' grain were sown at Tolga, Atherton and Mareeba on the Atherton Tableland. Karl Heck's
'Engleberg' mill was brought up from Rocky Point. Other small plots were grown near Cairns. By 1918, 44 acres of rice were being grown; only 28 acres in 1919 and, thereafter, rarely more than 9 acres, notwithstanding periodic attempts to revive the industry to World War II. Not until the late 1960s, aided by the burgeoning New South Wales rice industry, did substantial rice production resume in Queensland when a thriving industry began in the Burdekin Valley and nearby districts. By the early 1990s, however, this, too, had dwindled.3

**Early experiments in New South Wales, 1890-91**

Volume One of the New South Wales Department of Agriculture's *Agricultural Gazette* early in 1890 carried details of 'the mode of preparing rice for the market'. Several farmers sought more information and, later in the year, the department distributed seed rice to selected growers. Henry Juhl of Big Swamp, Coopernook, on the Manning River, grew a 'splendid sample' of *Patna* (Indian rice) on an area too wet for wheat. Juhl soaked the seed for forty-eight hours before planting, then covered seedlings with three to six inches of water, noting that plants flourished whether wet or dry and yielded 80 to 90 bushels per acre.4

A nearby farmer, Mr Ward, obtained seed from Juhl and also produced a good crop on 'rich brush land' in a 'drained swamp'. Ward sowed the seed 'like potatoes' in September and harvested in March 1891. The farmer was excited by the success but noted that the crop had been grown in a very wet year and that in drier seasons the same results might not be achieved.

Juhl provided other farmers in the area with seed, some reporting successful plantings even on 'high dry land'. For example, late in the 1891 season William Newton of Coopernook announced that he had 200lbs of what he described as 'swamp' rice to sell at sixpence a pound. Whether the seed was actually a 'lowland' variety or not is unknown. It may have been that Newton used the term 'swamp' to describe a crop grown in boggy conditions where nothing else would grow. We do know, however, that Newton used a *Patna* variety, soaked the seed for sixteen to eighteen hours, plants took two weeks to appear and the yield was 60 bushels to the acre. Newton believed he could grow two crops a year, the same as in Queensland, and that seed would grow 'either in or out of water', suggesting that he was probably using an 'upland' variety. Newton also advised that an ordinary wheat thresher would separate seed from straw and alerted farmers to heating problems associated with storing the crop. He planned a further ten acres of rice in the following season, saying that he would sow 50 acres if he had seed. In an optimistic report to the department Newton concluded, 'We can more than compete with all the pauper labour of the world, for with our improved machinery and cheap land we can produce thousands of bushels against their hundreds'.5

The department was delighted, *Agricultural Gazette* broadcasting that Juhl and other farmers had 'finally decided the question of the practicality of growing [rice] successfully in the Colony'. The Manning River Region was now officially referred to as the 'Ricegrowing District'. The department contacted Robert Harper and Company Proprietary Limited, the Sydney miller and spice importer, inquiring as to the costs of milling rice at the company's Darling Harbour installation. Harper told departmental officers rice would cost forty shillings per ton to mill and sent along a sample of *Java* rice. *Java* was currently the 'most marketable', Harper said, adding:

> For your information and in reply to your queries we may say that if you desire to produce a large quantity of rice you have made rather a mistake in putting in the *Patna* variety for about one hundred tons would cover the consumption of that quality in this Colony for about twelve months. At one time *Patna* was a rice largely consumed, it being the favourite of both Chinese and Europeans. But for a number of years the Chinese have been supplied by grain grown in their own country and termed *China* rice to which quality they are becoming more and more bound. The Europeans, on the other hand, left *Patna* in favour of *Java* rice, a round grain, years ago. But for a number of years past they have gone from the *Java* to a similar grain grown in Japan which yields a good boiling rice and at the same time, under the elaborate machinery now used in good rice mills, turns out a very pretty highly polished sample. Practically then, only two sorts of rice have been largely used in this Colony for years, namely *Japan* and *China* and it is to the *Japan* we would recommend growers in New South Wales to give their attention.
The reason we select it in preference to China is that there is a considerably larger consumption and because Chinese houses in Sydney, which are in some cases simply branches of Chinese houses in China, would not buy locally grown rice even though it is somewhat cheaper than imported, but would under the instructions of their head firms in China continue to import from them, at any rate for some years. Then again the Japanese grain should suit the climate as many parts of Japan are fair representatives in the way of climate of your district. Of this description of rice we could purchase as much as your district would be likely to produce for some years to come, presuming of course your growth turned out a good boiling quality and would also take a high dressing polish and be free from stained grains and presuming also that the price we were able to give to compete with the imported (the cost of which varies from year to year) would pay the grower.

Harper said he was prepared to discuss setting a price for paddy, but only when a regular supply was assured, offering to assist growers in whatever way possible and permitting the use of his mills for trials with paddy. However, John Kellock believes, the idea that Japonica varieties were suited to the 'Ricegrowing District' in the north of the state because the climate there was 'fair representative' of many parts of Japan, possibly misled departmental officials into believing that cultivating Japonica in the dry south-west of the state was impossible, delaying developments by decades. But encouraged by the miller's response, the department conducted a feasibility study into building a mill in the Manning River District, unearthing in the process a complete plant suitable for de-husking and polishing rice on the premises of the defunct Sydney firm, Blair and Cameron, in Kent Street.

Departmental officials distributed fourteen varieties of what was described as 'upland mountain' rice, apparently obtained from India, to numerous 'applicants in all parts of the Colony'. From these experiments, approximately one hundred reports were furnished to the department early in 1892 indicating that yields were best on low-lying coastal land in the north east of the State, around Ballina, Byron Bay, Cooper's Creek, Grafton, Hickey's Creek, Palmers' Channel, Tintenbar and Tumbulgum. Plantings on the south coast and southern tablelands either died or did not produce grain. Plantings in the dry western districts grew well for a time, but in hot weather 'sickened and died off'. The exact location of these western trials with 'upland' varieties is unknown but they were possibly around bores in the Moree district.

A departmental report concluded that 'dark volcanic loams, rich sandy and flood deposit soils in the north east are most suitable for rice', exactly the opposite of what thirty years later was found to be necessary: namely, 'lowland' varieties on arid, irrigated hard-clay soils in the south-west.

Mr Barter, previously associated with the Queensland rice industry and then residing in Sydney, now called for a mill on the 'co-operative principle' and cultivation of a large area of rice in the 'Ricegrowing District' to establish beyond all doubt the viability of the industry. Agricultural Gazette carried details of growing methods used with 'upland' rice in Louisiana, noting that 'All varieties succeed best when flooded'. It is not clear what 'flooded' meant; probably 'heavy irrigation', rather than inundation. Gazette also observed that 'coloured labour did most of the work', but some white farmers 'do all their own work'. The department concluded that it should be possible to grow rice in Australia using such techniques. Farmers were not so sure.

A loss of interest, 1892–1912

Most New South Wales farmers believed it impossible to harvest a rice crop in a wet year or grow it successfully in a dry. It was a case of either too much water or not enough. In any event, a severe depression, peaking in 1893, and successive dry seasons destroying plantings, virtually eliminated farmer interest in ricegrowing in New South Wales until 1897. Then, the department resumed experiments with 'upland' varieties from Kyba, Saba, Madagascar and Japan. Japonica varieties did best, Gazette noted, although heads were afflicted with 'red rust' on the coast and, in high lands, heat affected growth, badly.

No further reports on rice appear in Gazette for more than a decade. The department appears to have lost interest in rice altogether. The reasons are obscure, but probably relate to declining domestic demand as Polynesian labourers were repatriated, higher
production costs, Chinese immigrants remaining loyal to China-grown rice and producer doubts about the practicalities of ricegrowing. Improved profitability in other commodities, particularly dairying, also diverted farmer attention. Such interest as the department demonstrated was confined to rice as fodder food and a pasture improver.10

We do know, however, that the department conducted rice trials at Yanco Experiment Farm, soon after it was opened in 1908, in 1910 and 1911, and possibly 1912. In 1912, Gazette also reported rice trials at Hawkesbury Agricultural College and at the Grafton and Wollongbar Experiment Farms using Nāsīk and Raskaddum from India. But another three years passed before government interest in ricegrowing returned, spurred by shortages, high prices in World War I and news of spectacular returns in the new Californian rice industry. However, this was retarded by the unavailability of seed rice under wartime conditions until departmental officials learned of a Japanese ex-parliamentarian who was successfully growing rice near Swan Hill in Victoria on the Murray River. Immediately they ordered seed from him for trials at Yanco Experiment Farm, and elsewhere, to begin in 1915. The Japanese farmer’s name was Isaburo (Jō) Takasuka.11
Chapter 2

Isaburo (Jō) Takasuka:
Japanese Rice Pioneer of South-Eastern Australia, 1906–1927

The Takasuka Family

Seventy-six years after an astonished Charles Sturt and his company of explorers shot from the agitated waters of the Murrumbidgee River into the slumbering arms of the Murray River, a Japanese ex-parliamentarian of Samurai background was cultivating rice some fifty kilometres upstream of that spot.

Isaburō (known as 'Jō') Takasuka (1865–1940) arrived in Melbourne on 14 March 1905 with his wife Ichiko Maejima (1874–1956), infant son Shō Noburo (1900–1972) and infant daughter Aiko (1903–1971). There is a report that Jō came to Australia earlier to serve in the Japanese Foreign Ministry but this has not been corroborated. Under the discriminatory 'White Australia' Immigration Restriction Act, then in force, the Takasuka family was admitted on the basis of a twelve month Certificate of Exemption.

There were approximately 3,500 Japanese in Australia at that time, largely in the north involved in the pearling and sugar cane industries. The Takasukas formed the largest single group in Victoria. They were quite unlike most other Japanese immigrants. Jō Takasuka was born at Matsuyama in Ehime Prefecture, the only son of Kahei Takasuka, who had attained Samurai status for services as chef to the local Daimyo. When Jō was eighteen, Kahei transferred leadership of the house and title of the family property to him. Jō studied in Tokyo (Keio Continuation School) and in the United States (De Pauw University, Indiana; and Westminster College, Pennsylvania), taking a Bachelor of Arts Degree in 1896. In 1897 he returned to Japan via Europe. In 1898 Jō was elected to the Japanese House of Representatives for the Rikken Seiyukai Party. He married Ichiko in the same year.

Ichiko was the daughter of Michimito Maejima, a local district court judge. She was educated at the Watanabe Saiho Gakko, a prestigious secondary school from which the Tokyo Kasei University eventually emerged. Two years later, Shō was born. Following changes to the electoral law, Takasuka decided not to seek re-election in 1902. It is not clear what the Takasukas did between then and their arrival in Australia, but it is possible that some time was spent in the United States. Certainly, Aiko was born in 1903.

During the family's first eighteen months in Australia, Jō conducted an importing business in Queen Street, Melbourne and the suburb of Richmond: 'Takasuka Dight and Company'. In his spare time, Jō taught the Japanese language at the Stott and Hoare Business College.

Jō was tardy with an application for an extension of stay and, in July 1906, commonwealth immigration authorities instructed the Takasuka family to leave Australia within six months. However, the Japanese Consul-General intervened and the Takasukas were granted an extension of twelve months retrospective to March 1906 on the understanding that no further application would be made.

Jō wished to stay. He had observed as an importer large quantities of rice being brought into Australia, a land which surely could cultivate this grain. In this line of thinking Jō perceived a link between his continued residence in Australia and the cultivation of rice. Takasuka had observed rice growing both in his homeland and the United States and believed he knew enough about rice to cultivate it successfully. Employing his diplomatic contacts and political skills to great effect and assisted by Commonwealth Analyst W P Wilkinson, Jō secured an interview with Premier Sir Thomas Bent and the Minister for Crown Lands and Survey. Rice culture he told them:

... is very difficult and requires special, trained knowledge to be successfully done. In my native country, the cultivation of rice is in the hands of farmers who for generations have followed this culture for their living. It is a crop of extraordinary fickleness and owing to the quantity of water used, subject to
attacks of many diseases as witness the frequent failures of the crop and ensuing
famine in Japan. On the other hand, rice culture affords a means of utilising areas
of marshy land not capable of cultivation for any other crops of commercial
value at the present time.²

Both men were impressed by Takasuka's dignity and resoluteness and, in July, the
Victorian Cabinet decided to release 300 acres on the Murray River for purposes of
experimenting with rice, advertising:

LAND AVAILABLE FOR RICE CULTURE ON THE MURRAY RIVER
FRONTAGE ABOUT 14 MILES BELOW SWAN HILL

300 acres in the Parish of Tyntynder West, County of Tatcherera, situated between
the 'Kaduchi' Homestead settlement and the Murray River.
The land is subject to annual inundation. A permit to occupy the land for five
years will be given the successful applicant at an annual fee of sixpence per acre.
Conditions will be inserted in the permit making the cultivation of rice
compulsory and also providing for an annual expenditure of at least ten shillings
per acre during the term of five years.
If at the end of such term the conditions have been complied with to the
satisfaction of the Minister for Lands, a perpetual lease will be granted at an
annual rent of threepence per acre. Such rent is subject to revision at the end of
every period of ten years. Applications will be received by the Secretary for
Lands, Melbourne, until Friday 31 August, 1906.³

To Tyntynder West

Takasuka immediately applied and, not waiting for a reply, moved the family to
Tyntynder West, taking rented accommodation. He told the local Land Board that he
had been 'associated with ricegrowing nearly all of his life', that in Japan his father
possessed 10,000 acres on parts of which rice was grown, that in the United States he
had made two attempts to grow rice and had only been unsuccessful because of the
'low price'.⁴ D G Sissons considers this an 'exaggeration', that Takasuka had no
farming experience in Japan, or elsewhere. Board officers asked how he would
support himself and the family. He had property at Suehiro-chō, near Matsuyama,
Takasuka replied, comprising a residence and eight small cabins. There was also
agricultural land (224 square metres, not irrigated and not suitable for rice, Sissons
suggests) and residential land (264 square metres) and seven cabins, at Izumi-chō.
Rent from cabins and land amounted to approximately the annual salary of a primary
school headmaster. He had £500 of capital, one ton of rice seed and planned to co-
operate with a local farmer (identity unknown) in cultivating rice. If that were not
possible he would proceed independently. He proposed to build a levee bank on the
site five feet high to keep the Murray River at bay while he grew rice.⁵

Takasuka was allotted 200 of the 300 acres set aside for rice tests at Tyntynder West —
Allotment 47. This comprised marshy, low-lying alluvial land adjacent to the river
rising fractionally to dark clay-loam some distance from it to a higher, sandy area. The
southern boundary was formed by the serpentine course of the Gunbower Creek. The
allotment was surrounded by red gum forest (now the Vinifera State Forest) and
subject to regular spring inundation when melting snows gorged the Murray. Access
in floods was by boat. The remaining 100 acres were divided equally between two
Australian applicants. As the only other settlers at Tyntynder West at this time appear
have been the Hungerford, Golding and Burdett families, it is possible that two of
these families also experimented with rice. Granting a request from the Japanese
consul-general, commonwealth immigration authorities extended Takasuka's stay for
the duration of the lease.⁶

Takasuka wasted no time. While the Tyntynder allotment was being surveyed in 1907,
Jō cultivated land rented from S P Watson at Nyah, sowing thirty-five acres of rice for
the 1906/07 season. It appears that he employed wheat-style methods in field
preparation and sowing but it is not known if he used irrigation and, if so, what type.
At any rate, sheep got in and ruined most of the planting. David Sissons believes that
the seed was of an unsuitable variety but provides no details. For the 1907/08 season,
Jō imported three different varieties of seed from Japan. He planted sixty-five (some
reports say seventy-five) acres on land rented from E O'Reilley at Piangil, about twenty kilometres from Tyntynder. Only a few bags were yielded, however, due to lack of water, 'some of it black and some of it green, but it was no use for seed'. Two seasons of failed plantings.

Early in 1908, Jō moved onto the Tyntynder West property. A primitive hut approximately fifteen feet by eighteen feet constructed from palings and pine slabs formed the family home. Jō's father, Kahei, joined the family and stayed for about a year. Kahei, described as a 'rice expert' by his son, brought fifteen bags of different varieties of *Japonica* rice seed with him. The father's advice was to experiment with these and 'acclimatise' the most suitable.

Jō, Kahei and a contractor began work on the proposed levee bank in 1908, when ten acres were prepared for rice. But problems with the levee and minor flooding prevented sowing. Takasuka appealed to the government for help with levee construction and sought finance for a bullock team. He was refused on both counts. The Takasukas laboured mightily through 1909 to get the levee bank up, banking and ploughing about forty acres, only to see it all washed away again in mighty floods. His land was devastated and the embankments and irrigation works severely damaged. Indeed, the family was forced to take refuge at Nyah until the river receded. Jō did manage to get one acre under rice at Nyah, but that failed, too, in the wet conditions. Another season wasted.

Near the end of 1909, Jō sought government permission to import two Japanese experts to work as partners on the experiments. Climatic factors, he said, were making the physical task of cultivation difficult. This request was also refused.

A third child was born to the Takasukas in 1910, Mario (a not uncommon name in Japan, literally translated as 'Ten Thousand Leagues' denoting 'great distance'). The naming of the child reflects perhaps the enormous sense of isolation endured by the parents, a remoteness and yearning for home accentuated by the death of Kahei in the following year.

Jō worked frantically through 1910 to erect one-and-a-quarter miles of banking to allow the experiments to proceed. Again the insouciant Murray River snatched everything away. He did manage, however, to plant about a quarter of an acre of rice on neighbour Hungerford's land and secured sufficient seed from this to continue in 1911.

In the 1911/12 season, Jō sowed twenty-five varieties of rice at Nyah in sample plots twenty feet square. Everything went well this year. The rice was harvested using ordinary wheat harvesting methods. Three varieties stood out. Jō named the most successful *Kabei*, after his father. The experimentalist believed that *Kabei* was capable of yielding one ton per acre under Australian conditions. *Shinriki* and *Hiderishirazu*, considered to be 'upland' varieties in Japan, were two other varieties which performed well.

*The Age* reported:

**VICTORIAN RICE**

**A JAPANESE EXPERIMENT**

**£20 PER ACRE CROP GROWN ON THE MURRAY**

A sample of rice raised on the bank of the Murray River at Nyah was received yesterday by the Department of Agriculture from Mr Takasuka, a Japanese farmer. For the past four years Mr Takasuka has been conducting experiments on part of a 200-acre block with twenty-five varieties of rice and has proved that three of these, including *Kabei* [sic] and *Shinriki* rice can be successfully grown when the land is irrigated. Information which he supplied to Mr Temple Smith, Chief Field Officer of the department, showed that a yield of one ton per acre is obtainable. The market price is £20 per ton and the expenditure amounts to £7 per acre inclusive of the cost of working. The land is described as heavy, tenacious clay exactly similar to the best ricegrowing country in Japan. There are, Mr Smith says, thousands of acres of this land along the Lower Murray.

Rice is harvested in the same way as wheat but a special machine is required to remove the hulls. The cost of one of these machines is about £25. Some of the
European settlers at Nyah are inclined to start the cultivation of rice in consequence of the results shown by Mr Takasuka and it is pointed out that the venture would prove tempting in parts of the state where wheat farmers could see a prospect of increasing their returns from about £1.10s. to £13 per acre. Mr Smith thinks that the industry is at any rate deserving of some consideration. Hulled grain from the specimen sent down was full and of attractive appearance. The rice importations of the commonwealth, Mr Smith says, amount to £83,000 worth per annum.9

The Argus said:

... A particularly good sample being full-eared and well-developed and [Temple Smith] states that the success which has attended the efforts of the Japanese grower opens up big possibilities for the future development of the industry. Many of the European neighbours of the Japanese experiment have expressed their intention of entering upon the cultivation of rice, astonished at the results which he has succeeded in obtaining.

In ensuing months several farmers corresponded with the Victorian Agriculture Department inquiring about ricegrowing and seeking seed from Takasuka. The department provided them with information reporting, inter alia, 'about one to one-and-a-half hundredweight of seed was required in sowing an acre in drills generally speaking by hand-dropping about three or four seeds at each hill, distanced about twelve inches apart'.10

It looked promising. In correspondence with the Agriculture Department, Jõ attributed previous failures to the use of wrong varieties, prompting the questions: what did he consider the 'right' varieties?; and was Jõ using 'upland' varieties and 'lowland' methods or 'lowland' varieties and dry-land techniques? The answers are unknown. However, in a letter many years later to the eminent New South Wales plant breeder, Walter Poggendorff, a Victorian Agriculture Department officer noted:

In all [Takasuka's] experiments he used blood and bone and super [sic] [superphosphate as a fertiliser, quantity not specified] and gave them ample water, but found that the flowering stage was not very prolonged. From a general perusal of Takasuka's correspondence it gathered that the method of cultivation adopted would be much closer allied to the 'upland' than to the 'lowland' type. Details of watering practice are not known, but I suspect it consisted of periodic flooding rather than prolonged submerging.11

It is clear that Jõ was now irrigating and not relying on rainfall or soil moisture. We know this from an encouraging report on Jõ's 1912 harvest by Chief Field Officer Temple Smith:

Mr Takasuka claims these [varieties] will yield 20cwt per acre of clean rice valued at £20 per ton. The rice straw is also of value for making mats, thatching and the straw is also greatly eaten by stock. The cost of growing and irrigating, including ploughing, harvesting, etc., is approximately £7 per acre.

The soil on which the rice is being grown is a strong clay-loam, liable to flood for several months of the year, owing to which fact Mr Takasuka cannot grow the crop on a commercial scale at present. The rice now in the plots showed better growth than any of the other crops adjoining, such as maize.

There are approximately 500 acres of this flat suitable for ricegrowing and this land is typical of many hundreds of acres of land along the Murray of little use for other purposes.12

Temple Smith's mention of 'strong clay-loam' is also interesting, suggesting that the three promising varieties were grown not on the dark, marshy, alluvial soils near the river, but on areas where clay was more pronounced. Perhaps Jõ noticed improved water retention and plant performance on clayey-soil.

By 1911, the two other European applicants for rice leases had abandoned the project, broken by the River. Their allotments reverted to the status of unoccupied Crown Land. In July 1911, therefore, Takasuka again requested government assistance in erecting a levee bank three miles long, half of it now on Crown Land, adjoining his allotment. But the government had other plans, preparing to construct levee banks on
land surrounding Takasuka for closer settlement. In May 1912, Jõ was advised by the Lands Department of plans to reclaim land around his allotment and told that, until this was finalised, no consideration could be given to the matter of a perpetual lease for Allotment 47. Neither would the Lands Department help with the levee as Takasuka had not completed the £100 per annum improvements under the terms of his tenancy. It was discouraging.

**Trials at Nyah and Tyntynder Central**

Jõ decided not to risk precious seed from the 1912 harvest while still so vulnerable to flooding at Tyntynder. Instead, he planted two separate plots at Nyah in 1912 on land rented from W Hobson and R Mole. Again, seed taken from this trial appeared to be improving.13

In 1913, Jõ sowed five acres of Kahei (now renamed Takasuka) and a variety he called Ehime, after his native Prefecture, on R Berry's block at Tyntynder Central. He harvested about twelve bags of paddy, each weighing about 175 pounds, at the rate of approximately one ton per acre. Takasuka had demonstrated the plausibility of ricegrowing within the five-year terms of his tenancy under terrible conditions and with little practical assistance from the government. But it had cost the family dearly. Shô was obliged to leave school in 1913 to take paid employment on a neighbour's farm. In October, the family moved to Swan Hill. Shô studied at night by correspondence while financially supporting sister Aiko through schooling. Later in the year, Takasuka advised the Victorian Agriculture Department that he had tested fifty-four varieties since 1906, announcing plans for more extensive experiments and requesting technical information and financial help:

\[
\text{During last eight years I sacrificed much work and expenses for experimenting rice culture. So year by year I got poorer and poorer. I have not much capital for ricegrowing on a large scale this year and I should be glad to get assistance from your department.} \quad 14
\]

The determined experimentalist said that a major problem (apart from the unfinished levee bank) occurred during the flowering stage of the crop. In Japan this lasted only two weeks, but at Nyah it continued for about six weeks and new ears kept shooting out after the first ears had ripened. Could the department advise? Could the department also provide details of the local market for rice straw? The department replied with a bare acknowledgment of correspondence. Why so unhelpful?

**News of an American industry**

Official reticence probably relates to concern about labour costs and volumes of water involved in rice culture. It may also relate to news reaching Australia of the American rice industry. In November 1912, for example, Chairman of the Victorian State Rivers and Waters Commission Elwood Mead, an eminent American irrigation expert, reported on the prospects of a Victorian rice industry using methods employed in Arkansas and California from where he had recently returned. Describing the Arkansas industry, Mead said this began as an experiment in 1902 and was now the largest rice industry in the United States. He emphasised that 'cold, poor prairie soil not more than eight inches deep' was ideal for ricegrowing and that such soil existed on heavy plains land in the Goulburn Valley. Arkansas rice farms ranged in size from between 160 and 2,000 acres each operating independent pumping plants lifting artesian water. Rice seed was planted with an ordinary wheat grain drill, harvested with a reaper and binder and threshed with an ordinary wheat thresher. Ricegrowing was more profitable than cotton or tobacco. Rice farm land values had multiplied fourfold. The Arkansas and Victorian climates were similar, although there was some doubt about summer heat in Victoria being sufficient to ripen rice heads. Americans had thought this about the Sacramento Valley, but ricegrowing had been successfully introduced there 'on heavy clay soils unsuitable for either fruit growing or lucerne growing'. Mead called on the state government to experiment with rice on plains land in the Goulburn Valley Scheme and to import an experienced ricegrower from the United States to guide developments:

\[
\ldots \text{as it is only in America that machinery is employed in the planting and harvesting of the crop.} \quad \ldots \text{Given the right kind of soil — it would need to be "close" soil not an open one from which water runs away too rapidly — the water}
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\ldots
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from the channels would be sufficient to flood the rice fields and the hot Victorian sun should do the rest.

The Age endorsed Mead’s advocacy of ricegrowing in the Goulburn Valley:

The conditions suggest a fortune for any man who lays himself out to cultivate rice. ... The soil is suitable and the level stretches necessary to keep the water flooding. The land can be obtained and, probably more important still, the sub-soil is of a nature that will retain the moisture. ... Broadly speaking a rice field has to be flooded to a depth of from three to six inches from practically the time a plant is a few inches above the ground until the heads of the rice are well turned down.

The newspaper also quoted figures from Arkansas leaving no doubt that 'upland' varieties yielded far less than Japanese 'lowland' varieties and published cultivation notes from the Sacramento Valley.

Acting on Mead’s recommendations, the Victorian Agriculture Department corresponded with the US Bureau of Plant Industry, obtaining a Preliminary Report of Ricegrowing in the Sacramento Valley. This described Californian ricegrowing in detail and provided photographs. The report spoke of 'lowland' varieties; particularly the Japanese variety, Wataribune; sowing using an ordinary grain drill; and inundation techniques employing irrigation on hard clay soils with impervious sub-soil on level plains which could be drained. The report also explained that ricegrowing was not as hazardous as many supposed and was particularly suited to '...worthless soil. Shallow soils are preferable to deep soils because less water will be required to submerge them'.

Such methods, varieties and conditions as the Sacramento report spoke of were quite unlike those existing in the Takasuka experiments. Perhaps this disparity contributed to the Agriculture Department’s unhelpfulness. Possibly the Land Department’s determination to resume Allotment 47 was influential.

The first commercial rice sale: Takasuka at Swan Hill

Nevertheless, Jō Takasuka pressed ahead. In 1914/15 he planted two separate plots on flats near the Swan Hill Irrigation Area; thirty acres on Mrs Carroll’s block (Number 24) and twenty acres on J Hannon’s block (Number 36). The crops looked good, but now new irony. At Tyntynder West it had been excess water interrupting experiments. At Swan Hill it was drought. The Victorian State Rivers and Water Commission could not guarantee sufficient water to allow Takasuka to complete his trials fully. Instead, Jō was obliged to concentrate his entire water ration on ten of the fifty acres sown. The rest was wasted.

Again the yield was approximately twelve bags to the acre, equal to 120 bags. If the trial had been completed fully, approximately 600 bags of paddy rice, more than forty-five tons, would have been harvested! A sample of this crop went to a Melbourne miller (probably Brunning Proprietary Limited) and was deemed most suitable for processing. But the miller wanted to know if supplies would be regular. No-one could guarantee that, least of all Takasuka: uncertain tenure, the unfinished levee, moods of the river and government unhelpfulness were all against it. If Takasuka had been able to guarantee supply perhaps a commercial rice industry would have begun in southeastern Australia a decade earlier than it did. Takasuka sold seed from that Swan Hill crop via the Agriculture Department to commercial seedsmen and to the New South Wales Department of Agriculture for trials at Yanco Experiment Farm, planned for 1915. It was the first ever commercial sale of paddy rice produced in southern Australia, an astonishing achievement against awful odds.

Takasuka’s success stimulated greater public interest in ricegrowing and further farmer inquiries to the Agriculture Department. An American resident in Victoria, C H Stevenson, contacted the department requesting rice seed (apparently American–Japanese varieties) for rice trials in the Swan Hill Irrigation Area. The department replied that steps would be taken to obtain seed in San Francisco. Possibly because of disruption to shipping channels in World War I, however, the department later advised Stevenson to try Takasuka seed. Stevenson said he would ‘give it a trial’. Unfortunately Takasuka was obliged to inform the department that he had no rice
seed left to sell, requesting assistance in growing more. The department once again demurred.\(^\text{17}\)

Nevertheless, with prices for rice spiralling in the war, government interest in rice growing was high. Takasuka's experiments and the Californian industry were studied closely by a number of Australian governments. The New South Wales Water Conservation and Irrigation Commission (WCIC), for example, corresponded with the Victorian Agriculture Department concerning rice culture. On 24 August 1915, Jō Takasuka forwarded particulars of rice growing and a sample of seed rice for the Victorian Department to send to New South Wales, saying:

Rice can be grown on a large area like wheat using the same machinery as for that crop. The only difference is that rice is irrigated. ... The seed can be sown by a drill, or broadcasted. ... In large areas, harvesting is done by a reaper and binder, left in the stook to dry for a few days, then threshed.

In November 1915, the Victorian Director of Agriculture reported:

He [Takasuka] has been successful in producing excellent samples of rice and in demonstrating the most prolific types to sow. But he has not been able to show that rice growing in Victoria is a profitable occupation. ... Mr Takasuka's tests are not complete, but his efforts have awakened interest in the possibilities of rice growing on the irrigation settlements of Victoria and New South Wales and are such as to merit some consideration and encouragement.\(^\text{18}\)

**Victorian farm trials with Takasuka seed**

One Victorian purchaser of Takasuka seed in 1915, Montague Churchill-Shaw (sometimes 'Shann'), sowed it on a property three miles from Koyuga Railway Station, near Tongala. The Victorian Department of Agriculture watched with interest: could a settler grow 'dry rice' (as it was officially called) under normal conditions, or only experimentalists? Shaw constructed a dam, flooding this from irrigation channels. The field was watered before planting. Takasuka seed was sown on 26 November 1915, thirty pounds to the acre, one inch deep in rows fourteen inches apart, apparently as recommended by Takasuka himself. Shaw applied water once a week and superphosphate at 120lbs per acre. He used five-acre feet of water per acre, a generous allocation, but it seems certain that inundation was not used for this still unusual practice in Australia would surely have been noted in Shaw's report. The plants stooled well, with thirty to forty stalks from one seed, were disease free, grew two feet six inches high and were very uniform. But they ripened unevenly and in some patches heads did not fill at all. In June a stripper harvester worked well getting the crop off, but the yield was only just over half that taken by Takasuka. Shaw took seven bags of paddy to the acre, equal to about 756lbs to the acre, cleaned. The farmer concluded that Takasuka was suitable for low-lying land too wet for wheat in wet seasons along the Murray. Rice could be alternated with fodder in dry seasons. Shaw recommended earlier sowing, around mid-October, and cautioned growers about excessive moisture in the threshing process. He was confident enough however, to be planning sixty acres of rice in the following season and to supply other farmers in the district with Takasuka seed at one shilling per pound. He said he planned to 'put up his own hulling plant and use the straw and rice hulls for feed and other commercial uses', predicting at least £5 an acre profit. Nevertheless, Shaw concluded: 'It is unlikely that the most suitable variety has been found ... and further improvement is probable with the introduction of a rice seed yielding better than that already grown'.

The Victorian Department of Agriculture congratulated Shaw for demonstrating the viability of Takasuka rice under field conditions. *The Age* reported:

A new industry, which if successful will go a long way to solve the problem of the settlers on the closer settlement blocks, has been started at Tongala by Mr Churchill-Shaw. It is an experiment block of three acres of rice.

But it was not to be. Shaw increased the area under rice in 1916 but encountered severe problems with weeds, and by 1917 he had abandoned rice growing. Even so, Victorian rice trials were far ahead of those in New South Wales, still confined to 'pocket handkerchief' plots at the Yanco Experiment Farm using Takasuka and other varieties and certainly not extending to cultivation by settlers.\(^\text{19}\)
Return to Tyntynder

Jö Takasuka received considerable publicity for his ricegrowing effort through this period. His remarkable gesture, given hardships endured by the family, in donating the proceeds from the first hundred pound of seed sold to the Lord Mayor of Melbourne's Belgium Relief Fund, prompted a positive response in Melbourne newspapers and articles about his courageous efforts. But publicity also returned the attention of the Victorian Lands Department to the Tyntynder allotment. A protracted battle between Jö and the department over tenure followed. Through this, the rice experiments were virtually suspended — just as they were posting promising results. The department was now determined to secure Jö's allotment for closer settlement as part of a post-war reconstruction program. A departmental assessor was sent to Tyntynder. He reckoned that the cost of constructing a levee bank there would be between £700 and £800 and recommended that Takasuka should continue his experimental work at Swan Hill rather than return to Tyntynder West where additional capital required for pumping equipment, channelling, fencing, ploughing and construction of the levee bank would put severe financial strain on him. Jö should grow more rice at Swan Hill, amass capital and return to the allotment when in a better financial position. The Tyntynder property was badly run down, the assessor reported, with fences in poor condition, shelter primitive and, 'two to three miles of banking much destroyed by floods'. The house was valued at only £10. Overall, the report concluded, improvements effected were 'hardly worthy of valuation'.

Jö would not have a bar of it. With the family he returned to Tyntynder, to the primitive paling and pine slab hut and the flood-ravaged levee bank. Using proceeds from the Swan Hill rice sales he began effecting improvements, building (or renovating) a four-roomed house measuring thirty-two feet by twenty-eight feet constructed of Murray pine and valued at £150. Mario Takasuka thinks this cottage might have belonged previously to Mr Sydes, of Tyntynder West, and was hauled to the Takasuka allotment. The house, placed on an ancient Aboriginal midden, giving it elevation and protection against floods, possessed a verandah and a Wunderlich-lined (patterned tin) ceiling. Takasuka invested a further £80 in levee bank construction. Observing these improvements (still below the £500 required), a Land's Department officer reported:

I have tried to get Mr Takasuka to select a piece of ground not so costly to reclaim, but he seems to be keen upon going on where he is and in view of him going to the present expenditure I think that the department should assist him by granting a Title to the property. He says that he can manage if the Title is granted to him and is in my opinion a little over-confident. However, that is his own business. All I can say is that he has produced a suitable variety of rice and if the mere fact of granting him a title will enable him to carry on his scheme successfully, then the Title should be granted. Mr Takasuka should receive whatever assistance can be given as he has endeavoured to make the proposition a success in spite of immense difficulties.

On November 5 1915, Jö Takasuka was granted Perpetual Lease for Allotment 47, Tyntynder West. He had sought freehold. Still the floods came. The rising river stopped a 1915 planting. If Jö had managed to get a crop in that year, perhaps he could have consolidated on the 1914/15 success. In 1916 and 1917 the creek running along the property did not dry out, preventing further work on the embankment until 1918. As the risk of flooding was so great, Jö did not get another planting in until 1919 (the first since 1915), and then only five acres with tired seed. Allowing for lost seed vigour, Jö sowed at five to six times the normal density. He hoped to get enough seed for a big planting in 1920 but germination was poor and the 1919/20 crop failed. Still Takasuka was unable to raise sufficient finance against leasehold to complete the necessary earthworks.

The Lands Department, specifically Under Secretary A A Peverill, upped the ante on closer settlement. Who was this stubborn Japanese!? Peverill tried everything to dislodge Takasuka, meeting equally determined resistance. The department broadcast that Takasuka had not planted rice every season at Tyntynder West (conveniently overlooking a lack of government assistance making this unavoidable). In October 1919, the department told Jö that as he had not complied with the cultivation condition of Perpetual Lease, his request for a Selection Purchase Lease, making freehold
possible, had been refused. The department also told commonwealth immigration authorities that the Takasuka experiments were of 'insufficient importance to justify further residence in Australia'. However, the commonwealth conducted independent inquiries and discovered from local police that Takasuka was widely regarded as an 'industrious, hard working and respectable man'. The Victorian Agriculture Department also advised immigration authorities that 'further examination is not necessary'. The commonwealth would not deport him.

Takasuka took the fight forward, employing his advanced political skills to badger bureaucrats and politicians. In March 1920 he wrote through a solicitor to the Minister for Lands detailing his rice experiments since 1906. The minister referred the letter to the department which sent it on to a Swan Hill Crown Land Bailiff who reported:

> I think he is a hard worker but he seems to lack method. He will never be able to grow rice or anything else on the block unless a high check levee bank is erected.

If he would do that, I know of no objection to his being granted the lease as requested.

Under Secretary Peverill was peeved by such temerity: Takasuka had to go! Jō approached his local member of state parliament who requested the minister to reconsider. The answer was 'No!' The Lands Department then argued that as most of Takasuka's experiments had mainly been carried out on other people's lands, Allotment 47 was not essential to their continuation. This was true but only because Jō had been unable to complete the levee bank and neither governments nor financiers had helped. In August, possibly to score a tactical point, the Lands Department (not the Agriculture Department) sought rice seed from Takasuka. The Japanese could not oblige. As if to underscore the point, the Murray River again swept across Takasuka's property in 1920, ruining a beautiful seventy acre crop of oats. Dejected, but not broken, Jō rowed his children to school. The family was listless but young Aiko Takasuka was dux of Swan Hill Elementary School that year and that cheered everyone.

Again in 1921 flood waters snarled across Allotment 47. In April, Jō wrote (almost certainly to the Taxation Department), 'I have not the income to warrant filling and sending forms'. Again he sought a bank loan, this time £1,000 to build a levee which he estimated would need to be three miles long and take six months and two teams of horses to complete. Still he was unable to secure finance against leasehold. Neither did Takasuka have any rice seed to supply several interested inquirers. In June, Jō met the Minister for Lands, introduced by the Assistant Minister for Water Supply. Both ministers were deeply impressed by the tenacity and dedication of the man. Jō told them:

> Nearly every year I have to take all my animals out, my house getting quite surrounded by water and for two or three months during the flood, I have to row (I do so yet) over half-a-mile to let my children out and in from school.

The Minister for Lands took the matter to cabinet. The Crown Solicitor was instructed to examine the legal basis of Under Secretary Peverill's demands for Takasuka to quit the allotment. His advice was that the matter was one wholly for administrative discretion and no legal reason existed to deny issue of a Selection Purchase Lease.

Takasuka visited commonwealth immigration authorities in Melbourne seeking an extension of stay. Authorities consulted Under Secretary Peverill, who, very cross:

> ... stated that Takasuka was a very persistent individual and in a sense a bit of a nuisance to the department. He made several personal applications for concessions, all of which were turned down. But notwithstanding the rebuffs he would go to one politician after another and enlist their sympathy and assistance with the result that they would nearly always get the question opened up again.

> ... Takasuka's application was before the state cabinet, but owing to the approaching elections nothing would be done with it for a considerable time.

Through all of this, Sissons believes, Takasuka grew rice, successfully harvesting in 1921 and 1922. No details have been located.

Takasuka finally won his battle with the Lands Department. In September 1921 the doughty Japanese was granted a Selection Purchase Lease and permission to remain in
Australia. The Commonwealth Home and Territories Department, noting that Takasuka alone was persisting with rice cultivation in Victoria, had viewed his application favourably. The Takasukas could stay but would need to re-apply each year (in 1924 this requirement was waived). In October 1922, Jō Takasuka secured freehold for Allotment 47, Tyntynder West. Perhaps now he could proceed with rice cultivation confidently.

It is clear, however, from Mario's recollections and other reports, that Takasuka's financial position was now extremely poor. In August 1923, Jō offered the services of his son, Shō, to the Victorian Agriculture Department as 'expert in rice cultivation' in exchange for further support of rice trials at Tyntynder. Noting, 'Takasuka unable to undertake rice plots', the department declined, explaining that staff did not exist. In January 1924, Jō wrote to Senator Pearce, the Minister for Home Territories, offering Shō's services to the commonwealth. Takasuka informed the minister that he had imported over fifty varieties of rice seed from Japan for experiments 'using various methods of cultivation' and had only been prevented by lack of protection against floods from demonstrating conclusively the viability of ricegrowing along the Murray. He described rice as the 'most payable crop in Australia', claiming that Takasuka yielded one to two tons to the acre for two to four-acre feet of water. Shō documented his father's ricegrowing experience since 1906 and sent photographs. It might have been through this period that Shō travelled to the MIA, bumping across primitive dirt roads on his 'Douglas' two-stroke motorbike. Details of this visit have not come to hand, but it appears that Shō hoped the New South Wales Department of Agriculture or the Water Conservation and Irrigation Commission (WCIC) might employ him in rice trials being conducted at Yanco. A photograph survives showing Shō outside Leeton Primary School. Perhaps officials and interested settlers had gathered to hear him talk of his determined father growing rice since 1906.

In February 1924, The Age interviewed Senator Pearce, reporting 'Ricegrowing — Success in Australia Claimed — Experiments by Japanese Farmer'. The minister told the newspaper:

[Takasuka] claims to have produced a seed and method of cultivation by which rice can be successfully and commercially grown under irrigation by white labour. The system, he claims, requires the minimum amount of water, namely from two to four-acre feet a year. ... The rice has been grown with the aid of ordinary implements used by irrigation farmers and not by hand labour with hoes as is the case in Japan. In the opinion of Mr Takasuka the only difficulty in the way of this successful growing of rice on a large scale in Australia is a lack of knowledge of rice culture.

Pearce forwarded the Takasuka correspondence to the Board of Trade and notified the Minister of Customs, inviting a 'practical demonstration of ricegrowing [as] it seems to the minister that there is the possibility of another profitable industry being started in Australia'.

Certainly, interest in ricegrowing was again reviving. In March 1924, the Nyah New Settlers' League wrote to the Agriculture Department demanding that the government publish details of ricegrowing in the state. Several other requests from farmers for information about ricegrowing reached the department. The French Consul and the Queensland government sought information. The importer and miller, Robert Harper and Company, offered to assist in the milling of rice grown in Victoria.

By now, however, news had reached Victoria of successful trials at Leeton conducted by Austin Shepherd for the New South Wales Department of Agriculture and the WCIC using *Japonica* varieties from California. When the Board of Trade, acting on Senator Pearce's directive, contacted the Victorian Agriculture Department, it found the latter very sceptical:

The possibility of ricegrowing in Victoria has been long speculated upon. In the past many experiments on the cultivation of that crop have been tried. One of the most enthusiastic experimenters has been Mr Jō Takasuka of Tyntynder near Swan Hill, and this grower claims to have produced a variety which will give satisfactory yields under the climatic and soils conditions obtaining in that locality.
Certainly the Victorian Government wanted Leeton successes duplicated in the Goulburn Valley. Indeed, the Victorian Director of Agriculture (Dr S S Cameron) was already in the United States studying the industry there and corresponding with departmental officials. His study showed that:

Rice sown, broadcast and immediately submerged in water until the field is drained for harvest, or rice sown, broadcast in the water and kept submerged thereafter has several advantages over rice irrigated in the old way [sic]. The most important benefits obtaining being that the crop matures seven to ten days earlier than with the original method while the rice also appears to develop into better plants and there is less trouble with weeds. ... A method often practised by experimenters in Victoria was to sow the seed either with the drill or broadcast and then irrigate lightly until the crop-up before permanently submerging the field. In California ... this method does not control water grass and other troublesome weeds.30

A loss of interest

Correspondence between Takasuka and the department lapsed. The Japanese seems to have concentrated his efforts (unsuccessfully) on having a road connected to the Tyntynder West property (still accessed by boat across Gunbower Creek in flood times). Farmers seeking information about ricegrowing were now directed by the Victorian Department to the New South Wales Department of Agriculture or supplied with information produced by that department. An informal “gentlemen’s agreement” at federal level had evolved confining ricegrowing to New South Wales while the infant industry established (confirmed at a 1930 Interstate Conference of Irrigation Authorities).

In a final volley, Takasuka again wrote to the Victorian Agriculture Department in September 1927 claiming that Takasuka could be grown without irrigation in districts where, during the months of January and February, the monthly rainfall exceeded three inches and the average maximum temperature exceeded 80° Fahrenheit. Such conditions did not exist in Victoria. What was Jō really saying? Was he acknowledging that Takasuka was in fact an acclimatised ‘upland’ variety which yielded tolerably well in favourable seasons in Victoria or in low rainfall areas when irrigated, but which was better suited to high rainfall, semi-tropical regions? Was it tacit recognition that he had been persisting with a variety or dry-land methods unsuited to variable Victorian conditions? The available sources do not tell us. The department replied that since such conditions did not exist in Victoria, Takasuka should try New South Wales or Queensland. It is clear that the Victorian department was no longer interested in Takasuka’s rice experiments.31

In the following month, Solicitor Edgar Davies informed the Secretary of Lands that Jō Takasuka had sold Allotment 47 to Joseph Dickinson of Vinifera. The Takasuka family moved to Nyah and took up vine growing.32

It could have been through this turbulent period, in the anxiety over finances, floods, land tenure and loss of government interest, that surveyor and author, G W Broughton, met Jō on the banks of the Murray River. Broughton leaves a vivid image of the hardy rice pioneer.

Sitting on a log and mending a fishing net was a wizened little man who I first thought was Chinese, but when we drew closer I saw to my surprise that he was a Japanese. The men moved on to boil a "billy" but I walked over and bade him good-day, curious about why he was there. He rose and with a courtly bow that seemed strangely out of place among the river gums, smiled and said, "My name Takasuka. I grow rice. What you do?", indicating the theodolite I had set down. He had shot his name at me with a hissing rush of breath, which gave it the sound of 'Ta-Kassaka', the last three syllables rushed together in strong emphasis.

Over a cup of black tea with which, while I ate my lunch, he had nothing at all, he told me that he had for some years been experimenting with growing various types of rice in small patches scattered about the rich, dark, peaty soil formed by centuries of alluvium and rotted cumbungi. Government officers came to see him sometimes, so he said, from Departments of Agriculture and Forestry. But the settlers of Nyah regarded his ricegrowing as the foolishness of a funny old crank.

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from remote Japan. He spoke English in a rather stilted old-fashioned way as if he had learnt it in his own country from a Japanese tutor unacquainted with the colloquialisms of our speech. He had a gentle but almost aristocratic bearing which intrigued me and I was not surprised to learn later that he was reputed to be of a high caste family, though no-one seemed to know what he had been in Japan, or why he now lived as a recluse on that lonely bend of the Murray.

We passed Takasuka's hut from time-to-time as the job progressed and we had an occasional brief chat. But the old man, regarding our work as the possible forerunner of construction which might flood him off his land was less communicative than at our first meeting. A little over a year after we departed from that section of the river I was intensely interested to hear that rice seedlings from Takasuka's little plots had been successfully grown at Yanco and were in fact the genesis of the great ricegrowing industry that subsequently developed on the Murrumbidgee Irrigation Area.33

Broughton was mistaken in believing that Takasuka seed formed the basis of the New South Wales ricegrowing industry; three Japonica varieties from California, Caloro, Wataribune and Colusa, have that distinction. But there is little doubt that the example set by the resolute Japanese ex-parliamentarian stimulated official interest in ricegrowing in New South Wales leading to a series of trials in which the viability of commercial ricegrowing in south-eastern Australia was finally demonstrated.

David Sissons concludes:

Although he had been unsuccessful in making rice growing in Victoria an economically viable proposition, he had in his most successful attempts been able to demonstrate that using from two to four acre-feet of water and the methods of Australian wheat farmers [that is, instead of transplanting the seedlings by hand as is done in Japan, sowing the seed in its permanent position by drill] yields of more than one ton per acre could be produced. ... In his years on the Murray, Takasuka developed methods of cultivation appropriate to Australian conditions.

Young Mario Takasuka

Jō's and Ichiko's surviving son at time of writing, Mario (known as 'Murray') captures the poignancy of his parents' contribution to the pioneering of ricegrowing in Australia, and the atmosphere of place. As noted earlier, Mario was born in 1910. The memories paraphrased below, therefore, are those of a young boy approaching adolescence:

My mother was a remarkable woman. With her background she didn't have a clue how to cook and yet she learned to cook on camp ovens. She could prepare both English and Japanese foods. She could cook chops and steak and all the rest of it but ... she bought us up on part Japanese food. Well, English-Japanese food, because she had to cook it on a wood stove and that sort of thing. We bought rice by the 70lb bag full ... I don't remember us using any of our own rice because it had to be husked and cleaned and I don't remember us doing that. We kids never learned to use chopsticks. We always used knives and forks. We had no running water. We only ever had tank water. And yet mother learned all of these things. She even learned how to drive a horse; how to grow vegetables. She looked after us kids really well and yet could do unusual things. She could juggle three balls on one hand, I remember. I could never do that.

The house was built on a midden. We used to call them 'blackfella's ovens'. There were three of them; two on our place and one on Crown Land. Mum grew vegetables on the one near the bridge one year. We dug up a skull once.

Father was a typical Japanese father. He left most of the bringing up of the kids to his wife, but he never whacked us or anything like that and we had great respect for him. He was a gregarious person. He brought home visitors regularly. Once he brought home a Sydney storekeeper, a chap named Susuki. I think it was about 1920. Susuki lived with us for some weeks during the school holidays. Being Japanese they had a lot to talk about. Susuki decided to build a summer house for us so we went up the bush and he carted some poles back and got some hessian and he was going to play the
devil and build us this great summer house. But he never got any further than that. They were still standing, those logs, when we left in 1927.

Both father and mother sang Japanese songs and they would make up verses and rhymes to celebrate something or designate something, or whatever. It seemed to be part of their upbringing. Shô had a very fine tenor voice. He sang at local concerts a lot. He got his voice from my mother, I think. She played the Japanese instruments that we had there in those early days. She was trained in traditional Japanese music. I don't know what they were called. One had a circular drum about fifteen inches across and three inches deep, with four to eight strings on it. The other was a long skinny thing with only four strings on it. And mother and father would sing songs together in Japanese.

I knew my father was interested in ricegrowing and I saw samples of ricegrowing around the house. Around about 1920 or 1921, father purchased a steam engine, a seven horse-power 'Marshall', built in 1878. He employed an engineer to install it for him and with Shô's assistance they set this engine up. The engineer who did the job was a chap named Skelly. He got the engine going. Father and Shô operated it with a ten inch Robertson centrifugal pump. Many properties along the Murray in those days had a steam engine for chaff cutting and pumping and that sort of thing. With this they would pump water. You were supposed to have a driving licence to move it, which Shô never did. Even I learnt how to drive that thing. Shô would get some wood and I'd look after the engine while he was away.

Father and Shô graded the land with a bank at one end (but whether or not it was an enclosed area or how long I just don't know). He prepared the land with grading boards and three horses, 'Matsu' ('Wind in the Pine Trees'), 'Ehime', named after Dad's native Prefecture, and plain old 'Lofty'. The grading boards were about ten feet long and eighteen inches deep, or a little deeper, with a wooden handle in the middle set on an angle. And you set the handle to regulate the amount of earth you wished to move by just pushing the handle down. It carried it into the low spots and you eased the handle up and filled all the holes up. I can remember as a kid standing on the grading board and helping to keep the nose down.

Father never employed labour in the fields. I think he did all the work, or almost all of it, with Shô. It was good alluvial soil. It had been there for millions of years with floods depositing since time immemorial.

Round about the early '20's father purchased a fourteen hoe drill; second-hand, naturally. I think it was a 'Massey-Harrison'. They sowed oats with it and I think rice. It sowed the seed in the same way farmers in those days sowed wheat crops. To reap the crops they used a reaper and binder, but I am not certain. I don't know how he watered it, how much he gave or whether the fields were banked up or whatever.

I do know that father experimented with rice seed. He had kerosene tins spread around the side of the house in which grew rice samples. They were along the side of the house spaced out separately. I used to look in to make sure the mice hadn't got to them. They were experimental plants. They grew to about two to three feet high. There were up to a dozen of these tins. I don't know if they were all the same variety.

Shô went to the Yanco Irrigation Scheme sometime in the '20's, I am certain of that. But I am not sure what year or what he did. I have an idea that he went on his own motor-bike. He owned a 'Douglas' two-stroke.

Every year without fail the river rose around October or November as the snow melted. It flooded right across to our property in the big years. In two years about 1920 we had to leave the house even. The levee bank broke at the 'top end' — a big hole in an entrance to our property on the southern hillside above a big gap in the river which ran directly into our property. One year (probably 1921) father had to row us out to school (Tynntynder West State School). He would row the gig across first then put on the wheels. We stayed at Fred Baker's property until the waters went down.

The New South Wales side was lower so the flood waters ran for miles. Many swamp birds lived and nested there: swans, terns, cranes, bitterns and many others. The area
on the Victorian side, known today as 'Vinifera Common', also flooded annually and it was a great haven for bird life. There were even a couple of big gum trees where the cormorants nested. Father’s construction of the ‘West Bank’, as it is now called, would prevent part of our property from flooding except in big flood years.

Itinerants such as Charlie Bateman, came annually to camp on the edge of the swamp. On the way home from school I would talk to him. He used to lie down in his flat, home-made punt and quietly paddle with his hand until within range (of his quarry) with his muzzle-loading gun. ‘Gum Suckers’ in the early days gathered the gum in jam tins attached to a cut in the bark. And wood cutters stacked timber where the steamers pulled in to fuel their engines.

We knew the steamers by sight, some with barges loaded with wool. There were the sister ships Oscar Pevensy and Mongo; the Invincible the Charles F Hunt; the passenger steamers Ellen and Marion, and others. I was given a ride once by a fishing boat owner when I was about nine or ten. Sometimes ships would lose their way in floods and get stuck in the mud as the waters receded.

Father, one year, somewhere between 1922 and 1925, even marketed Murray cod. One year we had a fairly good run where we caught thirty pounders fairly regularly. It was a boost for father’s income, it really was. It was an unusual year. There were a lot of big fish about. He got them to Nyah West Railway Station. He took them up in a gig. They were sent by rail. He lined the baskets with eucalyptus leaves and kept them cool that way. He would send off one basket at a time, once a week or once a fortnight. He certainly didn’t make a fortune out of them. He did make money out of them one year. Of course this was strictly illegal.

In dry years the river would become a succession of pools and in the late autumn sometimes big cod would splash about in them. And ‘white claws’, the Murray River crayfish, were easily caught in the evening with a piece of meat on a string and a home-made net. Just below our home, about 1924 or 1925, the river ran very low and we could walk across to the New South Wales side very carefully on a narrow rocky ledge with a miniature waterfall.

In 1926 or ‘27, the locks and the weirs came into operation and the water on the Murray became controlled and it never again flooded. So if father had stuck on that place for another five years he would have been, not a millionaire, but on land that never flooded.34

**Trials with Takasuka in Northern New South Wales**

By 1927 a fledgling rice industry had begun on the MIA in New South Wales. Indeed, a virtual ‘explosion’ of rice was occurring there. Nevertheless, the New South Wales Department of Agriculture was still concerned at possible harmful effects of long-term inundation on soils in the Irrigation Areas. Probably because of this, Takasuka seed was directed to experimental farms at Grafton, Murwillumbah and Taree in the north of the state. Mr Cox, a farmer at Eungella on the far north coast, experimented with it in the 1927/28 season. In cultivation notes, apparently supplied by Takasuka, Cox was advised to use fallow land worked down fine, to plant the seed in double rows drilled eight inches apart, with two to three inches between rows allowing light to penetrate and permitting weed control and passage for a horse. Superphosphate was to be applied at two hundredweight per acre and top dressing after two months.

Cox planted on 18 October (in rows wider apart than Takasuka had recommended). He harvested on 5 March 1928, noting that the crop had grown vigorously but had been spoiled by weeds and dampness at time of harvest. The grain was stored in the corner of a shed. Rats got in and the harvest was virtually lost. At Taree, J Davis and D Levick had attempted to grow Takasuka, recording ‘complete failure’. At Grafton Takasuka had grown four feet tall, but had produced poor heads. Even so, a yield of thirteen bushels ten pounds to the acre was recorded. The department concluded that results were insufficiently encouraging to continue. Almost certainly experiments with Takasuka were discontinued after 1928.35

**Jô returns to Japan**

The Takasukas stayed at Nyah until 1934 when they moved to Huntly, near Bendigo, to grow tomatoes. At different times Jô also tried growing bamboo shoots and cotton.
Jō was now sixty-nine years old. Upon leaving Nyah the family was given the biggest send-off ever seen in the district. They were greatly respected and very popular.

In July 1939, learning of the death of his beloved stepmother, Jō returned to Japan to attend to family matters. Ichiko and the three children would never see him again. On 15 February 1940, Takasuka died in his sleep from a heart attack at Matsuyama. He had never sought medical attention in his life. At the time of his death Jō was embarked characteristically on a ‘project’. This time it was an importing–exporting business at Kobe, Australia Barter Trade and Company, an enterprise which might allow Jō to shuttle back and forth between Japan and Australia. He was planning a correspondence school to instruct paying students in the transliteration of the Japanese language in the Roman alphabet. He was also selling up various objets d‘art from the family home and investing in Japanese War Bonds (about £165) to support hostilities against China. Jō had not sold or mortgaged any of his family’s assets throughout the entire ricegrowing saga in Victoria. Perhaps outcomes might have been different if he had. There seems little doubt, however, that Jō desisted in deference to his sister (who died in 1933) and stepmother.

The Takasuka children each went on to achieve distinction in Australian community and professional life. Shō Takasuka became deeply involved in local community affairs, while still in his twenties, secretary and treasurer of the local Temperance Friendly Society, the Independent Order of Rechabites. In 1934 he was elected Governor of Swan Hill Hospital in recognition of his fund-raising activities. Shō successfully grew tomatoes with his brother at Fosterville, Victoria after 1938. Following the outbreak of World War II, Shō enlisted in the Volunteer Defence Corps. However, when Japan entered the war in December 1941, he was interned. The public outcry was such that Shō was released within six months. He returned to tomato growing. Later, he served on the Council of Huntly Shire (1964–70) and was shire president for one year. Shō was also active in the Anglican Church and passionately committed to the conservation of local flora and wildlife. He died in Melbourne in 1972.

The academically gifted Aiko Takasuka trained as a teacher and taught in several schools in the Swan Hill region. In 1933, she left teaching and married a Cornish immigrant. They produced four children. While raising the family, Aiko served as secretary to the Methodist Ladies’ Guild and was an active member of the Mothers' Club and Girl Guides' Association. In later life, Aiko returned to teaching part-time while conducting a regular radio program for the Swan Hill Housewives’ Association. Aiko died at Swan Hill in 1970.

Mario was recruited by the AIF in June 1940, after two attempts to volunteer. He served in the Middle East, Crete and New Guinea. In 1942 Mario received a written commendation for bravery for his part in a perilous train crash rescue in Palestine and was promoted to gun sergeant.

Ichiko Takasuka died in Goornong, Victoria in August 1956. She is buried there with Shō. A stained-glass window in St George's Church, Goornong, dedicated to Shō, reads: 'Behold how good and pleasant it is for brethren to dwell together in unity' (Psalm 13).

A commemorative plaque at the southern end of Vinifera Forest on Takasuka Road above 'Jap Bank' and the fields where Jō and Shō laboured so hard, a few grains of Takasuka, a kimono and fragments of Ichiko's diary in the Swan Hill Pioneer Settlement Museum, remain as testament to the Takasuka family’s great pioneering spirit in first demonstrating that rice could be grown commercially in south-eastern Australia.
Chapter 3

The *Japonica* Connection: Rice Trials on the MIA, 1915−1922

There are almost as many versions of events in this period as varieties of rice tested, and they were numerous. Moreover, the sources often conflict, drifting between verifiable fact and folk legend. But there are two things of which we can be certain:

- by 1922 suitable rice varieties for poor Murrumbidgee Irrigation Area (MIA) soils had been identified; and
- inundation was acknowledged, if not fully accepted, as a suitable agronomy for rice cultivation.

'A peculiar relationship': WCIC and the Department of Agriculture

The Water Conservation and Irrigation Commission (WCIC) was a civil engineering-orientated body separated from the Public Works Department and chaired by the Minister for Agriculture. Its brief extended to the conservation and sale of water and, on the MIA, farm survey, irrigation planning and advising settlers on what they should grow. Nominally self-supporting, but recording consecutive losses as agricultural activity faltered and settlers plunged into debt, by 1920, the commission was desperate to sell water and generate revenue through a dependable cash crop. Since 1913 the WCIC's Agricultural and Extension Service had periodically canvassed the possibility of a rice industry on the MIA, but Department of Agriculture experiments had not been encouraging. Meanwhile, a robust, mechanised rice industry had emerged in California and Texas on poor soils similar to MIA soils. Rice was fetching high prices on domestic and foreign markets and Australia was importing about 20,000 tons of the commodity each year. The commission was becoming impatient with the department's rice experiment program, doubting the seriousness of its efforts to demonstrate the crop's viability. All experiments with irrigation methods, crops, pastures and horticulture were conducted at the department’s Yanco Experiment Farm (established in 1908 as the Yanco Research Station). Farmers regularly visited the Farm to inspect field work in progress and seek the advice of departmental officers such as Farm Foreman Fred Chaffey, orchardist, John Arthur, and other experimentalists periodically posted there. But as the department was unable to conduct formal on-farm extension work (a responsibility residing with the commission until 1922), WCIC officers tended to have more face-to-face contact with farmers and were frequently asked questions and invited to express opinions which, strictly speaking, were the province of the department. Inevitably, misunderstandings developed.¹

In November 1914, Commissioner L A B Wade wrote to the WCIC Leeton manager recommending that the Commission's Irrigation Investigation Committee (a liaison unit linking the commission and the department) '... go into the matter of the possibility of cultivating rice on the Irrigation Areas'. Rice prices were sky-rocketing as World War I dislocated shipping channels and markets. Wade noted that tentative inquiries had already been made indicating further investigations were justified. The commissioner may have been referring to pocket trials with 'upland' rice at Yanco Farm in 1910 and 1911 (and possibly 1912), to Jō Takasuka's successful crop at Swan Hill in Victoria, or to small-scale experiments around bores at Moree. Wade certainly knew of the rice industry in California. Indeed, J G ('Jimmy') Youll, then editor of the WCIC Journal, *Irrigation Record*, was publishing news of that industry and enthusiastically urging the cultivation of rice on the Areas.

Chairman of the Irrigation Investigation Committee H R Alexander, replying to Wade, agreed that ricegrowing on the Areas seemed feasible but doubted that it would be profitable after the war, recommending that Wade negotiate for trials through the Department of Agriculture and correspond with the Victorian Department of Agriculture to enquire about Jō Takasuka's experiments. A Rice Investigation Subcommittee was formed out of the Irrigation Investigation Committee and, early in 1915, this formally requested the New South Wales Department of Agriculture to conduct rice experiments on the MIA.²
Trials with Takasuka seed at Yanco, 1915-1920

Though seed rice was not easy to find during the war, samples were obtained from Queensland, Java (Indonesia), China and Japan. As noted earlier, the Department of Agriculture also purchased seed from Jô Takasuka, Agricultural Gazette recording that experiments with Takasuka seed were conducted in 1915/16 by Mr Chomely at Yanco and also at the Grafton Experiment Farm on one-twentieth of an acre. Takasuka seed grew with enthusiasm at Yanco but '... it was heading at a time when very hot and windy weather prevailed and the heads did not fill satisfactorily, though the results were sufficient to justify another trial'. Approximately eighteen inches of water were used in a manner similar to the watering of lucerne and pasture. Inundation was not employed, although knowledge of it from California certainly existed. At Grafton, where rainfall was erratic that year, Takasuka easily out-performed all other samples, including 'upland' varieties, yielding at least double the nearest rival, but like all samples, was plagued with weeds.³

As trials proceeded, C H Stevenson, an American living in Sydney (who had earlier unsuccessfully sought permission from the Victorian Agriculture Department to conduct rice trials in the Swan Hill Irrigation Area) contacted Acting WCIC Commissioner Dare (following Wade's death), arguing that it was a 'waste of time' proceeding with Takasuka seed and Takasuka's methods. Stevenson claimed to have twenty years' experience of irrigation and ricegrowing in the United States and for two years had supervised a 256 acre irrigation farm at Swan Hill, where, he claimed, people were sceptical about Takasuka's 'acclimatised' seed. In the United States, seed imported from Japan did best. Rice was an aquatic plant, Stevenson argued, and responded best to total inundation as used in California. The American believed that rice could be the 'salvation' of the MIA, which was a 'sink of public money':

... the poorest, hardest clay soil, with the tightest sub-soil and good for nothing else is the best rice soil in the world. In other words, the soil that is worst for lucerne is the best for rice. Rice is about fool-proof as far as irrigation is concerned as it is flooded soon after it comes up and is kept so until harvest time about seventy days. It will take about four acre-feet of water to mature a rice crop which at five shillings per acre-foot would cost only half what the Texas rice-growers pay.

Where rice can be grown it is the surest and most profitable crop a farmer can grow; £20 per acre for the crop being very common in America. It is grown and harvested just like wheat and with the same machinery and forty acres would make a farmer rich and he would only need three horses to do the work.⁴

Stevenson requested forty acres to work in the autumn of 1916 and demonstrate practical results. Dare ignored him, persisting with trials of 'acclimatised' Takasuka and 'upland' varieties at Yanco. If Stevenson had been heeded, perhaps commercial ricegrowing in south-western New South Wales might have begun much earlier than it did.

In 1916/17 hot winds at the flowering stage badly damaged Takasuka experiments at Yanco. A reference found in Victorian Agriculture Department files suggests this was the first year the New South Wales trials were conducted 'under irrigation conditions', but it is not clear if this involved inundation. In 1917/18 locusts ravaged the sample, but sufficient seed was obtained for the following year. The 1918/19 season was a comparative failure due to poor germination. In 1919/20 Takasuka was cultivated together with three Japonica varieties obtained from California: Omachi, the late-maturing Wataribune and Shinriki. This year arrangements were made for a continuous supply of water during the growing stage, but it is not clear whether this involved full inundation or, if it did, whether this was properly carried out. The Agricultural Gazette noted, 'At Yanco this [continuous water supply] results in a very heavy growth of weeds [barnyard grass and stinkweed] and in early January the rice appeared in danger of being choked out'. From this we might deduce that inundation, which normally scalds out weeds, was not employed.

The same Gazette article reiterated that rice was being profitably grown in California on soils almost identical to those at Yanco, noting that post-war markets had seen the price of rice climb to £50 a ton with the prospect of it reaching £60 a ton. Gazette urged perseverance with the rice trials, saying that weeds were a problem in any summer crop at the experiment farm. The tenor of the article suggests that the WCIC Rice Investigation
Sub-Committee was critical of the department's Rice Trial Supervisory Committee, implying disingenuousness in establishing the viability of rice and procrastination on inundation. The department was adamant, however, that no final conclusions could be drawn from trials already conducted. Caution was required.  

By now WCIC was more than impatient with the Department of Agriculture: it was panicky, facing compensation payments following a Bevan Commission report on disadvantaged settlers, who had acted on commission advice and grown lucerne with disastrous results. The need for a reliable cash crop and water sales was more urgent than ever. Mounting friction between WCIC and the department is more evident after this point. For example, J G Youll, now chief clerk of the commission on the MIA reported in a tongue-in-cheek record of events:

I had the opportunity of looking through the [Yanco Experiment Farm] file papers about this time and it was rather humorous, if it had not been so tragic. Every year something seemed to occur to spoil the experiment. Once a late frost took a promising looking crop. Again an early one prevented the grain from filling. Another year a late variety was chosen which was so late it showed no signs of ripening far into the winter. Then a patch was planted too high to keep the water up to it and it had to be abandoned. Sparrows and starlings proved a great pest one year and ate the crop as it was ripening. Add to these such things as drowning the crop with water too deep and a list of failures year after year was the result. Whilst this list looks formidable at first sight, analysis proves that it was made up of happenings which might have been avoided had the experimental work been carried out on a larger scale. The farm was very busy those days on main crops and rice was never anything but the merest sideline. Still the fact that settlers knew of these experiments and their results tended to prevent more interest being taken in the growing of rice until our local man came along. 

John Brady in California, 1920

'Our local man' was John Brady (1876–1952) (known as 'Jack'), a major figure in Australian rice industry history. Brady was born in Salisbury, South Australia and reared in his father's trade as a building contractor. In 1898 Brady went to Broken Hill taking work in the mines and working there for fourteen years. In 1902 Jack married Elizabeth (Bessie) Williams in Broken Hill. They produced seven children; two girls and five boys. Brady's lungs were badly affected by mine work and in 1912, responding to WCIC propaganda and medical advice, moved the family to the MIA along with several other Broken Hill families. 

Brady's illness on arrival in Leeton was so serious he was not expected to live long. Nevertheless, he took work with WCIC as a building contractor and later took up horticulture on Farm 257, the third block allocated on the MIA. In August 1916, Brady was elected grower-representative on the managing committee of the recently constructed government cannery in Leeton, rising by 1918 to the position of supervisor. In April 1920, he was appointed cannery superintendent. The following year, he became general manager, replacing W Edmonds, and held this position until 1936 when the cannery was sold (and became a co-operative). In the early 1920s, horticulturalists were facing desperate times with market gluts and transport difficulties which saw a huge build-up of wasted fruit. Lucerne was on the way out and dairying was then not paying. Against this background, Brady was sent to the United States on cannery business in June 1920, particularly to study canning methods and equipment and with a 'shopping list' of other directives including one to look into the Californian rice industry, although some commentators doubt this. 

Only eleven years before Brady's visit, the US Department of Agriculture had begun experiments with rice. Three years later, the first commercial crops were produced on 14,000 acres of clay-adobe soil near Biggs in the Sacramento Valley. By 1914, 50,000 acres were under rice and, stimulated by wartime prices, in 1920 when Brady visited, 162,000 acres were being cultivated. The experience profoundly impressed him.

Brady went to Davis University Farm on 12 August and met Professor Tuft (Agriculture), Professor Kruez (Food Products) and Professor Beckett (Professor of Irrigation at the University of California, Berkeley), recording that he had 'a very fine
day’ and was ‘driven all over the place’. He travelled with Beckett to inspect the rice fields in detail, reporting ‘wonderful results from very poor soils’ and made a drawing of a ‘ridger’ (a form of delver used in paddy field preparation) noting:

Land ploughed in early winter, worked down, seed sown and then check banked on contour. Irrigate to bring plants up thirty days after emergence. Flood and keep water on until ready to harvest. Drain water off, cut with binder and thresh.

On 16 August, he met Dr Elwood Mead, the irrigation expert, then Chairman of Land Colonisation and Rural Credits (California) and formerly Commissioner of the Victorian State Rivers and Water Supply Commission. Mead told Brady that he had copied the Australian plan of land settlement for California and strongly advised rice growing on the MIA where the heavy soils provided a ‘wonderful opportunity’ for a new industry.

On 19 August, Brady wrote from America to WCIC Secretary George Evatt reporting discussions with Beckett and Mead, saying, ‘he made his most valuable find’, when being shown around rice fields in the Sacramento Valley:

Rice is grown on land which was useless for any other agricultural purpose as it needs is a place to sow the seed on. Remember that rice is a purely aquatic plant and thrives not so much on the soil as it does on the water in which it grows. I feel absolutely certain that our area can grow every grain of rice consumed in Australia and I can foresee the day when thousands of acres of our poor flat land will be producing heavy crops of rice.

Brady’s enthusiasm for rice growing was infectious and Mead’s imprimatur was influential but there was really nothing new in it. For example, as early as 1913, only one year after the Californian industry began, Agriculture Journal of Victoria had pointed out the link between clay soils, inundation and ‘swamp’ varieties in America. In 1915 C H Stevenson had already linked ‘useless’ clay soils, inundation and Japonica varieties available from California, offering to grow forty acres, and had been ignored by the Department of Agriculture. The department had also employed Japonica varieties from California, including Wataribune, in its 1919/20 Yanco trials.

Nevertheless, Brady persisted where others gave up. In September 1920, WCIC Resident Commissioner W N Sendall (soon to be replaced by George Evatt) received a letter from Brady, saying:

I have made sure to get the very best information on this [rice] subject and so confident am I of its success that I am going to arrange for 300lbs of the best seed to be sent out and if the commission does not care to make the experiment, I am prepared to pay for the seed and work if they will let me have a piece of land which I have in mind for the work.

Brady possibly had in mind a four acre plot behind the Leeton butter factory, which he could cultivate while attending to cannery business, but there is no clear evidence of this.

On 22 September, Brady noted in his diary: ‘To Sacramento. Arranged with Pacific Rice Growers’ Association to send out 300lbs of rice seed, three best varieties [sic]’. On 30 November, Brady again wrote to WCIC, acknowledging permission to buy seed and noting that he already had placed an order with the Pacific Ricegrowers’ Association. Again he did not nominate seed varieties. In subsequent correspondence Brady noted that no trial would be possible on the MIA until the following season (1921/22) as it would be too late, he said, to plant for a 1921 harvest by the time of his return (November, 1920).

The 1920/21 trial

The Department of Agriculture therefore was obliged to conduct further rice trials at Yanco in 1920/21 with such seed as was available. According to J L Green, a department experimentalist and instructor who arrived at Yanco in July 1921, this was planted by experimentalist E B Furby and harvested by Mr Saunders. Green believes this was the first crop grown under flood conditions (inundation). Reporting the trial, Senior Experimentalist R G Downing said:
The system adopted was continuous flooding. The plants were partially submerged from the time they were a few inches high until just before the crop was ripe, the water being gradually raised during this period until a height of six inches was reached. This of course necessitated accurate grading and the provision of levees or check banks. A small outflow was also necessary in order that the water might not become stagnant.

Several varieties were tested including Takasuka, Shinriki, Omachi and possibly Wataribune (although it is unlikely that any seed from this late-maturing variety survived from the 1919/20 trial). Takasuka again proved itself to be the ‘most promising’. Experimentalist Downing noted that the trial had not been planted until 8 December, very late in the season (possibly waiting for Brady's return from America, or for seed ordered by Brady to arrive), so that frost in April 'did considerable damage' and yields were not up to expectation. Nevertheless, ‘… a sample of the paddy rice was prepared by a milling firm (Parsons Brothers) and the quality of the product was very largely commented upon by them’.

An ‘unofficial’ trial with California rice?

Gertrude (Kay) Delany, (Jack Brady's daughter-in-law, married to Jack's eldest son, Hubert Paul Brady, deceased) reports an enduring story which raises many questions about events in this period.

He came over from Broken Hill, my father-in-law, with a lot of miners that had silicosis. They stuck to "Pop" [Jack Brady]. He was their friend. And they fought the government over not letting the rice come in with him. [Jack] saw in California that you had to have the water on it, that you had to take the water off and he knew that we could take the water off, dry it, and go over it like they took wheat off … He wrote to the government in California and told them all about it and wanted to bring it home. But they … didn't want it. I was told … that the government wouldn't allow him to bring [rice] in. Big exporters and importers didn't want it here because they were bringing in different rice and charging us top prices …

So he brought [seed samples] in himself and he reckons he brought it in in his luggage, hidden in his socks. But whether that was true I don't know. He had a cunning grin on his face [when he said that] … "Pop", you know, he'd say it and you didn't know whether he meant it or not. We used to laugh about it and all that sort of thing … "Coming home in a sock", we'd laugh. But he brought it in anyhow, he brought it in against the wishes — I suppose I shouldn't say this — of the government. He later admitted it and he took the risk of losing everything. He took the risk and he got away with it.

And they tried it out … experimented with it. I don't know where. The first experiment was very secret and they found it would grow. And that's when they battled with the government. I think the men and "Pop" went to Sydney and had it out with the government and that's when the government had to come towards them and let it in because they had them beat. See, why did the government stop it? Why did the big exporters want to stop it? It would have made a terrible row wouldn't it in the papers if it had been that you couldn't bring rice into Australia on account of the government [being] against it when it was the best thing ever, the best thing we ever did. The government had to let it through because the men were on blocks run as dairies[which] were no good. … But they made good rice blocks. And then "Pop" got the seed over when he got permission and they experimented at Yanco. [But] to punish him, [the government] wouldn't let him have a rice farm.

Well, that's what I was told. It was because he defied the government, see. [Some say] it was because [he already] had two blocks of land.

Seeking Japonica from California

It appears, however, that Pacific Ricegrowers' Association did not reply to Brady's order for seed rice in a timely way. There are several possible explanations for this. First, there may have been a disinclination among American producers to encourage a rival. Second, the association might have doubted Brady's bona fides for he was neither a senior commission officer nor an agricultural expert. Finally, the delay might have
related to on-going trials in America with a promising new *Japonica* variety: *Caloro*. Brady had requested the 'best' seed rice and trials suggested that *Caloro* was one of these but the official distribution of *Caloro* was not planned until 1921. Certainly, the proper protocol would have been to place an order with the United States Department of Agriculture, not the Ricegrowers' Association, but. Whatever the case, on 16 May and 5 August 1921 Acting WCIC Secretary H Bevan wrote to the Ricegrowers' Association, inquiring about the order. Still no satisfactory reply: if New South Wales Department of Agriculture trials were to proceed in 1921/22 they would need to on the basis of whatever seed rice was available, including *Takasuka*.10

Resident Commissioner Elect George Evatt was impatient. He wanted to emulate the American success with rice on the MIA and, through January and February 1921, closely studied Brady's report of this US visit (possibly receiving a deputation from Brady and friends). After transferring to Leeton in April, Evatt suggested to Department of Agriculture Under Secretary Valder that some settlers might grow rice under field conditions in the 1921/22 season to show 'it could be done'. Valder counselled against this, saying that it was wrong to:

... put settlers to the trouble of watering before conclusive results have been obtained. This department has made trials with the crop referred to on the Yanco Experiment Farm during the last five years [and] the results have not so far been promising ... The crop is still in the experimental stage as far as this department is concerned, and before committing a settler to placing, say, half an acre under crop, which entails much labour and may be unremunerative, it is preferred to await the results of this year's trial [1921/22] at the Yanco Experiment Farm.

Valder's caution is posited by some as evidence of a negative departmental attitude to ricegrowing. However, Evatt did not believe this to be the case, drawing attention in later years to a letter from Valder where hevisualised (along with Brady) all of Australia's rice needs being produced on the MIA. The fact was, Valder had reasonable grounds for caution: Californian *Japonica* varieties, including *Wataribune*, had been tried at Yanco without marked success. While acknowledging that *Takasuka* was 'promising', the Under Secretary Valder insisted that 'returns were not yet clear' and was adamant that the department, not the commission, would conduct further rice trial with seed ordered by Brady in America — when it arrived11

Evatt suggested a compromise, requesting that Department of Agriculture Instructor A N (Austin) Shepherd (with whom the commissioner played cricket) conduct trials on settlers' plots. This would satisfy Valder's requirements while establishing if rice could be cultivated successfully under field conditions. In a pointed reference to the Yanco Farm trials, Evatt regretted that so few settlers actually took the trouble to visit there to see ricegrowing and have their doubts about 'flooding' land removed. Trials should be conducted in a visible area near Leeton where farmers could observe, and the department should supervise this. However, in a conciliatory tone to avoid further wrangling, Evatt concluded, 'I feel that the matter is one which can only be definitely settled by the Department of Agriculture with whose plans I have no wish to interfere'.

WCIC Secretary Bevan wasted no further time, writing officially to Director of Agriculture (Sacramento) G H Hecke on 16 November 1921 requesting the obtaining and forwarding of 100lbs each of the three leading varieties of rice (still unnamed). Bevan's order was sent to the Rice Experiment Station at Biggs and was processed by Assistant Agronomist J N (Jenkins) Jones. Jones reported to his department on 27 January 1922, advising Hecke to forward to Australia 100lbs each of *Wataribune*, *Colusa* and the new *Caloro* seed rice. If this detail is accurate, it appears that Jenkins Jones, a junior officer of the United States Department of Agriculture, was responsible for selecting rice varieties which subsequently formed the basis of the MIA rice industry. As noted earlier, *Wataribune* had already been tried at Yanco on at least one occasion without marked success but it is unlikely correct cultivation methods were used. *Caloro*, eventually the most popular seed, was itself a varietal strain of *Wataribune* developed at the Biggs Rice Field Station. Jenkins Jones, himself, had assisted in the agricultural selection.12
The 1921/22 trial

In the (probable) absence of Brady's seed rice order, the Department of Agriculture was obliged to conduct another rice trial at Yanco in 1921/22 using whatever seed was available. *Agricultural Gazette* of December 1921 recorded:

> The trials are being continued this year and planting has already been carried out. The department is not at present in a position to recommend rice as a crop, but at the end of this season's trial hopes to have figures which farmers should find interesting.

No further reference to this trial appears in *Gazette*. Why? Was it discontinued owing to inter-departmental wrangling? Were results so disappointing as to not warrant reporting? Was it because co-operation between the department and the commission collapsed after some settlers were caught growing rice with seed from a sample smuggled back by Brady 'in his socks' in 1920? We do know that in 1949 Brady confided to Department of Agriculture Agronomist Wallace (Roy) Watkins that a trial was conducted in 1921/22 with seed from a crop grown the previous season using seed Brady had supplied. The experimentalist, John L Green, also recalling events many years later, believes that 'pocket handkerchief' trials with *Takasuka*, *Shinriki* and *Omachi* were definitely conducted at Yanco in 1921/22, saying that he helped to plant the seed himself and that the crop was spoilt by frost. But he makes no mention of an 'unofficial' WCIC trial using seed introduced by Brady. This does not mean that one did not occur. Maybe there was a 'cover up', as Gertrude Delany suggests, or it simply might have been a matter of frost spoiling the crop. The reasons for conjecturing will become apparent in subsequent discussion.

*Japonica* arrives

Commentators disagree upon when Bevan's seed-rice order arrived from California. It probably reached Sydney on the steamship *Ventura* on 22 March 1922. The three 100 pound sacks were possibly despatched from Sydney to Yanco on 8 April, arriving two days later. We do know that WCIC Employee E D Kennedy signed for three sacks of seed rice from California at the Yanco Depot on 26 September 1922 (Docket 15249) and that, two days later, Department of Agriculture (now) Inspector Austin Shepherd, his friend and associate George St Clair Potts (WCIC Foreman of Vacant Farms and Water Inspector), and WCIC Assistant Bob Asquith planted most of the seed at Farm 106, near Leeton. J L Green took some of the seed to Yanco Farm for trials. Finally (and officially) 'salvation' *Japonica* seed rice from California was burrowing deep into heavy Riverina soils flooded by MIA water.
Chapter 4

Austin Shepherd and Farm 106: Conclusive Evidence, 1922–1924

Tensions between the Commission and the Department

Department of Agriculture Under Secretary Valder was determined in 1922 to see properly conducted trials proceed employing *Japonica* seed before MIA settlers were put to the expensive business of preparing for ricegrowing and anxious to avoid any repetition of a debacle where the commission was required to compensate settlers for growing an uneconomic crop (lucerne) after acting on WCIC advice, particularly so as the commission's Field Extension Service had been transferred to the department.

Equally, Resident Commissioner George Evatt and WCIC Chief Clerk J G Youll were determined to involve settlers in trials in the 1922/23 season. They were scouting about looking for extra seed rice, apparently unsuccessfully, or if they were, not drawing attention this fact. Certainly, Evatt corresponded with Jō Takasuka at Tyntynder requesting seed but he had none that season, instead offering the expertise of his son, Shō. Mario Takasuka thinks Shō travelled to the MIA at this time with seed rice held in the saddle bags of his motor-bike. Possibly both *Takasuka* seed and Mario's advice were made available to WCIC, but the evidence is inconclusive.

Austin Shepherd: Agriculture Inspector

In May 1922 (or June, he was unable to remember), Austin Shepherd, a Department of Agriculture inspector based in Leeton, received a letter from head office detailing negotiations with WCIC, advising of the availability of seed and directing him to conduct and supervise rice trials under field conditions in the 1922/23 season. Shepherd (1886–1972) was born at Crookwell, New South Wales, and educated at Goulburn and the Hawkesbury Agricultural College, where he was dux in 1905. In September 1913 he joined the Department of Agriculture and was posted to Yanco Experimental Farm where he stayed until 1915. Enlisting, he served in France and Belgium in World War 1. In December 1919 Shepherd was appointed Instructor of Agriculture assisting soldier settlers, taking up duties at Yanco Farm in January 1921. In April 1922 he was promoted to the position of inspector.

On his own admission, Shepherd had never seen rice growing when he received the letter from head office and was certain that no rice experiments had been conducted at Yanco in the three years he had been there, prior to enlisting (he may have enlisted before the 1915/16 trial began). But Shepherd had read a great deal about rice cultivation and discussed it with colleagues and friends, including George St Clair Potts (the son of the principal of Hawkesbury Agricultural College), E B Furby and J L Green, all of whom knew something about ricegrowing. In June 1922, Shepherd met Jack Brady, when almost certainly the subject of ricegrowing was discussed. Indeed, there is a reference in Shepherds' experiment notebook noting rice production costs in dollars, suggesting that the experimentalist had referred to Brady's report of the 1920 visit to California in some detail:

**Rice**

- 100 to 120 pounds per seed per acre at depth 1 inch.
- Irrigated to sprout.
- 3 inch to 6 inch irrigation till plants 6 to 8 inches high.
- Flood to depth 6 inches.
- Drain off slowly to prevent falling and lodging and 6 to 10 days to dry out.
- Bays fall 3½ inches.
- Walls 2 feet by 3 feet wide.
- Yields 3500 to 6000 pounds.
- Cost 35 to 60 dollars to produce.
- Drain when lower kernels are hard dough.¹

On 24 May 1922, WCIC Chief Clerk J G Youll invited Shepherd and Potts to meet him and plan the trials. Shepherd and Youll clashed, the experimentalist telling Youll that he had been looking around for land handy for supervision and with adequate
watering facilities because he had decided to conduct a 'visible' trial under controlled conditions. Shepherd had settled on Farm 106, at the lower end of Grevillia Street, not far from the Hydro Hotel, in Leeton. This abandoned portion of heavy clay land, about two acres in extent and formerly an orchard, had not been worked for several years and Shepherd said that because the soil was so poor and unsuitable for anything else and the farm so publicly placed, it was ideal for a rice trial. Youll disagreed, arguing that better soils at Wamoon were preferable. Shepherd laughed, saying, '... the whole suggestion is ridiculous and unsuitable' and insisting that the trial must be on the worst soil available using present-day machinery. Youll turned to Potts. What did he think? Potts agreed with Shepherd: Farm 106, under controlled conditions and using available machinery. Other trials could be conducted simultaneously at Yanco if they were thought necessary. Youll was sceptical, but reluctantly agreed, saying to Shepherd, 'Oh, all right but you are not giving it much chance!'. So began a brittle relationship, Shepherd seeing Youll as a 'Glorious Clerk' seeking to dominate the trials and compromise his judgement and Youll seeing Shepherd's appointment as just another departmental ploy to damage the credibility of ricegrowing.

Concern about inundation

Youll persisted with efforts to involve settlers in the 1922/23 trial, reporting the meeting with Shepherd and Potts to Commissioner Evatt in the following terms:

Generally discussed with [Commission] Inspector Potts and [Agriculture] Inspector Shepherd and arrangements made with these officers to endeavour to secure the assistance of the following settlers in carrying out comprehensive experiments this year on a fairly large scale, say five acre plots.

Settlers nominated were: C A Zimmerman (Farm 234), E H Ronfeldt (Farm 797), G J and R M Whitlark (Farm 1020), E L M Facer (Farm 955), and J Sippel (Farm 138), all from the Yanco Irrigation Area and most in arrears with commission payments. At Youll's direction, Potts approached the nominated settlers. They were all apprehensive about flooding their land. Potts visited Mr Facer on 6 July 1922, but '... he regrets being unable to carry out the work. I have not yet seen J A (sic) and R M Whitlark, but Mr Shepherd ought to be informed of Mr Southee's (of Yenda) willingness'.

After returning from a Sydney conference and a visit to Hawkesbury Agricultural College, Shepherd visited the farms of Southee, Zimmerman and Ronfeldt. Each was concerned not only about inundation but labour costs involved in the harvest. All wanted to know who would pay in the event of a disaster? Indeed, the commission and the department had not resolved this question. Why not wait and see what happened with 'upland' varieties at Yanco Farm using dry land techniques? farmers asked.

It was evident to Shepherd that if settlers were to be persuaded to grow Japonica rice using inundation the experimentalist would need to demonstrate success at Farm 106 without damaging the land. Youll pulled rank, obtaining Evatt's signature on a letter to Shepherd:

With reference to the conference which took place some few weeks ago with the chief clerk and Mr Inspector Potts ... I shall be glad to learn whether you have been successful in finalising arrangements for the sowing of rice during the coming season by settlers.

Shepherd replied:

Recently when going into the matter of ricegrowing with Mr Youll, I suggested that if possible a piece of land be made available by the commission for such a purpose in addition to the trials on private farms. Since then I have interviewed Mr Inspector Potts, who expressed himself as being in full accord with the suggestion. I understand that a piece of land on Farm 106 might be made available for such a trial. I would therefore suggest that an area of two acres be placed at the disposal of Mr Potts and myself for the carrying on of the experiment.

Shepherd's reference to 'trials on private farms' is interesting. Indeed, while trials proceeded on Farm 106, his notebook includes at least three references to 'Zimmerman rice'. It is possible that Zimmerman or Southee, or both, conducted trials on their properties in 1922/23 but the evidence at time of writing is flimsy.
Trust between the department and the commission was wafer thin. In subsequent correspondence with WCIC the department emphasised that the commission was to bear costs for the experiment as the Department of Agriculture would not. 'Normal' trials at Yanco Farm would continue, however, as a departmental responsibility. If WCIC did not accept this, there would be no rice trial in a public place. WCIC agreed, whereupon Potts requested that the commission release Bob Asquith to assist Shepherd, detailing costs and urging that 'water be available at all times'.

On 3 August 1922, Evatt formally approved the plan 'as a special case' while noting, '... ordinarily the Department of Agriculture should bear the cost'. John Kellock believes that Evatt handed the agreement to Potts personally, Potts footnoted it and handed it to Youll as a fait accompli, asking the chief clerk where he should pick up the seed. Youll cannot have been pleased.

The chief clerk was not finished, however, contacting E B Furby, the recently appointed Agriculture Inspector for the Mirrool Irrigation Area (who had planted rice at Yanco in 1920), requesting him to obtain more seed rice and to interest settlers in conducting trials there. Furby obliged but found what Potts and Shepherd had already found in the Yanco Area: settlers were worried about flooding land and wanted to 'wait and see', telling Youll:

The settlers' objection to growing this crop does not lie so much in the probable difficulty of disposing of the paddy rice as a disinclination to continuously flood their ground and so ruin, and also to the loss of time in attending to the crop.

On 22 August, Bob Asquith wrote to the Victorian Agriculture Department, seeking information about ricegrowing. The department referred him to Jõ Takasuka. The outcome is unknown.

Shepherd met Youll on 16 August and 26 September. We can only imagine the conversation but it is clear that Youll had no prospect of obtaining additional seed even if Mirrool settlers had been willing to try ricegrowing. The 1922/23 trial would be confined to the 300lbs of *Japonica* rice waiting at Yanco Depot for planting on Farm 106 under Shepherd’s eye and in 'pocket handkerchief' plots at Yanco Experiment Farm using both *Japonica* and 'upland' varieties supervised by J L Green on ‘… three-quarters of an acre in a paddock running from the main avenue to the piggery lane and located nearly mid-way between the main canal and the stables'.

The 1922/23 trial

In July Potts organised the disc ploughing of Farm 106 and later arranged to have check-banks constructed. On 26 September, WCIC employee E D Kennedy picked up the three bags of Californian seed from the commission's Yanco store. A bushel (42lbs) of each was made available to J L Green (and possibly smaller portions to a few settlers). On 27 September, Shepherd met Asquith at Farm 106 to discuss the project in detail. About 20 points of rain had fallen a few days earlier. The seed went in on 28 September, sown with a wheat drill on almost 1.8 acres. *Wataribune, Caloro* and *Colusa* were sown at the rates of 85lbs, 95lbs and 108lbs respectively to the acre in order to measure comparative yields. It was necessary to run the seed drill about 25 per cent slower than for wheat. No fertiliser was applied. The seed germinated on 8 October. As the land was drying and setting hard, watering was applied. Plants, along with weeds, appeared over the next four days, starting on 10 October. On 12 October the plants were given another light watering. Both rice and weeds were slow at first but leapt forward with the onset of warmer weather. On 22 November the crop was submerged, the depth being gradually raised to five inches and kept at this height until taken off later in the season. The water was kept moving throughout this period; supplied high and drained low. Shepherd subsequently concluded that this step was unnecessary 'as water used is practically free from harmful alkali and the heavy class of land does not encourage the rise of alkali or salts from below'.

A cold snap near the end of December, when temperatures fell to 41.5°F Fahrenheit, stopped growth and saw leaves turn brown. Some plants withered and died. However, with the return of warmth, 'almost immediately the plants threw out a new growth of healthy leaves'. Odd ears appeared on *Colusa* on 4 January 1923. Heads began to appear in the *Caloro* a day later. Panicles were observed in the second week of January 1923. The slower *Wataribune* began making heads eleven to twelve days later. Each crop was about three feet high, and even. In February there was a recurrence of
browning, but only minor. On 26 February, Asquith began to take water out of number three bay, extending the process over ten days to avoid drying. The panicles were by now well turned down and the grain in a tough dough state. The draining process was repeated in other plots two weeks later and areas let dry before the harvest was attempted.

Shepherd reports that on Farm 106 '... ordinary wheat harvesting machinery was used, a combine harvester and a reaper-thresher'. The harvest went smoothly, although some grain was lost due to the inability of machinery to handle the heavy yield. Horses from Yanco Farm were driven by Jack Conway pulling a header loaned by J Lovell. The Colusa was stripped on 5 April and the other two varieties on 18 and 19 April. Shepherd concluded that there was no reason to suppose that with minor adjustments to machinery, settlers lacking experience in rice could not handle such a harvest.4

### FARM 106: 1922/23 TRIAL

<table>
<thead>
<tr>
<th>Variety</th>
<th>Size of Plot</th>
<th>Total Yield</th>
<th>Acre Yield</th>
</tr>
</thead>
<tbody>
<tr>
<td>Colusa</td>
<td>.06 acre</td>
<td>1,718lbs</td>
<td>75 bushels, 6lbs</td>
</tr>
<tr>
<td>Waterbune</td>
<td>.56 acre</td>
<td>1,702lbs</td>
<td>72 bushels, 15lbs</td>
</tr>
<tr>
<td>Caloro</td>
<td>.06 acre</td>
<td>1,934lbs</td>
<td>76 bushels, 31lbs</td>
</tr>
</tbody>
</table>

Bob Asquith provides us with another report of the first trial at Farm 106, varying only slightly in detail from Shepherd's:

Land ploughed middle of August 1922; this land was very irregular and seemed to be spoilt with water lying on it for length of period. After one month it was broken down with a cultivator and check banked and sown on September 28. Water was put on one week later and allowed to drain off. This was repeated when a little of the rice began to come up. But the land seemed too cold to force it along. A week later it was again irrigated; this irrigating seemed to have good results as the water was warmer. This was on October 20, 1922. The land was kept irrigated every week and allowed to drain. On October 24 and 26 there was twenty-four points of rain. The land was kept irrigated every week and allowed to drain until November 22, when after putting in more check banks it was kept under water. Cold changes seemed to retard the growth and in some cases seemed to leave the plants at a standstill for four to six days. One of these occurred on December 26, 27 and 28, the thermometer dropped as follows: December 25, 97.2°F, December 26, 77.2°F [Fahrenheit], December 27, 75.5°F, December 28, 76.5°F. This had a very marked effect, killing the plants back six to eight inches, but they seemed to survive. About January 10, new growth was sent out from the roots which grew very rapidly. On January 18 another change occurred, shade reading 72.5°F. This gave the plants another check, but they recovered very rapidly. On January 25 shade temperature was 77°F and on 26, 77.7°F. This had very little effect as the water did not seem to get cold. Had the cold change remained longer the water would have become cold and caused serious results. February 26, started to drain number three bay; March 5, rice standing well, no rough weather. Water very low in number three bay, rice filling well. Number three has dried up and fit to walk on but some heads are still quite green. March 14, the water is all off number one bay and it looks more even in ripeness than number three; when it was drained off, the level of water on number two bay one inch. Number one bay 85lbs per acre, drill set 105 course; number two bay 95lbs per acre, drill set 125 course; number three bay 108lbs per acre, drill set 140 course. Number three bay came out on January 30; number one bay came out on February 8, number two bay came out on February 17. Number three bay harvested on April 6, three-fifths of an acre, 1,108lbs which equals 3,000lbs to the acre.5

After completing the trial, Shepherd spoke to someone he described ironically as 'one of the WCIC agricultural experts' and mentioned rice. The (unnamed) expert said, 'You are mad. You can't grow that here'. Shepherd replied, 'Whether we can or whether we can't, we have'.
At Yanco, J L Green harvested before the Leeton plot, using a harvester and binder. The yield from *Japonica* was about 58 bushels per acre. Green reported that it had not been possible to get an even depth of water on the sloping ground at the Farm.

In June 1923, the *Sydney Mail* reported on the Leeton trial, attributing the article to Shepherd. The success of the trial was ‘… good news for settlers on heavy class soil … so hard to get the water into and which sets after being irrigated’. Shepherd praised WCIC Employee Asquith. The actual work was carried out by Mr Asquith to whom great credit is due for his untiring efforts in the production of the crops. Shepherd always maintained that Asquith's contribution was crucial, but the *Sydney Mail* article quotes Shepherd as saying, ‘The seed had been obtained from America by Mr Jack Brady during his tour recently in that country’. Shepherd’s private letters suggest that the experimentalist genuinely believed that Brady had obtained seed, although there is considerable doubt about what purpose and when this was used. The same article (published in late June) says the harvest was carried out ‘during the present month’, when it was actually completed between February and April, and also misspells ‘panicle’ (‘parnicle’), casting doubt upon its authenticity. Possibly statements attributed to Shepherd were blended with commission press releases by and the not actually attributable to Shepherd himself.

The important detail for our discussion is that Californian *Japonica* varieties had now been grown successfully under field conditions on the MIA. A sample of the paddy was sent to a Sydney miller (possibly Parsons Bros), who said it was ‘… a very fine example of the Japanese variety, which should mill up very satisfactorily’ wherupon Shepherd called for extended trials the following season. If yields were repeated, he said:

> Ricegrowing should be a new industry to the Irrigation Areas. Rice growth would open up a new adventure for those settlers with poorer class lands, and as the crop, like wheat, can be handled with machinery, the grower is not dependent upon labour to any great extent.

This last point was important as a general perception continued that rice required ‘coolie’ labour and was unsuitable for European farmers using machinery. Noting that rice straw could have considerable commercial value, the experimentalist also made a worrying observation: ‘Quite recently a duty of three shillings and four pence per 100lbs on uncleaned rice and three shillings on cleaned rice was removed’. How could a fledgling rice industry develop, he wondered, if local markets were to be swamped with cheap imports? The matter of adequate protection for a new industry would soon become a pressing issue.

**A conclusive trial, 1923/24**

In 1923 the American Irrigation expert Dr Elwood Mead again visited Australia to report on the situation and prospects for the MIA. On 8 July he travelled to Leeton where he would have been informed about the successful Farm 106 trial. In early August, he discussed the Californian rice industry with Evatt in detail and in his report on the MIA, argued against the further extension of large area farms for dairying, since markets were uncertain, recommending instead more extensive experiments on heavy soil to establish beyond doubt the viability of rice.

Indeed, the 1923/24 trials were more extensive than those of the previous season, but no less controversial. Shepherd was again in charge at Farm 106, this time working six acres. He used the same three *Japonica* varieties: *Colusa*, *Caloro* and *Watari-bune*; four ‘upland’ varieties from Queensland (possibly *Sensko* (‘Senoko’ or ‘Lensko’, the spelling varies in the sources), *Tamasari*, *Owari* (or ‘Omari’ or ‘Bwan’) and *Kirishima*) and six varieties from Java: *Padi Verang Verang*, *Gjirek Alelate*, *Gjirek Okowman-kolto Ankolto*, *Padi Baok*, *Gjirek Gobah* and *Padi Pandan*; recording that, in total, three American and twelve Chinese and ‘upland’ varieties were tried. WCIC was again required to supply land and water and to cover costs. Shepherd planned this time to try the varieties under different conditions: new land; crops ‘ratooned’ (new growth from cropped plants); still and moving water; different rates of sowing (from 95 pounds to 120 pounds per acre). It is not clear whether trials were continued at Yanco Experiment Farm but they probably were. We do know that J L Green was posted to the Coonamble Experiment Farm in July and grew rice there in the 1923/24 season on small plots of one-eleventh of an acre.
The wet winter of 1923 delayed preparation, but after the banks were finally constructed, sowing began on 4 October. The fields were watered a number of times before final inundation to five inches. Thirty days later the plants appeared. The trial almost ended in disaster: in November a cow and a goose got in and enjoyed themselves in the paddy fields. Evatt shot off a peeved note to the offending owner. More seriously, the fields were allowed to dry off over the Christmas break while Shepherd was on leave. And who should be riding along on his bicycle to discover this but Jimmy Youll, promptly darting off a note to the experimentalist:

I notice when riding along the main road on the bicycle that the rice plots appear to be yellowing and ... was astonished to find that the water had been completely cut off ... A number of the bays were quite dry. I immediately arranged to put the running of the water under Mr Saker. I hope we have not done anything to interfere with your intentions.9

Shepherd reported the incident this way:

The early sown plots grew very well, but early in December the water was allowed to dry off some of the bays. This was due to the inattention given by the man who was supposed to be looking after the water. However, this was rectified and another man given the job.

On 9 December, shortly before taking leave, Shepherd had recommended dismissal for unsatisfactory work of WCIC Trial Assistant Mr Cullen, who had been nominated by Youll. It is possible that uncertainty about Cullen's position led to the failure of the water supply over the Christmas break or perhaps others had celebrated too well and were in no condition to do the job properly. Whatever, WCIC Water Channel Superintendent T H Dunn recalls that the incident ' ... caused quite a stir in the Water Distribution Office'. On 27 December 1924 Superintendent of Water Distribution and Maintenance Fred Watson sent for Dunn, telling him that water in the supply channel had been allowed to get too low for the Farm 106 experiment to continue successfully, directing him to 'fill it at once'. Dunn tried to find Water Bailiff Pat Hourigan but he was out on a channel somewhere, so Dunn personally filled up the channel by altering the checks at Seabrooks Corner and diverting water into it. 'I walked onto the rice land. As far as I can remember, it was nearly all dry.' Then he adds, 'I can't remember whether it was 1921/22 or 1922/23, but I know it was the first rice crop.'

It was neither 1921/22 nor 1922/23 when Dunn trod that dry paddy field; it was the 1923/24 season. It must be said, nevertheless, that if Youll had not happened along and discovered the parched plants, perhaps the history of ricegrowing in New South Wales might have been radically different. For Youll to insinuate, however, as he would in later years, that the Department of Agriculture was negligent or ignorant, seems unwarranted.10

Sandy Poulson, a channel attendant from Toorak Road, replaced Cullen and performed very well. Henry Leighton, a farm worker, remembers Poulson telling him about the wet and difficult harvest of the 1923/24 trial. Poulson told Henry that his father, James Leighton, eventually gave up on the combine harvester which had been used the previous season. He tried about three different combines but could not get traction on the slippery surface. This was what some settlers had always feared: that they would not be able to get the paddy out of the fields. When the machine would get a bit of a 'go on' it would choke with the volume and dampness of the material passing through it. The stalks on the panicles were about a foot long. Leighton tried cutting narrower strips but still the machinery choked. Sandy and James thought of cutting by hand but did not know what to do with the bundles! 'The old stripper was the last straw', Henry reports, wittily. Old Leighton told them, 'Try my sister's stripper'. So they went to Farm 66 ' ... just this side of Brobenah Bridge' and brought in the stripper. This took the rice off at the stem and directed it into a hopper designed to hold six or seven bags of wheat. They wound up the back door of the hopper and stooked the heads on to a tarpaulin. Then they found a winnower. With local ingenuity and some choice language the winnower became part of the stripper. They put a hook on the back of the stripper, added a couple of wheels to the winnower, hooked it up and carted it around wherever it was needed. The whole contraption was turned manually!
Henry thinks sixteen different varieties were tried, but this is a possible reference to the number of bays Shepherd used in the experiment, not varieties tested. As Poulson and Leighton stripped the crop they carefully separated varieties, cataloguing each one, Sandy Poulson performing most of this duty. Several farmers were nosing about, Henry says, '... but the way the tempers were [on Farm 106] it wasn't safe to go near the place because things weren't going too good'.

Austin Shepherd records that, because of the wet conditions and hardening of the grain, a box wheat stripper was borrowed from Mrs Gibb, a lighter machine than the combine used the previous season, requiring less horse strength. He says that the harvest was completed on 18 April 1924 and that the grain threshed well and winnowed a fine sample but was more costly than the previous year. 'Ratooning' had not worked, suggesting a need for specialised rotation. Shepherd was now convinced that keeping water circulating was unnecessary and noted that, while the season was not as favourable as the previous one, yields on new land exceeded the year before, putting this down to 'acclimatisation'. Queensland varieties had yielded between 28 and 60 bushels per acre, Java varieties had failed to mature, Calusa yielded 87.5 bushels to the acre, Colusa 110.5 bushels, and the slow maturing Wataribune was again the heaviest yielder with 112 bushels. The Melbourne Age published figures varying somewhat from these:

### RESULTS: NEW SOUTH WALES RICE TRIALS 1923/24

<table>
<thead>
<tr>
<th>Varieties</th>
<th>Bushels</th>
<th>Pound (lb)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wataribune</td>
<td>119</td>
<td>28</td>
</tr>
<tr>
<td>Caloro</td>
<td>116</td>
<td>26</td>
</tr>
<tr>
<td>Colusa</td>
<td>87</td>
<td>27</td>
</tr>
<tr>
<td>Lensho(?)</td>
<td>66</td>
<td>6</td>
</tr>
<tr>
<td>Tamassari</td>
<td>61</td>
<td>4</td>
</tr>
<tr>
<td>Bwan</td>
<td>52</td>
<td>20</td>
</tr>
<tr>
<td>Kirishima</td>
<td>38</td>
<td>22</td>
</tr>
</tbody>
</table>

A bag of paddy from the trial crop was sent to the Sydney milling firm, Lyttle (possibly 'Little') and Company, who reported it satisfactory but not up to the quality of some imported rice.

J L Green also reported success at Coonamble using Japonica from Yanco. He cultivated a quarter of an acre in all (some reports say one acre) under artesian conditions on heavy black soil, 'typical north-western plains alluvium' and used no manure. Green planted on 27 October 1923, commenced taking water off on 21 March 1924 and began to harvest on 2 April. The yield was the equivalent of 165 bushels (Caloro) to the acre, 'a very successful result'. Calusa took 154 days to mature, Caloro 161 days and Wataribune 172 days. He planned a trial on ten acres in the following season.

Austin Shepherd concluded:

> From the trials of the last two seasons sufficient proof should have been obtained that the growing of rice on the heavy clay lands is worthy of consideration by the careful farmer.

Indeed, the riddle of growing rice commercially in southern Australia had finally been solved. WCIC and the department were jubilant: rice might just be that 'panacea' the beleaguered MIA was looking for. Doubts about the impact of inundation upon (poorly assessed) soils were put to one side — there was a new industry to launch!

Between April and September 1924, WCIC officers sought settlers willing to grow rice in the following season. Shepherd published detailed cultivation notes in Agricultural Gazette, discussing the qualities of impervious soils (stressing the need for soil not to be absorbent), water application, the grading and preparation of check-banks, sowing, harvesting and water management techniques. The experimentalist interviewed several settlers interested in ricegrowing, including Messrs Grant, Spicer, Phelps, Duffy, Moller, Tooth, Sayers and Cookson and escorted settlers about the trial rice fields with Potts, advising them.
Digression: The 'myth makers'

Before proceeding to consider the early development of the Riverina rice industry, it is important to discuss and possibly dispel some persistent myths about the period 1920 to 1924. As recently as 1991, for example, radio audiences were told that the New South Wales rice industry was begun by a 'Samurai Warrior, an accidental discovery, and two sisters'. This sweeping journalistic generalisation referred to Jõ Takasuka, Jack Brady and Lois and Margaret Grant (two settlers involved in the first MIA settler-grown commercial crop in 1924/25). Certainly Jõ Takasuka and Takasuka seed rice were important in establishing that rice could be grown in southern Australia, but the industry eventually developed from Japonica varieties and methods imported from California. In addition, Jack Brady did not 'accidentally discover' ricegrowing in California, knowledge of that industry reaching Australia as early as 1913. This in no way detracts from the importance of Brady's 1920 visit or his seminal contribution to the development of the rice industry, suggesting only that this was not 'accidental'. Neither did Lois and Margaret Grant alone grow the first commercial crop as will be seen from subsequent discussion; there were several other farmers involved. We have already considered Takasuka's important role in whetting interest. Here, discussion turns to Jack Brady's visit to California in 1920 and subsequent interpretations of this.

In January 1925, Austin Shepherd resigned from the Department of Agriculture following a disagreement over a rice farm application and moved to Belconnen in the Australian Capital Territory to take up a 1,200 acre pastoral holding. He had approached the commission with a view to obtaining a rice farm but declined after being offered only eighty acres believing (correctly) this too small to grow inundated rice in a viable rotation. In late January at a well-attended function in Leeton to farewell him:

[Jack Brady] ... alluded to the excellent work carried out on the Area by Mr Shepherd. No doubt Mr Shepherd would do better for himself outside the government's service as he possessed the energy, ability and punch to carry him a very long way on the road of success. Mr Brady referred to Mr Shepherd's soft-spot in regard to ricegrowing. They had just as good country here for ricegrowing as any country which had made a success of growing that cereal for centuries.

Mr George Potts, Agriculture Instructor, said Mr Shepherd had the courage of his convictions and had carried out much work of great benefit to the settlers whose problems were very great.

Shepherd was replaced as district agronomist by Roy Watkins, generally known as 'Watto'. Watkins (1887-1964) was born at Neutral Bay, New South Wales and educated at Hurststone Agricultural High School and Hawkesbury Agricultural College. A keen rugby player, Watkins put up his age to serve in the Army Veterinary Corps and served almost four years overseas in World War I. Following demobilisation he gained a diploma from Hawkesbury Agricultural College in 1920. Watkins worked on a Queensland cattle station as a jackeroo and as a veterinarian for about a year before joining the Department of Agriculture in 1922. He was posted to Grafton Farm as an assistant experimentalist. After Watkins took over from Shepherd in 1925, he supervised the pioneer rice crop, quickly earning the respect of farmers for his practical approach, and organised valuable extension work helping to improve confidence in the grain. In 1927 he returned to Hawkesbury Agricultural College.

With Shepherd and Watkins out of the Areas, the 'myth machine' began painting Jack Brady and by implication WCIC as the rice industry's progenitors while largely overlooking the Department of Agriculture's major contribution. A typical version of the 'Brady legend' is:

While travelling through California, Jack Brady noticed that rice was growing in what was known as third class country. Mr Brady brought back samples with him, choosing the Caloro variety and thus the rice industry was born in Australia. It is a remarkable fact that the variety selected by Mr Brady out of the hundreds of rice varieties in Australia is still regarded as the best yielder.15

Many genuinely believed, and still do, that Brady introduced the seed rice from which the industry eventually grew. Bob Asquith's wife, for example, wrote in 1945:
My husband grew the first crop for the WCIC. Mr Brady brought the seed from America and many residents of the Leeton district can testify to the truth of it. If you wish I may be able to help you regarding the same, so trusting honour will be given where honour is due.

Gwen Marshall, Jack Brady’s secretary between 1920 and 1922, who had typed Jack Brady’s report following his return from America, believed in 1964 that his instructions from WCIC included no reference to rice and that:

Jack had the vision to see its potential in the MIA and the initiative to exceed the official purpose of his tour by supplying rice to Leeton for experiment. In his subsequent reports he added a recommendation concerning ricegrowing outlining his investigations and actions. The MIA Commission immediately recognised the value of Mr Brady’s work and ordered an experimental crop to be grown.

In 1975, a family friend said:

In 1921 Mr John Brady, who was the first manager of the Leeton Cannery, went on a trip to America. While there he saw ricegrowing on what he considered to be the same type of soil as around Leeton, so on his return trip he brought back with him some seed. He handed it over to the Yanco Experiment Farm of Agriculture and suggested they try to grow it. Well they did try but they could not get it to grow. In turn then they passed it over to Mr Robert Henry Asquith, who at that time was an employee of the Water and Irrigation Commission. He was a horticulturalist teaching the returned men from the War how to sow and grow their fruit trees. They chose a small paddock about thirty or forty acres just off Palm Avenue, down the back of the Hydro Hotel. They asked him to see what he could do, saying they would not interfere. In October of that year he planted the seed, timed it and watched it grow.

We have earlier considered Gertrude Delany’s recollections about 'Pop' carrying rice home 'in his socks'.

It is not my intention to disparage such beliefs or detract from the importance of Jack Brady’s contribution to the rice industry. As discussion has amply attested, Brady’s enthusiasm for rice, knowledge of it gained in California and (possibly) unofficial trials conducted by friends with seed obtained by him in America, were important in maintaining WCIC interest and having departmental trials continued, but Jack Brady’s greatest personal contribution to the industry lay ahead as chairman of the Rice Marketing Board between 1940 and his death in 1952. Moreover, Brady loomed as the industry’s supreme figure in the capacity of Rice Production Committee Chairman through World War II. In 1949, it was Brady who stood up to the proprietary millers when they were exploiting growers, paving the way for Ricegrowers' Co-operative Mills (RCM), which was employed by farmers to wrest control of the industry back from a cartel. Indeed, it is probable that the co-operative would never have been instigated without Brady’s courageous intervention.

When Roy Watkins returned to the Areas as District Agronomist in 1940, he was horrified to find how events of the rice trials had been distorted and how folk-legends which Watkins knew to be untrue had become thoroughly entrenched in the community. Such stories were consolidated in 1949 at a testimonial to Jack Brady. The main source of confusion seems to be traceable to a pamphlet, 'Rice: Some Early Reminiscences', issued by JG Youll to commemorate the function. Youll’s muddled account, confusing three growing seasons and drawing favourable attention to his former employer, WCIC, fuels the ‘myth machine’ to this day:

I have long wanted to tell this story of the beginning of commercial ricegrowing here — one which was all Brady and the commission. Some officers of the Department of Agriculture in the past have claimed more credit in their publication that was their due. They did not actually really become enthusiastic until "Brady’s" seed was carrying its first crop. ...

[Brady] a keen student, visualised [in California] the immense possibilities in this crop, and after studying the incidence of rainfall and frost, the similarity in climate and after discussing the matter with all the knowledgeable men he could get at, he chose three varieties as most likely to suit local conditions. The names
of these — *Wataribune, Caloro* and *Colusa* — are worth recording, for it is from these that our present heaviest and best yielding varieties still stem. ...

The three little bags of seed, about 100lbs in each, were handed over to the commission’s Leeton Office about the end of 1920, too late for that season, and the then commissioner (Mr W N Sendall) gave me the job of getting in touch with the agricultural instructor of the day, with a view to getting it planted in 1921. The departmental officer of the Department of Agriculture wasn’t at all enthusiastic! He reminded me of the Yanco Farm experience and considered the whole thing a waste of valuable time. He had no ideas of where to plant it and that threw this important matter back on me. After a chat to Mr Brady we picked on Farm 106, which was an abandoned fruit orchard on a 10 acre block just east of where the Leeton Swimming Baths are now situated. This block, after the excision of the house, now forms Farm 1578 ... It had been watered to extinction and was tough “gumbo” stuff at the best of times. I’ll never forget the way that seed went in! Clods bigger than one’s head were the order of the day, but under the mellowing influence of the water they melted away and actually there was quite a good strike on the three plots. If there had not been, it would probably have been the end of rice, in view of the Experiment Farm’s experience. However, everybody began to take notice when the beautiful green shoots began to show up, although there was still another hurdle ahead which had to be negotiated, one which might, but for a lucky chance, also have proved disastrous.

Everything went well with the young crop until Xmas time. The commission employed a handy 2-acre block holder at a weekly fee, to keep the water running. I used to live in Fivebough Road in those days and could see the sun shining on the water wheel each day as I passed to the office. Some lucky chance took me to work on Boxing Day, and I noticed that whilst the wheel was turning as usual, the rice was quite brown and dead looking. On closer inspection, the reason for this was apparent. The water was running straight down the head ditch through a break in the bank, and none going on the rice at all. The late F K Watson, Superintendent of Water Distribution, and I spent the rest of the afternoon getting things in order, and although he thought it had a slim chance of recovering, it eventually did so, to a large extent. We took no further chances on the incidence of the “Festive Season” but put a reliable man (Saker) from our own staff on the job. He took a great interest in the project and the final amount of success it achieved was due in no small measure to his care.

I have no doubt that the failure of this introduction of John Brady’s, would have been met with the usual “I told you so’s” had the absence of water not been noticed in time. As it was we [sic] only harvested about 70 bushels to the acre, whereas without this set-back, probably 100 to 150 bushels would have been the outstanding result. Still, 70 bushels was enough to enthuse us and the Department of Agriculture and from that time onward, the department was “right on the ball”. So rice was born to Australia!

In the final days of his life ‘Watto’ Watkins devoted much time and effort seeking to dispel such misconceptions. ‘That old trap should have been to catch only young, inexperienced players being mythical but nevertheless accepted as fact as many to the extent of its (sic) over the years becoming legendary. … It is definitely not factual’.

George Evatt was in no doubt where the credit lay, declaring at the 1949 testimonial:

> While giving credit to John Brady, I must say Mr Shepherd was the man we asked to take control of the actual experiments, and he did an excellent job. So much so, that I endeavoured to get the whole of his services exclusively for the commission. He did it as part of his own job and for us.

J L Green also attributes to Shepherd credit for demonstrating the viability of rice under field conditions. E B Furby said it 'got his goat' to see Shepherd ignored:

> All credit and honour in this regard lies entirely with the Department of Agriculture Instructor [sic] Mr A N Shepherd and those pioneer farmers who blazed the trail following the success of the first experimental area. Clerks, surveyors and ex-school-teachers naturally joined the bandwagon, but only after Mr Shepherd had proved that rice could be grown successfully and devised
methods of harvesting. ... More credit must be given to A N Shepherd for the work he did in sowing, managing and harvesting the first pilot plots of rice and for his subsequent efforts in instructing farmers.

Sandy Poulson also confirmed ‘every comment and remark’ made by Shepherd in a journalistic war involving the experimentalist, Youll and devotees of the ‘myth machine’. Early in 1949, Shepherd answered Youll’s distorted recollections with his own account, ‘Rice — Some True Early Reminiscences’, subsequently accepted by the Historical Society of New South Wales as an accurate statement.

Certainly, Jack Brady neither officially confirmed nor denied stories about him bringing back three bags of rice from which the industry sprang but this does not mean that he did not introduce rice from California into the MIA. Rather, it strengthens a view that he was sensitive about the circumstances of its entry. He was at all times quite modest in his claims, saying at the 1949 testimonial:

The development of the rice industry was not the work of any one man, but a combination of men desiring to bring about the development of the Area. It would be wrong for anyone or any group of men to say that they did everything. There is no doubt that the people who did make a success of the rice industry were the growers themselves.

It seems reasonable to say that Austin Shepherd should be given the credit for finally demonstrating to the satisfaction of that most sceptical of audiences, MIA settler-farmers, that rice could be grown commercially under Area conditions, using available machinery, without damaging suitable soils where water was applied correctly. The real point, as Brady said himself, is that from the outset the rice industry was a co-operative effort involving numerous motivated officials and departments, none functioning in a void and all ultimately answerable to farmers. 19
PART II

INDUSTRY
CHAPTER 5

The Pioneer Ricegrowers of the MIA, 1924–1925

‘There’s only one green thing here and that’s the people’: A note on MIA Pioneer Days

They came to the Murrumbidgee Irrigation Area (MIA) seeking adventure, fortune, independence, a sense of freedom and community. One son of a pioneer family, arriving at Yanco Station in 1914, remembers the mail coach trip up to Leeton. There was a terrible drought that year and the dust was blowing everywhere. The young man's mother remarked, ‘I can’t see a green thing in sight’. To which the mailman replied, ‘Lady, there’s only one thing green here and that’s the people who live here.’

Sue Chessbrough, Alf Bowmaker, B M Kelly and other authors provide us with vivid impressions of the ‘frontier’ towns of Leeton and Griffith between 1912 and World War I: the saw mills, timber yards, joineries, engineering shops, hardware stores, blacksmiths, livery stables, quarries, stone-crushing plants, offices, factories; the offices for engineering, design, drawing, construction work and clearing; the building operations branch constructing up to 250 houses a year; the construction gangs at ‘Alexander’ and ‘Crusher’ camps at Leeton; the legendary ‘Bag Town’ at Hanwood and the ‘Crowther’ camp at Griffith; the boarding houses, married officers’ camps, police tents, schools, newsagents, medical centres, banking facilities, clubs, butcheries, haberdasheries, dress-shops, churches, the School of Arts, smoky billiard saloons and popular refreshment establishments like ‘Tango Joe’s’ and the Greek Oyster Saloon.

People came from everywhere bringing their skills and aptitudes, hopes and secrets, strengths and frailties. The MIA was an international community and an intentional one, a piece of social engineering deliberately embedding a culturally diverse society on a vast inland plain. Chain migration was common. Families from Broken Hill arrived from 1912 onwards, predominantly Anglo–Celtic but including Italians and some Germans, many in poor health from the mining. Some, Jack Brady for example, would go on to make a major contribution to the Areas and to the horticultural and rice industries. A large group of inter-married families, mainly Catholic, moved to the Areas from Swan Hill in Victoria. They knew about irrigation from the Swan Hill Irrigation Area and about Jó Takasuka. Families came from Sydney and the New South Wales coast. Alf Bowmaker, for example, who went on to become a successful farmer and great rice industry leader, came from The Glebe, a stone’s throw from Central Railway Station. The Davidge family came across the Great Dividing Range in 1912 from a gold mining town near Nowra. Charles Davidge’s father and his uncle took two blocks opposite each other, fifty acres each, and went into dairying. They brought in fifty cows, building materials and furniture, including two pianos, by rail from their hotel and general store business on the South Coast. A bullock team hauled everything from Willbriggie Station to the farms. Young Charlie Davidge, a teenager when he came to the MIA, grew up to become a rice industry leader.

Families and wanderers were arriving from all over the world. A party of twenty-seven Patagonians and two Spaniards arrived in Leeton in July 1915 to join friends already there. In 1916, the Spanish brothers Francisco, Sigismondo and Juan Gras, arrived from Villa de Tordera, Matero, to take farms on the MIA. Italians began coming as early as 1913, when there are reports of two Sicilians arriving. Northerners, Francesco Bicego and Enrico Lucca, from near Verona, arrived in Griffith around the same time, probably to work in a quarry. Like many Italians in Australia, they followed the work: the northern cane fields; the Broken Hill mines; construction sites; wherever employment could be found. Many came from labouring on the Burrinjuck Dam project. Some would drift in simply to have a look, with no intention of settling. Others would return to Italy and bring back the family. In 1914, Samuele Paganini, a naturalised British subject from Switzerland, was granted a farm. Bicego and Lucca worked for him. By late May 1915, Giacomo del Fabbro and Asslero Collautti, from north-eastern Italy, shared a farm. Collautti went back to Italy and returned to Griffith with his family in 1921. With unemployment increasing, in 1915 several Italians left Broken Hill and took farms jointly and independently in the Griffith Area, for example, Luigi (‘Ces’) Bonami, who had been in Australia since 1905, and Luigi Guglielmini, Cirillo Baltieri and Marco Castagna and their families. Others came over from the lead mines in 1916: Valentin Ceccato, Antonio Cunial, Giorolamo Vardanega and Angelo Pastega. The last three were repatriated to Italy for army duty, but
Vardanega returned to Griffith taking a farm jointly with Angelo Manera, an ex-Broken Hill miner and ex-serviceman. By 1921, there were about thirty-three Italian men, women and children in Griffith. In that year, Antonio Bugno arrived, a community leader who defended and organised the Italian settlers, who were able to make a ‘go’ of many farms others had been forced to abandon, giving rise to some early resentment. But the leasehold system suited them perfectly, since it required little initial capital and with hard work and extended family and community support, savings could be amassed for expansion or obtaining freehold, when possible. One MIA pioneer remembers:

They [the Italians] went on the blocks where other fellows starved and grew melons, tomatoes, cucumbers along the ditches. They grew something wherever the water ran and they had money coming in … while they established their vineyard.

Most Italians on the MIA had been brought up on the land. A pioneer son from Verona remembers the family farm in Italy in the foothills of the Alps:

A pretty hostile environment when you think about farming ... and all the soil kept in place by stonewalls. Each year the erosion washed the soil down into the gully and it was then carried in baskets back on to the top terrace. You can imagine when I came out here and all this flat ground and irrigation and everything — Wow, this is it!

With soldier settlers walking off, Italians held sixty-seven of the small farms in Griffith by 1929. By 1933, there were 747 Italians on the Area, pooling money, labour, machinery and skills and buying out settlers broken by the Depression. One son of an Italian pioneer remembers his father saying:

Look over there we were peasants and you had to tip your hat to everybody around the place. Here I can look a man straight in the eye and tell him — and that was it! And, he said, even during the war years I could stand up for myself. If I spoke to people like I did here, in Italy, I’d be on the inside looking out. Because, he said, you didn’t have the freedom of speaking your mind and that’s one of the reasons I came over here.²

From wherever people came they faced primitive conditions, hard work and, in many cases, heartbreak. Glossy MIA brochures portrayed peaches growing ‘big as yer ’ead’, attracting people from everywhere. Two Broken Hill miners saw a brochure like that and, packing everything into a Chevrolet utility, immediately headed off to the MIA. They selected two adjacent blocks at Hanwood and planted peaches, recommended by the experts because they matured before Christmas, a prime time for marketing. They developed the orchard for three or four years, relying on dairying through this period. The trees finally bore fruit. The peaches were picked and transported in a horse-drawn lorry over atrocious roads in blistering heat to the cannery at Leeton, arriving bruised and there was a peach glut. ‘Dad got a cheque back for 1s.3d. for a load of peaches he sent to Sydney’, a pioneer son recalls with emotion in his voice. After complaining, his father was advised by WCIC to try prunes. He did so. Another lengthy period of waiting followed hoping the trees bore fruit, seven years, but still no prunes. The experts had failed to advise that two varieties of prunes were required for pollination. By then, the story goes, that settler was almost broke.

Faulty rice farm design caused terrible problems. One pioneer is convinced that the authorities knew nothing about land-forming. Some farms had hillocks, others had hollows. In grading, holes were simply filled in, or crests smoothed over, so that when water was applied it ran everywhere:

That's where all our troubles were ... the water used to be all over the place ... we had no proper control of the water. ... I could see they were in for a power of trouble. ... Unfortunately they brought a lot of city boys, ... soldiers who didn't know grass from anything else. They used to get burnt in the hot sun and not attend to things properly, like turning the water off at the proper time, or they would get drunk and forget it was turned on. They were finding it a big trouble, everything being new and fresh. It should have been done a few years before and let settle and they would have had some idea what they could do. But they rushed everything, they were rushing the plants in before they even knew it was ready, you know, and that's where it cost such a lot, you see.
Many soldier settlers bore psychological and physical wounds taking years to manifest, complicating farming further. One pioneer recalls that many settlers from the Red Cross War Chest Colony at Beelbangera, the ‘Tuberculosis Farm’, might have been better placed in a convalescent home, but they had had their hopes built up and battled hard to make a ‘go’ of it. A relative of a soldier pioneer remembers:

They really didn’t have a chance, but although they weren’t educated or cultured, they had great courage and fortitude. They had a capacity for hard work and a general love of the land.

A pioneer daughter remembers staying at a friend’s place when she was young:

… and during the night I heard this man shouting out and going on and I asked his wife next morning what was the trouble and she said, "Shell shock". They couldn’t make a go of it.

The soldier settlers were outspoken, taking the fight right up to the commission, agitating and stirring, demanding greater autonomy for the region. Though the various ex-servicemen organisations were deeply split, many of the rice industry’s most able leaders cut their political teeth on returned soldier politics carrying these skills and determination with them into the fledgling industry.

B M Kelly reminds us that men and women worked together in those early days pursuing shared goals:

From the very beginning women worked alongside their menfolk in the fields, cooked their meals, mended their clothes, bore and cared for their children ...
They carted water in kerosene tins where there were no taps, they cooked on furnace-like heat over fuel stoves and washed their clothes in wood-fired coppers.

For city-bred women, the blinding dust storms, heat, snakes and spiders were hard to take. A disproportionately high number of children died from pneumonia, gastro-enteritis, meningitis, peritonitis and spider-bite. A mice plague infested the Griffith area in 1915. In 1918, the pneumonic plague (Spanish Influenza), which killed 22 million people throughout the world, swept through the Areas, claiming more than twenty lives by September 1919.

Most everything light-hearted revolved around the Hanwood Hall in those early Griffith days. Vera Trainor, who arrived in Hanwood in 1918, to teach, recalls:

There was only one way of communication ... and it was the Hanwood Hall. Everything started at the Hanwood Hall; ... concerts; people made their own enjoyment, raising funds for various things about the district. Everything was growing and Hanwood Hall was the centre of the activity. [You would meet] the most wonderful collection of educated people that you would ever wish to meet at times. You’d meet people who had played in an orchestra overseas; ... there was a champion violinist, all congregating around the Area looking at these places. ... People in Europe got an idea to get away from everything. ... The Irrigation Area ... was splashed out as something special [with] absolutely ridiculous statements, "Come! Come! Select a block of land! Turn on the water! Throw in the seeds and put the money in your pocket!!’.’

Vera recalls many visitors who were curious to see what was going on in the Areas, some, 'anxious to settle down somewhere', others just drifting through. They danced waltzes, barn dances, jazz waltzes and fox-trots in Hanwood Hall. Soldiers taught the few single girls new dances like the 'Tickle Toe" while envious civilian men watched. Vera Trainor remembers those days:

Women were very scarce. Girls were very, very popular. There were a lot of city girls and you can imagine them in a three-room house ... or a block of land, no water laid on. ... No conveniences. So you can imagine the city girls. A lot of them coming to that ... it wasn't very appealing. A lot of them were very good and made the most of it and turned out wonderful people, but a lot of them couldn't take it.

Vera stayed, married Charlie Davidge, became a ricegrower's wife and the mother of a great industry leader.
Living conditions were primitive:

Everything was galvanised iron, dirt floors, rooms divided with hessian sown together, whitewash pasted with newspaper, a great delight to children. The windows were boarded. There was no gauze, which there was lots of mosquitoes and lots of flies. So therefore children were sent after school to fill tins of horse manure and they were put outside at night. Kerosene was poured on top and they were set fire and that got rid of the mosquitoes. Kerosene tins played a big part in those days. People sat on them, people cut them in halves, cornerwise, and they were used as washing up trays.

A daughter reminisces on youthful days:

The houses didn't have water laid on. Very, very few had a rain water tank. Washing water was carried in buckets from the channel. … I laugh [today] when I see the notices [prohibiting swimming in channels]. There were a few drownings, I must admit, but we would come home from school, peel off all our clothes and down under the stops which regulated the flow into the farms and everyone would go for a swim. That was a great sport, swimming in the channels.

Though conditions were rough, community spirit was high. If someone was 'down and out' a working-bee would be organised. Fred Robinson, the son of a Broken Hill miner who went to the MIA, remembers:

… they all hopped in and helped one another and it was quite a community effort. My dad went blind in 1920 … from the lead poisoning. It happened in the flick of an eyelash. … He went crook on Mum because there was no light [but] the lamp was on the table alight. When the people around found out that he'd gone blind they all came in and pruned the orchard and the next day they came in and they ploughed it.

Another daughter reflects on the closeness of families:

… a wonderful community spirit in the country in those days. Every Boxing Day one of the fathers would drive the horses and all the kids would go down to Middle Beach. And when we all arrived there, … we had no beds … we slept on the ground. We used to go swimming in the Murrumbidgee. That was our bath. We used to have square meat safes with holes in them that the flies couldn't get through. The men would hang those up in the trees. Some meat we would have pickled in brine. And eggs, they would be pickled sometimes, too. The fathers would go home once a week to have a look at the farm and feed the animals and coming back through Leeton they would bring back provisions for us down at the river. Sometimes we would go riding in the moonlight. And then call on someone and take supper, some sandwiches, or something, there was no drink here. And that was our life and we enjoyed every moment of it and made our own fun. It was wonderful.

If a 'legal' alcoholic beverage was sought on the MIA before 1924, a bumpy trip to Whitton, Narrandera or Darlington Point might be necessary for the Area, officially, was 'dry'. Most Italian families, however, simply made their own excellent wine. Others carried two gallon containers to the wine-maker, J J McWilliam, or to the short-lived Mirrool Wine Co-operative. For desperate souls vile, fortified 'plonk' and adulterated 'snake poison' were also available. WCI brought in the famous writer and poet, Henry Lawson, an alcoholic, to 'dry out' on the Areas and publicise the MIA. The great word-smith, who stayed at Leeton between January 1916 and September 1917, loved the Area's egalitarian ethos, hated the 'red tape' and pined for a pub and the conviviality and transmission of ideas to be found there. Like many settlers, Lawson 'planted' beer bottles, not all of them empty, in his garden-edging at Farm 418, a few kilometres from Leeton. A pioneer remembers:

This place was supposed to be dry. The only place you couldn't buy a drink was the police station. The kids used to go out yabbying [crayfish]. … On the end of most yabby lines was a bottle of beer. That was when Henry Lawson was here. … I put him in a wheelbarrow one day and wheeled him home. He used to wander home from the Commission offices … and had got some of the grog they were selling. It would kill a snake. They used to "doctor it up". Anyway he was laying
on the footpath and that was where we found Lawson. There was four of us kids coming home from school and he's out to it on the footpath. He was a brilliant man, but you know, there's a lot of brilliant men the grog's beat.

True, but not many wheelbarrow Samaritans could pen:

I am groping in the dark yet as far as our Area is concerned and there may be many doubts and disappointments in store. But the hateful lurid drought sunset has gone from the skyline and the night is cool and there is a grateful breeze fanning, and young lovers creep past, and the water is creeping along the channels and gutters bringing life and prosperity and ultimate rest in peace to an old dead land by plain and commonsense methods which in spite of the apparent magnitude of the scheme, are as old as China, and as simple.3

In 1917, work began on the splendid WCIC Hydro Hotel in Leeton, the stuccoed walls, airy verandas, battlemented water towers and palms combining with American Architect Walter Burley-Griffin's town design to create a 'medieval' effect of a Mediterranean manor surrounded by fertile fields. But no liquor licence. As a concession to popular sentiment the authorities authorised a liquor 'booth' at the first Griffith Agricultural Show in February 1919. Riots broke out and police were brought in from as far away as Narrandera, closing the event and making many arrests. At a race meeting in the same year near Pat Doyle's farm, howling drunks were moored to trees while police scrambled to resume order. A 1921 petition in Griffith for a community-based hotel on the German 'Gothenburg' model (returning profits from liquor sales to the community, not brewers), was successfully resisted by WCIC and some church groups. Certainly 'boozing', especially the weekend 'spree', was a problem. Strapped for revenue, the commission decided in 1923 to auction off the Hydro Hotel in Leeton and Mirrool House in Griffith. There was little interest in them without a liquor licence. Finally yielding to Demon Drink, WCIC lifted the prohibition on alcohol and the sale of both establishments proceeded. Archibald McLeish and Michael Gleaveon (Tooth's agent) became the first licensee of the Hydro Hotel and Mirrool House, respectively. Hurried construction of the Yenda Hotel began, with many willing hands available.

No sooner had the booze ‘dry’ ended than pioneer rice farmers began flooding paddy fields in spring 1924. The MIA was now ‘wet’ in both senses. The new ‘salvation’ crop was promising but the Area’s problems were far from over, the Great Depression again pushing it to the brink of disaster. The daughter of a pioneer remembers:

It was rather sad really, because it was the nicest people who left, school teachers, journalists, tailors, all manner of people in debt up to their ears. And when the Depression came it broke their hearts. They couldn't see any hope and they just walked out leaving their furniture, everything.

Those too proud to go into debt lost everything but their pride. A child of those days recalls the heartbreaking:

My father started with £7,000. The WCIC paid [him] £300 when he walked off ... He was very quiet about it, but very sad. I took him morning tea ... and he talked to me about it; how he'd done his best [but] hadn't made a success out of it.

Shack communities like 'Dole Hill', 'Struggle Hill' and 'Langville' were flung and patched together. Settlers approached WCIC offering to do unpaid work in lieu of rates. Alf Bowmaker, then a dairy farmer, did so, digging and land forming, carting and spreading to make ends meet. Charles Davidge took work with WCIC, buying horses for soldier settlers and providing agricultural advice at the Red Cross community at Beelbangera. Both turned to rice for their 'salvation' through this period, as did many other struggling settlers.

But not everything was grim struggle and disappointment in those early years. From the earliest days in Leeton people went roller-skating or attended lively concerts at Enterprise Hall. Members of the Leeton Musical and Dramatic Society, mostly WCIC officers, pranced through countless Gilbert and Sullivan shows. Fred J Pascoe led the Yanco Irrigation District Band in heart-banging parades and ceremonials. Dormitory Hall, a WCIC residence for itinerant co-operative cannery workers, witnessed many a boisterous evening and embarrassing dawn. Settlers danced cheek-to-cheek at the 'Glideway', an open-air dance floor, venue for countless RSL Hall fund-raising events.
were held. The walls of the 'Gaiety' Theatre reverberated to the sounds of 'Mammy' as Al Jonson flashed across the silver screen in the first 'talkie', The Jazz Singer. Nothing eclipsed a wondrous night in July 1933 when perched atop the 'palatial and up-to-date "Roxy" Cinema', a large red neon sign lit up and Hollywood galloped along Kurrajong Avenue using the very latest Western Electric sound and projection equipment — unless it was that October evening later in the year when the famous soprano, Gladys Moncrieff, 'Our Glad', raised golden notes for an ecstatic audience on the '... up to the minute' full-concert stage at the 'Roxy'.

With the worst of the Depression over, a drink to be had and the Areas stabilising, there is a sense in which that bold, red 'Roxy' sign signalled a break from the old, troubled past and the beginning of a modern, optimistic MIA in which the infant rice industry was to play a major role.

'What, and flood the land?'

But in May 1924, a mood of imminent disaster still hung over Leeton. When the Minister for Agriculture, WCIC Chairman F Chaffey and Commissioners H H Dare and George Evatt met the MIA Defence Committee, desperate, debt-ridden settlers demanded adjustment assistance, rationalisation of farm lots and better advice and management, including representation on decision-making bodies. Evatt suggested settlers might try growing rice: trials conducted by Austin Shepherd had been encouraging; markets looked firm; a burgeoning Californian rice industry had developed on soils similar to those of the MIA; and the commission would assist settlers converting to rice production.

'What, and flood the land!' one settler called out. The bureaucrats had got acreage sizes and soil-types so terribly wrong. Why should they be trusted with a risky matter like turning land into a swamp? It was like 'castrating' a farmer, someone said; rice was an 'Asian' crop; Europeans did not grow rice. They did in America, Evatt told them; Austin Shepherd had grown rice under their noses in Leeton, within sight of the Hydro Hotel.

Evatt invited applications for assistance in converting farms to rice production. So widespread was the cynicism, WCIC blundering on so many occasions, that only eight settlers applied (with two treated as one), most farmers content to 'wait and see'. But some, so desperately in arrears with payments to the commission were prepared to consider any idea possibly lifting them out of the mire. Moreover, Austin Shepherd, George Potts and others seemed to know what they were talking about and were available to meeting with interested settlers and lecture on the subject.

WCIC drew up an agreement to supply seed at four shillings a bushel, refundable if directions were followed and the crop failed. Some seed was available from the experimental plots and more was to be imported. Seed was to be sown no later than September (in fact sowing was delayed until 17 October). The commission undertook to purchase the crop at £10.10s.0d Free On Rail (FOR).

Commentators do not agree upon the identity of the MIA rice 'pioneers'. Austin Shepherd notes in his Experiment Book that the initial rice distribution went to:

- J S Whitfield (14 bags of 1924 seed and 4 bags of Number 1 Caloro); S Marchinton (794 pounds of Number 1 Caloro, 386 pounds of Number 2 (?), 420 pounds of Number 3 (?)); K Phelps (600 pounds of Number 1 Caloro, 600 pounds of Number 3); M Duffy (500 pounds of Number 1 Caloro); H (sic) Spicer (3437 pounds of Number 1, 503 pounds of Number 2 [1923 seed] and 1060 pounds of Number 3 [1923 seed]); and G Blencowe (2940 pounds of Number 1 Caloro, 750 pounds of Number 3, 1157 of Number 3 [marked with an 'x'] and 431 pounds of Number 2 [1923 seed, asterisked]).

Most, including John Kellock, A E Bowmaker, Sue Chessbrough and B M Kelly, however, believe that the pioneer ricegrowers were: George Blencowe of Gogeldrie who share-farmed Farm 777 with W W (Bill) Hoskings; RW A Spicer and Michael Duffy of Wamoon, both owner-growers who planted rice on Farm 1008 and 731 respectively; Lois and Margaret Grant of Farm 281, Leeton, whose crop was share-farmed; Sid Marchinton, a Yenda owner-grower of Farm 334 and K Phelps from Farm 390 Wamoon, whose crop failed. J J Whitfield of Farm 332, Mirrool, applied to grow rice but cancelled the order and sowed no seed. Austin Shepherd includes Farm 882 in
his field note-book for seed orders but the identity of the farmer and outcome are unknown. There is an unsubstantiated report that Marchinton share-farmed the Grant property. Some reports exclude Phelps and Spicer and include H Tooth and J Moller and it is almost certain that they were involved in the second (1925/26) season and not the 'pioneer' (1924/25) planting, although they were very interested in ricegrowing from the outset.4

Reports of the area actually planted also vary. The WCIC Annual Report of 1924/25, for example, says that 'several fields ranging in area from five acres to eighty acres were planted, ... the total area planted being 183 acres'. B M Kelly, however, records that:

- G Blencow and W Hoskings sowed 166 bushels 28lbs on seventy acres;
- M Duffy 11 bushels 38lbs on five acres;
- R Spicer 119 bushels 2lbs on fifty acres;
- K Phelps 28 bushels 24lbs on twelve acres;
- S Marchinton, 38 bushels, 4lbs on sixteen acres; and
- L and M Grant, 47 bushels 26lbs on twenty acres.

Kelly believes 173 acres were sown. As J L Green planted ten acres at the Coonamble Experiment Farm in 1924/25, this would square with the commission's estimate of 183 acres planted. The most frequent report, however, is 157 acres. Certainly Phelps' crop failed (twelve acres) and so presumably did sections of other crops. This would account for the smaller figure. There are discrepancies also in the figures for seed rice planted. Kelly believes Blencow and Hoskings planted approximately 166 bushels whereas Shepherd's figures suggest it was nearer 127 bushels (at 42lb to the bushel). If Kelly is right, where did the extra seed come from? The mystery is deepened by the recollection of George Blencowe's son, George, that his father planted rice on shares not only with Bill Hoskins, but George Miller and 'another man at Murrami'. Whatever the actual figure it was the largest planting of rice ever undertaken in New South Wales, possibly Australia, to that time.5

With planting completed in November 1924, WCIC called a meeting of settler ricegrowers to discuss marketing. The idea was that the commission would purchase all paddy grain at the agreed price for use as seed rice in the following season. Proposals to the Minister of Trade and Customs were also being drafted seeking tariff subsidisation and restriction of ricegrowing to the MIA while the industry established. Officials reckoned that yields of 1.5 tons per acre on about 17,000 acres would satisfy total Australian demand and produce a healthy carry-over for seed.

Austin Shepherd began the season supervising settler crops but, as noted earlier, resigned in January 1925, before the harvest, moved to a pastoral property in the Australian Capital Territory and was replaced as Agriculture Inspector by Roy 'Watto' Watkins, who supervised the harvest and developed valuable extension work.6

Lois Grant and Sid Marchinton

Two ricegrower pioneers provide us with valuable glimpses into the first commercial crop: Lois Grant and Sid Marchinton.

The Grant family property, Farm 281 on Toorak Road west of Leeton, was adjacent to the Hay Branch Canal. The house was set some distance to the west of 'Carter's Corner', on the road. The rice was grown to the south of the house and 'Carter's Corner' adjacent to the supply channel running off the Branch Canal to the west. The land, originally Gazetted on 28 May 1912, was taken up by Thomas McLean, Leeton's first post-master. The property consisted of seventy-one acres at the time and was put to stone fruit, sorghum, lucerne and hay, proving unsuccessful.

The Grant family took possession in April 1918. The house was unfurnished, fencing dilapidated and trees in poor condition. McLean stayed on until 1922. In the interim Lois' father, Donald Grant, a WCIC valuer, ran commission horses on the land. After the property was Gazetted to Lois, she ran '... a few head of cows and calves which we traded for a few pigs and fowls'. Observing the successful trials at Farm 106, Donald Grant advised Lois to look into rice as nothing else seemed viable on the site. Lois made inquiries '... fired with the desire to assist in pioneering an industry which
might not only solve our own problems but if successful would be in the interests of the MIA generally.'

Lois called on George St Clair Potts, who, it is reported, suggested she obtain seed rice from Jack Brady, who had some stored in the Leeton Cannery. Grant got seed and began work:

The thirty acres across the southern end of the farm where the first rice crop of sixteen acres [sic] were sown appeared to be a very tough uncompromising soil and when first prepared for rice turned up like the side of a house and took much working to break down into a reasonable condition for sowing.

The rice bays were prepared to commission specifications by contract. Grant recalls that:

… During the whole growing period this crop was cared for by my father while still conducting his valuation work each day. At seventy-eight years of age [and still with twenty-two years to live!] he carried out a daily routine of water adjustment and attention to banks beginning at five in the morning, while by nine ‘clock he would be in the office or away for a day’s inspection. Somewhere between five and seven p.m., the same routine was followed. It can be easily understood why we have always felt that the success of this first crop was entirely due not only to his long and successful experience in the practice of irrigation but to his complete devotion to the work of making this new venture an outstanding success.

While, Donald Grant had gained extensive irrigation experience at ‘Illillawa’ near Hay, Roy Watkins believes that ‘Mr Smyles’ grew the Grant crop, but this has not been corroborated. The harvest was conducted by Lois’ brother, D A Grant, using a borrowed reaper and binder. The crop was stooked, threshed, bagged and stacked on timber sticks in the field until sold. A favourable season permitted this procedure.

Lois Grant records that WCIC requisitioned three tons of the crop and sent it to Robert Harper and Company, the Melbourne millers, for testing. Harper offered to buy the paddy at £10.10s.0d (the original WCIC offer), but Lois and her sister Margaret took samples to the Sydney miller, Clifford Love and Company, who offered to pay £15.0s.0d for a trial ton and £14.0s.0d for the balance of thirty tons, saying it was ‘the finest sample of rice he had ever seen’. The entire Grant’s crop was sold, much to the chagrin of WCIC, enabling Lois to pay off £200 of debt and water fees to the commission.

When other growers heard of this they demanded WCIC pay them what Grant had received. The commission reluctantly agreed. In fact it had no choice since the canny Grant sisters and, apparently, other pioneers had mixed Caloro, Colusa and Wataribune grains, rendering paddy useless as seed rice. A terse letter from WCIC on 30 June 1925 reminded growers of their obligations.

Lois Grant, who kept impeccable records, estimated costs for that season, thus:  

<table>
<thead>
<tr>
<th>Item</th>
<th>£</th>
<th>s</th>
<th>d</th>
</tr>
</thead>
<tbody>
<tr>
<td>water</td>
<td>27</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>seed</td>
<td>9</td>
<td>10</td>
<td>6</td>
</tr>
<tr>
<td>contracts for ploughing, cultivating, sowing, ditching, checking, distribution, reaping, binding, threshing and fencing off the crop</td>
<td>114</td>
<td>4</td>
<td>9</td>
</tr>
<tr>
<td>wages</td>
<td>23</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>bags</td>
<td>45</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>hire of tarpaulins, tractors, horses, lorries, mowers, reapers, etc.</td>
<td>10</td>
<td>6</td>
<td>0</td>
</tr>
<tr>
<td>freight</td>
<td>8</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>fertiliser, fuel, cartage, insurance and compensation and extras such as a riddle for the thresher, sickles, scythes, sharpening stones, chaff, tents, spare parts, grain rakes, rubber hosing, chains and mechanical items (for the pioneer season only)</td>
<td>Nil</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

A myth has evolved around Lois Grant’s role in the first MIA settler crop. For example, ‘Beedee’ told readers of The Australian Woman’s Magazine in 1927 that ‘Our Pioneer Woman Ricegrower … despairing about what to do with the property her father had acquired for her,’ suggested that he experiment with rice. She had seen rice growing at Farm 106. About four or five men thought the same, wrote ‘Beedee’. Lois
sowed the seed herself and got the crop off with a reaper and binder and the journalist
reported Grant as saying:

It was nasty and sloppy work ... [but] my harvest was 137 bushels. It made
people sit up and rub their eyes. The other growers mostly had successful crops
but I attribute my biggest success to the fact that I never allowed the water on
the field to be less than six inches in depth. During that first year, with the help of
my father, I did everything myself. No, I didn't have to wade in the swamp. It is
possible to attend to the irrigation of rice from the check banks without getting
into a mess.

Lois Grant, on the other hand, stated clearly at the Jack Brady Testimonial in 1949
discussed earlier that 'My father, Donald, actually grew the crop'.

Sid Marchinton knew more about rice than anyone else on the Area. A dour, practical
North Country man, Marchinton was born in Sheffield, England, in 1897. In 1913 he
arrived in Australia. After spending two years on 'Eunaralla', near Gulgong, he went
to a wheat farm at Yurong (or Yerong) Creek in the Riverina. Later Sid got into blade
shearing and after that worked for a dairy farmer. In 1916, Marchinton enlisted in the
AIF and went to France. After the Armistice, he attended the AIF Agricultural
School at Sutton Veny in England and was one of a hundred AIF men selected to go to the
United States to study irrigation at Davis University, California. Marchinton spent one
year there and saw much irrigation, including rice fields. He told John Kellock that at
Davis he 'covered everything to do with irrigation, sheep, pigs, horses, cattle. But it
taught me enough to keep away from fruit'. In 1919, Marchinton returned to Australia
and took up a soldier settlement block at Yenda, first venturing into dairying, which
was unprofitable. When WCIC invited settlers to grow rice in 1924, therefore,
Marchinton was the first settler from the Mirrool Area to apply.

Marchinton records that the ground was dry when he began the harvest in 1925. He
used a wheel-driven harvester, not a header, pulled by six horses which he kept
moving briskly to maintain the drum speed. He had problems with the harvester
choking, but was able to 'get by' with conventional wheat equipment. His yield was
30 hundredweight to the acre. Marchinton sacked a ton and 'hawked [it] around
Sydney looking for a buyer'. Like Lois Grant, he appears to have ignored or not known
about the WCIC agreement to purchase all paddy produced for seed. Millers
Marchinton interviewed would not quote a price until the paddy was milled,
explaining that they had never handled 100 per cent paddy before as it was normal
practice to import '2 per cent paddy' (that is, milled rice mixed with a small amount of
paddy) because it came in duty free! Nevertheless, Marchinton appears to have
disposed of ten tons at a good price (established by Lois Grant). WCIC purchased the
balance of his crop for seed, noting that this was a 'classic example of a disorganised
market'. Millers noted this fact, too.

Two lads reminisce: Fred Robinson and George H Blencowe

Our knowledge of the 'pioneer' crop is further enriched by the recollections of two
youngsters involved in its cultivation it: Fred Robinson and George H Blencowe.

Fred, then about fifteen, worked as a bag sewer for Michael Duffy. No one taught him,
he just 'picked it up as he went along. He also worked at various times for George
Blencowe, Bill Hoskings and K Phelps, possibly in the 'pioneer' season, although he is
not certain about this. Fred remembers that an ordinary wheat header would not work
at Duffy's in 1925 because the land wheel could not get traction and they finished
using a 'narrow tail and binder', individually collecting sheaves. A 'man from Murrami'
bringt over a threshing machine, hauled in by horses, and they threshed the sheaves,
ending up 'with a great pile of straw'.

Young George Francis Blencowe, then about ten, helped his father George Herbert
Blencowe on his grandfather's (also George) farm, Farm 240, previously a dairy farm
on Stony Point Road. The Blencowes, from a farming background, had lost money in
marginal wheat country in South Australia. Grandfather Blencowe moved to Leeton
and George Herbert went to Sydney, becoming a tram driver. Tiring of that, he joined
his father in December 1921. George Francis remembers his father as:

... a pretty level headed sort of cove who used his brains fairly well. He was
always game to have a go. As a boy he won First Prize at the Adelaide Exhibition
with a working model of a winnower. He was an independent fellow and he heard the discussions about rice. So he spoke to the landowners and they agreed to allow him to put in rice on shares.

George Francis helped his father in the 1924/25 season. The boy’s job was to inspect the drainage channels after school, check the bays and make sure the water levels were right. If they were not, it was his job to contact the water bailiff before ‘doing my homework’.

**J L Green at Coonamble**

Meanwhile, Department of Agriculture Instructor J L Green had again achieved good results at Coonamble Experiment Farm using *Colusa, Caloro*, and *Wataribune* seed from the previous successful crop. He planted on ten acres of black soil and again employed bore water, which ‘had no ill effect as feared by many’. Each crop grew magnificently to between four feet and four feet nine inches high. He found that a small plot, which he had ‘ratooned’, was prone to weeds and advised against the practice. Green sold a parcel of ten tons to Clifford Love (some reports say Robert Harper) at £10.10s.0d per ton. Some claim this to be the first ‘commercial’ sale of rice in Australia, which is clearly incorrect given earlier sales by Jõ Takasuka. Moreover, there is no firm evidence proving that Green sold his paddy before either Grant or Marchinton sold theirs.¹¹

**A 'salvation' crop**

About 222 tons of paddy grain was produced in the 1924/25 ‘pioneer’ season. Finally, settlers had demonstrated that rice could be grown confidently under field conditions. The possibility of a dynamic new industry on the Areas captured the public imagination: farmers, bank managers and the curious came from all over New South Wales to inspect this extraordinary crop which thrived in flooded fields, tolerated high levels of salt, promised returns per acre better than any alternative and had potential to make many small farms viable. Perhaps the faltering MIA might be saved, after all.
Chapter 6
A 'Rice Romance':
An Industry is Born, 1925–1928

Enter the millers, 1925

A mere 222 tons of paddy were taken from MIA rice fields in the 1924/25 ‘pioneer' season. The Water Conservation and Irrigation Commission (WCIC) wanted all of it, and more, for the following season when it hoped more settlers would grow rice, more precisely, buy water. As noted earlier, some of the crop made its way to Sydney millers so that WCIC was obliged to pay settlers more than the agreed £10.10.0d. per ton and to buy back paddy for seed rice at inflated prices from millers who had done nothing to add value. It was all very well growing rice; this had been demonstrated; the question now was — how to grow an industry? A prerequisite was orderly marketing.

In 1925 Jack Brady was sent to Melbourne on Leeton Cannery business. Commissioner George Evatt, then resident in Sydney, suggested he talk to Robert Harper and Company while there. Harper was the major miller and distributor of grocery products in the eastern states with mills in Sydney, Melbourne and Brisbane. Harper’s Managing Director, A F Bell, met Brady asking him where he thought the industry would lead: would growers produce rice for a year or two and then drop it, leaving millers in the lurch? Brady replied, ‘We will grow all the rice required for Australia’.

'I like men of big ideas,' Bell responded. ‘You are a super-optimist. So you realise what you are saying?’

'I am certain of it,' said Brady.

It was the beginning of a long and complex relationship between ricegrowers and proprietary millers and not until a quarter of a century later would Jack Brady be in a position to ensure that the interests of growers prevailed.

Brady invited Bell or his representative to Leeton to meet with growers. WCIC undertook to supply Robert Harper and Company with a truck load of rice from the ‘pioneer' crop for inspection and a trial milling. Bell wasted no time, contacting other millers; Parsons Brothers and Company (Melbourne and Sydney) and C E Waters and Company (Sydney); inviting them to join with Harper in developing a 'new Australian rice industry'. From this dialogue was formed the ‘Australian Rice Millers' Association' (sometimes 'Associated Millers').

On 14 July 1925, Chief Executive Officer of the MIA and Yanco Area F H Brewster addressed about sixty MIA settlers, WCIC and Department of Agriculture personnel squeezed into the commission’s Leeton offices to discuss the growing and marketing of rice. George Evatt, A F Bell and Jack Brady were running late. Brewster told them that Commissioner Evatt would introduce a representative from Robert Harper and Company who had accepted Jack Brady’s invitation to meet growers and discuss a marketing plan. Brewster assured the assembly that Bell was coming at his own suggestion and not in response to a commission request, adding that WCIC would make seed rice available from the previous season’s crop, on suitable terms, and help with the survey and lay-out of land at no cost. More seed rice was to be imported. Every care would be taken to ensure an adequate water supply at reduced rates per acre foot. Growers would have to make their own arrangements, however, for marketing and milling. This time the commission would not purchase seed from the crop and growers would have to make their own arrangements for seed rice in subsequent seasons. Markets were good, Brewster said. About 20,000 tons of rice were imported into Australia annually, valued at £250,000. About 20,000 acres of MIA rice production could completely replace that. Even if human markets did not exist, rice could be used as pig feed.

Pioneer growers present then spoke of their experience, discussing water application, ducks and weeds. R W A Spicer had had trouble with water fowl. Michael Duffy said he had covered the fields quickly to keep the ducks away. Sid Marchinton was worried by Barnyard Grass. There were questions about ratooning. All pioneer growers favoured rotation. It was agreed that tight soils were most suitable for rice —
the stiffer and harder the better. Rice on light soil could cause damage to the soil and 'take a tremendous quantity of water to keep up the supply'. Brewster also believed that seepage could damage orchards. 'I think we shall not expect to grow rice on the light, sandy deep soils', he said, adding that the commission would certainly not give concessional rates to excessive water users. George Blencowe believed a grower could work 150 acres of rice without labour, until harvest time. Spicer agreed, saying he planned 200 acres of rice in the coming season. Marchinton said that if he had weed problems again he would go 'crazy' on 150 acres. Discussion moved to Austin Shepherd's useful work on fertilisers. Production costs were examined. George Potts estimated rice production costs at about £5 per acre, possibly up to £8.11s.6d, allowing for seed, rent, water, cutting, stooking, carting, threshing and bags. There was debate on the possible use of rice straw in envelope manufacture and answers to questions about machinery, saying '... if we can get a header power-driven with three horses to pull it we can harvest our rice perfectly'. Potts was already preparing for trials with an auxiliary motor-driven header on his father's farm.

At this point, Evatt, Bell and Brady arrived, Evatt very enthusiastic about rice and praising the pioneer growers along with Austin Shepherd, Jack Brady and Jimmy Youll. Anticipating a prosperous new industry on the MIA he introduced the miller, Bell, who made it clear he was not only talking for Harper and Company, but Parsons Brothers and Company and C E Waters and Company. (Some reports include McKenzie and Company.) Millers were organised, the dynamic little manager told them, but what about growers? If growers could organise, Bell continued, they could develop a significant new industry with millers and without government interference. Currently, millers were importing rice from Burma and India, he said. Previously it had been Japan and Java. The Millers' Association wanted to support local industry 'instead of importing'. There were sideways glances when Bell said he would be looking eventually for 15,000 to 17,000 tons! MIA ricegrowers should join with millers to achieve this goal without tariff protection or government intervention:

When you start an industry in Australia it seems to me that you start with the idea of what can the government do for you in one way or another. I think sometimes that if we can make an industry standing on its own footing, irrespective of government assistance, we are doing something somewhat rare.

I stress the point that in the early stages, whatever the industry may come to in the future, do not let us start off with a wild whoop of how much we can make out of rice and how much Leeton is going to be put on the map, because if you do, then you have the immediate result of over-production. Those of us who have to do with the commercial end of the stick in getting rid of the surplus production know what that means.

I would caution you against what I might call undue optimism or undue publicity. So many of our primary industries have suffered from undue newspaper talk; hopes are sometimes built up and sometimes falsified. I know what happens from over-production and building up hopes and when men are disappointed they turn around and say, 'We were encouraged to go into this and when we went into it we were not given a fair deal'. It is far better that I should encourage you to go into this industry along lines which can reasonably be maintained. Bear in mind that if this industry went ahead and we produced all the rice we want in Australia there is only one course open and that is to export, and you know what it is to export when you are up against the products of other parts of the world.

Bell reminded them that the MIA was not the only place in Australia where rice could be grown. Elwood Mead, for example, had spoken of the Goulburn Valley in Victoria as suitable for rice. Rice had been successfully grown at Coonamble. If the industry succeeded it would not be confined to the Leeton area. 'Other people will see your success and they will try it'. But he promised a 'fair deal' for growers, offering a regular price of £10.10s.0d a ton (Leeton).

The meeting then opened for discussion. Mr Jones said that if production costs were in fact more than £8 as believed, 'We can hardly see any profit in it'. Bell countered that the price quoted was based on 'comparison' with alternative rice which could be landed in Australia. Peter Moller said that without a tariff the price suggested was 'not altogether a big paying proposition'. Moller wanted a six shilling tariff per Central
(Burma) for 1926/27 to help get a 'pioneering' industry on its feet. Bell was opposed, whereupon George Blencowe reminded him that 'another firm in Sydney' (probably Clifford Love) was prepared to pay more, up to £13.8s.3d! Evatt butted in to say that this was not the 'true market price' and had been offered 'just to help the industry'. Bell suggested that WCIC 'make arrangements for settlers to grow 'so much' and then the commission will have an assurance from us, an assurance of what is going to be done with the produce'. Bell wanted the commission to fix acreages for rice production and, 'It would be preferable to make the commission the vendors of the parcel. It would be more convenient for us and it would centralise the dispatch'. Bell wanted paddy from 2,000 acres for the coming season, at £10.10s.0d per ton. The 'pioneer' crop was 222 tons but the Millers' Association wanted almost ten times that much! No-one wanted to argue with that, many on the MIA still financially on their knees. The millers were 'in'. The business was 'up'.

Fifty-five growers applied to WCIC for paddy seed on 31 July 1925, sufficient to grow 2,600 acres. Calculated at approximately 1.5 tons to the acre, this promised to yield about 3,900 tons of paddy grain. Contracts for only 2,000 tons existed. However, WCIC believed the surplus could be sold profitably for seed. Indeed, the commission already lacked seed rice to meet existing demand. About six tons of paddy grain supplied by J L Green to Harper and Company was retrieved and a further forty-five tons of Charge was ordered from California (at £25.0.0d. per ton). The American order, however, was delayed by interruptions to shipping, twenty tons not leaving for Sydney on board the Sonama until 12 August 1925.

Meanwhile, the Millers' Association proceeded as usual with overseas orders. Within months of the Leeton agreement, 8,000 tons of '2 per cent paddy' (impure) was embarked from Bombay to Australia, duty free. So long as this laisser-faire situation existed the chances of a stable rice industry developing free of manipulation by 'middle men' were slim. Pressure for tariff reform mounted within ricegrower ranks.

New fields for new skills

There was so much to learn. The new rice farmer needed to know how to: plough land deep enough to uproot dormant cumbungi roots (bulrushes) which would grow in profusion immediately water was applied and choke the rice out; harrow or disc cultivate the soil as necessary, bringing it to a fine tilth for a good seed bed; level the earth with scrapers so that the correct water depth could be retained over a large area; and construct secure check banks for rice bays. Initially bays were geometric in shape and of uniform size, but as land design skills improved they were designed according to the fall of the land so that each could retain an independent water level as required. This involved considerable skill and patience. A heavy single furrow plough and delver were worked with precision to form bays, the plough rooting up soil which, when shoved into position by the delver, would make a continuous bank or retaining wall. An earth scoop was then used to complete the junction of the banks where the delver could not reach. Later, a WCIC officer would come along and inspect the work. If it did not match specifications, which changed from time to time (in the early days it was nine feet wide at the base, eighteen inches high, and eighteen inches across the top), water supply might be refused. A farmer could miss an entire season!

Then the seed drill would need to be prepared and adjusted fine to sow evenly. Rice was different to wheat and the sowing demanded new skills. After drilling, a harrow would cover the seed and compact the soil to induce good germination. Great care was necessary; timing was crucial; rice was a tough plant but fickle at critical moments.

Now came the precise moment for introducing water. It gurgled in, measured by a gauge on a Detheridge Wheel, through a cut in the highest bay which had been reinforced with sand bags to prevent a wash away. When soil and seed were married for germination, the check bank on an adjoining bay would be cut and 'used' water would drain consecutively into each lower bay until all bays were irrigated. A rice farmer had to be able to 'read' the soil to know when it was 'warm enough' to induce the seed to shoot and this knowledge took several seasons to acquire with confidence. Sometimes a second watering might be necessary. You had to know what you were doing or you could 'shock' plants with insensitive water application and that could be costly.
Then the weeds came. If a satisfactory strike of rice was showing, water would be run into each bay until the rice was covered with three to five inches of water. The robust, semi-aquatic rice plant would grow vigorously while weeds choked in the slime. The most persistent weed was Barnyard Grass, its filigree roots going six to eight feet down into the soil, and if a farmer did not remove them entirely, the weed would simply reappear with renewed vigour.

If a new ricegrower got to a stage where plants were growing strongly, check banks would require constant management. They could become choked with weeds and disperse seed throughout the land, threatening other crops. When repairing the myriad excavations made by freshwater crayfish, a grower had to be alert for venomous snakes which loved the aquatic environment he had made. A farmer would have to patrol the banks at night to control flocks of wild ducks searching for water insects, uprooting rice plants and turning a bay into a mud puddle. Each day the water level on every bay would require checking as any sudden variation could paralyse growth and ruin a crop.

Nearer the harvest, a grower would need to know when the grain was at the correct 'dough' stage and ready for draining. When grain appeared to be fully formed but not yet hardened it was time to drain off the water gradually. Getting this wrong could force grain to ripen too quickly causing brittleness or 'suncracking'. While fields gradually dried out, machinery would need to be overhauled, sacks stretched and branded, and check banks levelled to enable harvesting machinery and carts to move easily between bays. Then it was necessary to cut around the edge of each bay with a sickle, carving a track five feet wide for the harvester's first run. You never wore shorts for this operation because the tough rice straw could rip your knees to pieces. Heads gathered would need to be stacked on banks waiting threshing. As the header came along, stacked heads would be picked up and thrown in. Then the main crop was ready for harvest — weather permitting!

A 'coffee pot' revolution

In the first few seasons, farmers adapted wheat headers for the rice harvest, not always successfully. Many growers in the wet 1925/26 season, for example, were forced to harvest entire crops by hand, cutting, stooking, threshing and winnowing. The pioneer grower George Blencowe believed it possible to augment headers with an independent internal combustion engine, providing extra strength to handle rice straw. He proposed trials. Donald Grant went to Melbourne on a number of occasions requesting the manufacturer, H V McKay, to develop a special rice header. Grant had made an earlier visit during the 'pioneer' season. This time McKay agreed to send a representative, Bill Bennett, up to Leeton. Bennett, impressed by the potential of the new industry, began work on converting a land-driven wheat header into an auxiliary power-driven header, installing an extra heavy pair of spirals, placing a baffle reel over the straw walkers to 'help straw along', adding an extra six inches to the sieve, extending the tail-board to stop straw going into 'seconds', increasing the speed of the elevator by 25 per cent, widening the span of the drive-wheel by fourteen inches and removing the grips. Then he placed a two-cylinder, seven-horsepower engine on the header frame over the front wheel for auxiliary power-drive and, for wet weather, placed a skid on the front wheel.

The machine was tested on George Blencowe's (senior) farm at Back Stony Point Road and was made ready for the 1926 harvest. With steam puffing from a small chimney above a cylindrical water tank and sloping roof, the contraption was nicknamed the 'Coffee Pot'.

By 1928, the 'Coffee Pot' header was becoming more common, drawn along by six horses, ten in wet conditions. Sid Marchinton told Sue Chessbrough, 'I shall never forget the sound of the old "Coffee Pot" cough, cough, coughing around the paddocks … When the engine missed a cough the header driver's heart missed a beat'.

The 'Coffee Pot' header was a major technical breakthrough for the infant rice industry, helping growers and prospective growers to feel more confident about that part of the growing cycle which had always worried them — the harvest. Later, Massey–Harris and Robinsons developed machines which could cut swathes eight feet wide through the paddy, thresh, winnow, clean the grain and deliver it into bags in one operation. 'Bitzers' of local ingenuity, most with horses or bullocks up front, were
also used to get the crop out. In dry seasons a platform would be added and bags filled on this while the combine moved around the field, saving time. Under wet conditions, however, a platform would become a mud catcher and the header would have to stop while bags were loaded onto a sledge for 'snigging' (hauling) out of the paddy field. 'Snigging' was a nightmare, horses, and even bullocks, used for this operation until well after World War II. Sometimes growers would mount skids under the wheels of the combine or completely cover wheels in metal sheeting to prevent them lifting and churning in the mud.

In the early days it would take up to six people, all in gum boots, to harvest a crop. Everyone needed to know their part. The track cutter would normally begin work about four or five days before the harvest. Bays were usually still wet and muddy at this point and the job might take up to ten days to complete. Workers would use a sickle or a scythe, stooping on their knees in the mud. It was back-breaking work, women and children frequently involved. Track cutters sometimes stayed around for bag-sewing duties. A rice header driver, generally speaking, required greater skill than his equivalent in the wheat industry because of paddy field conditions. Knowledge of horses, driving teams and threshing machinery was essential to ensure machinery did not damage grain. If machines were poorly adjusted, they could crack the paddy and spoil up to half the crop. A header driver also had to know about rice moisture levels, when to work or not work a paddy field and how to maintain the auxiliary 'Coffee Pot' engine.

The 'platform man' had responsibility for advising the header driver. The quality of grain coming through had to be checked continuously, adjustments made, advice given, variations in moisture content reported, bags filled quickly and placed conveniently for the bag sewer. It was demanding, exacting work with no room for error.

The bag sewer, normally a piece worker, had to know how to measure grain exactly into each bag; fifteen to sixteen bags to the ton was normal; and excessive ramming was not permitted. A bag sewer also needed strength for the dumping operation. Under normal conditions eighty acres would fill 2,200 bags. This would ordinarily take a bag sewer three weeks to complete a harvest at approximately 100 bags per day, a common quota. Fred Robinson, a lad of fifteen when he worked as a bag sewer for Michael Duffy, George Blencowe, Bill Hoskings and K Phelps, remembers:

Your fingers used to get all cut and blistered for the first few days because of the string. You would pick up the bag by the corners and give it a shake and jump it up and down. You always had a gallon billy-can with you and you dipped it in and filled rice up to a level. As long as you got about twelve to fourteen bags to the ton and put sixteen stitches across the top, you were right. If you did sixteen bags to the ton the lumpers would go crook because they reckoned it felt like "neck ties" that would sag on their shoulders when they picked it up. It had to be firm — always a bit loose because the bags would stretch. I could manage about 150 bags a day, a pretty good tally.

On a normal day you would start around nine o'clock. If you got a foggy morning you wouldn't start 'til ten or eleven o'clock. You'd knock off around dark. We'd have morning and afternoon lunch and an hour for dinner in a normal day. You'd take your own sandwiches, boil the billy. Sometimes we weren't very fussy about the water. As long as it was water we'd boil it and it was "right".

There wasn't much time for any fun. The header-driver was up the front and the bloke filling the bags was up the back, more-or-less, and you were both getting covered with dust and so forth. And you didn't feel like joking with anybody. Rice is very prickly stuff. You did your shirt up right to the neck. It used to play up with your eyes, but you got used to it.

Farm labourers attended to numerous tasks: breaking up the stiff bales of jute bags, dunking them in water, hanging bags out to allow expansion and flexibility, branding them and generally assisting with the dirty work of 'snigging'.

If a crop was brought successfully to harvest the grower had to bag and store grain properly for receival: correct weight, correct sewing, correct stacking, correct place, taking care against heating and inclement weather. Growers took great pride in their
stacks making a great effort to present them well as a practical symbol of thanksgiving and success.

Farmers helped each other, shared skills, exchanged gossip on the 'grapevine', attended Field Days and studied literature prepared by the Department of Agriculture and WCIC. There was so much to learn about this new 'miracle' grain promising to save the MIA. Above all, soil and water must be managed intelligently and sensitively if the industry was to have a sustainable future.

**Big hopes, big wet: The 1925/26 season**

There were great floods in 1925, the worst on record in some areas. At Burrinjuck:

... for twenty-nine hours the flood waters surged over the strengthened spillways at a height of three foot four inches about the parapet. ... Wally Marley, a resident of Bowning ... was instructed to open the sluice gates. Wally and his workmates ... were about half way over the main wall when there was a loud explosion above the roar of the flood waters. [A] steel pipeline rose in the air like a giant gun, snapped off and was swept downstream breaking up as it went. Parts of those crumbled, rusted pipes may still be seen today.

The wet winter delayed field preparation and seed did not go in until late October. Some reports say 2,011 acres were sown by sixty settlers in fields ranging in area from 5 to 130 acres. Other reports say that only 1,987 acres were planted to rice. We do know that a good growing summer followed the wet winter.

Lois Grant put in thirty-seven acres of rice at Farm 281. The land was again prepared by a contractor assisted by WCIC officers, who also helped other settlers in field design. Lois bought forty bags of seed from the commission at £1.0.0d. per bag. She increased the rate of sowing over the previous season in anticipation of heavier yields. H L Tooth, of Farm 1081, disc ploughed red loam virgin soil to a depth of three-and-a-half inches on 7 October and worked it with a spring-toothed cultivator before the harrows. He sowed Caloro seed two and a half inches deep at ninety pounds to the acre and applied the first watering on the same day, keeping the water levels at between six and eight inches. The crop grew three feet tall. George Blencowe and G Watson also planted Caloro on Farm 983. W Hunt worked heavy country previously used for barley cultivation undercutting this early in October and sowing at the end of the month, Colusa seed at 100 pounds to the acre, watered immediately. Hunt applied a second watering during the first week keeping plants submerged for a week to scald out weeds. When seedlings were sufficiently high he raised the water level from six inches to nine inches. George Blencowe and W Hill also tried Colusa. Blencowe’s son, George Francis Blencowe, thinks his father also grew two acres of Wataribune that season, on shares, possibly with George Miller and Bill Hoskings, harvesting sixty-four bags to the acre. Messrs Le Green and Darchy planted Wataribune, harvesting 120 bushels to the acre.

Department of Agriculture Instructor Roy 'Watto' Watkins continued Austin Shepherd’s exemplary work by conducting fertiliser experiments on the Duffy, Grant, Blencowe, Spicer and Wynn farms, using a variety of products including peanut meal, blood and bone, superphosphate and sulphate of ammonia. Watkins also organised extension work employing organic fertilisers, always emphasising quality in production and cultivation methods.

George Francis Blencowe thinks it was probably in the wet 1926 season that his father experimented with ‘shooting’ seed:

> That year we threw some bags of seed in the channel, left them there for twenty-four hours, got it out and stacked it up and left it for another twenty-four hours. When we went to sow it after two days you could see a little bit of a pimple on the grain where it was starting to shoot. And then we broadcasted it out of a dish on to the piece of ground and then put the water on it. It showed that soaking was possible.

Delayed by rain, the harvest was extremely difficult. Some grain ripened prematurely and knocked off easily. Machinery which had operated well the previous season could not get traction in the ooze or handle the weight of the heads. Many different
machines were tried unsuccessfully and horses and oxen were used extensively. George Francis Blencowe recalls:

So it finished up in that wet season that some people had a team of bullocks. Tom Day, I think, and his team of bullocks came along and hooked on and helped harvest some crops. And others, well they put their header on a sledge and slid it around the paddock. And it made a heck of a mess of the paddock because it was just one big conglomeration of deep furrows. And when it dried out, it was a devil of a job to get a tractor or anything else over it.

Mr A Williams supervised the Grant's fields that year, employing a team of labourers from Pasquale and Company: 'Italian Jim' Pasquale, Paolo, Dominic and Antonio, paying them fifteen shillings each a day to hand-cut with sickles and stack thirty-seven acres of paddy rice. They stacked the heads in two large heaps awaiting cartage to the railhead and it was back-breaking work. Rain swept in, dousing the stacks. When they were opened much of the grain had heated and spoiled. Lois Grant wrote: 'Most of us lost the great bulk of our second crop owing to the heavy rains — a most lamentable fact for my yield was 165 bushels to the acre, a phenomenal yield only exceeded by crops in Italy and Spain'. Half of the Grants' crop was sold for cattle-feed. Sid Marchinton also fed what was left of his harvest to the pigs.\textsuperscript{10}

The Grants continued to deal with Clifford Love and Company of Sydney, who remained independent of the Millers' Association. It appears that Love, who held mortgages on several rice farms, financed the Grant crop and was reimbursed from the proceeds.

Despite difficulties, Lois Grant won first prize for rice cultivation at the Yanco Show, possibly the first time in Australia such an award was made. The prize, presented by Roy Watkins, who organised this extension activity, consisted of a small cash gift and a large silver cup donated by the Millers' Association. H L Tooth came second, followed by George Blencowe, T C Brown (Farm 1019) and Michael Duffy. There was lively talk at the show about this new 'salvation' crop, the 1925/26 season removing all doubt about the suitability of MIA soils and conditions for \textit{Japonica} varieties. A whole new 'vocabulary' was in use: \textit{Colusa} matured a week to ten days earlier than \textit{Caloro} and two weeks earlier than the slow maturing \textit{Wataribune}, which tended to yield heavier; \textit{Colusa} did best on new land but was inclined to 'lodge' (fall over) in rich soil; \textit{Caloro} yielded well on old land, stooled best of all the varieties and ripened evenly; and \textit{Wataribune} liked old land, stooled superbly and milled well, but was probably too late in the heading stage for MIA conditions. Farmers generally agreed that even in atrocious conditions, rice produced higher margins than those available from alternatives and that the grain would probably save many small MIA farms with poor soils from ruin.

\textit{A billowing ocean of green}: The 1926/27 and 1927/28 harvests

Reporting the 1926/27 season, Lois Grant records that fallow requirements necessitated the leasing of fresh land; eighty-five acres on Evans' block near Egremont. This was prepared by contract and, according to Lois, very poorly. A man employed to water and watch the crop had very little experience. Few did, for ricegrowing employing inundation was a totally new form of agriculture in Australia. A contract header completed Grant's harvest, which was again sold to Clifford Love.\textsuperscript{11}

In splendid weather a ripple of excitement passed across the Areas as a big 1928 harvest began:

All the headers are now busily engaged taking the rice crop off and scenes of great activity may be seen at Whitton, Yenda, Murrami and Leeton Railway Stations where trucks are being loaded with bags of paddy rice. Since Saturday some thirty trucks have been despatched and it is expected a large quantity will be shifted by rail tomorrow. The excellent weather which has favoured the rice this year has resulted in an excellent example of grain and some big yields are expected.\textsuperscript{12}

The main problem that season was Barnyard Grass weed. Ducks also took a toll. A worrying development was 'red rice', an occasional mutant thrown by \textit{Colusa}. H L Tooth won the 'Millers' Cup' that year. Tooth also judged the A G Kubank Cup for ricegrowers in the Mirrool Area, won by Brian Farley of Farm 502, Yenda, growing
**Colusa.** Farley was commended for a crop free from weeds, of excellent condition, appearance and evenness, and fields of practical layout with good irrigation control and check bank systems producing a superb yield.13

A veritable explosion of rice was occurring in MIA paddy fields. Already production was running away with the industry, outstripping storage and marketing capabilities. In the 1926/27 season, sixty growers had sown 4,772 acres, yielding approximately 5,000 tons. By 1927/28, 12,080 acres were under rice involving more than 100 growers harvesting 16,483 tons of paddy grain. The infant industry was not geared for such phenomenal growth.

**A Place aux Dames**

By now the city press, accustomed to controversy and heartbreak on the MIA, had caught wind of the new rice industry and the journalistic imagination was stirred: rice in south-eastern Australia; paddy fields under the Australian sun! The imagery flowed like water in a channel:

> Not a poem nor a porcelain pagoda relieves the billowing ocean of dark green. The breezes sifting across this leafy sea drive before them waves of a lighter colour. A gum or a eucalyptus rises above the restless fields, like rugged islands or promontories of bronze green. A tranquil picture enough, but much more is going on there than you would suppose. To agriculturalists those acres of tumbling leafage around Leeton are a battle field. Silently, but inexorably, the fight ebbs and flows. Its outcome will determine whether rice can be grown in New South Wales with profit. That battle field is 5,110 acres in extent. In fields soaked by streams from the irrigation channels, settlers have planted rice and now the silent fight is on. There is little spectacular about it. Leeton's rice fields sweeping away on every side from the little iron-roofed homesteads are probably the most prosaic in the world. No lemon-coloured men in loin cloths ... no Indian maidens, no cheerful Negroes in gleaming wading boots chant spirituals or jazzy melodies out amongst the forests of green stalks [but] practical men, departmental officials point proudly to ... waving rice fields where pools glimmer through the stalk forests like Cyclopean eyes ... with a gleam of triumph. They turn to typewritten sheets that may or may not prove to be the foreword to the history of an important new branch of primary produce in Australia.14

Lois Grant was eagerly sought for interviews, journalists fascinated by her role in developing the industry. Mary Jay wrote in *United Empire*, a London journal, about 'The Romance of Rice Growing in Australia, ... [which] is a case of *place aux dames* in every way. ... The lady has been the most successful, as statistics could show, so that she has pride of place'. Grant's success, Jay claimed, had made others 'furiously to think', prompting the industry’s inception. Her yields of 'Austral' brand rice were 'phenomenal'. The *Sydney Morning Herald* reported Grant's views on rice in detail: it was important to introduce water gradually; necessary to fallow and rotate; grub out all trees because rice did not grow in the shade; constant temperature was essential; it was a myth that ricegrowers were 'budding millionaires'; and Lois herself enthused:

> Rice is the most graceful elegant thing, looking somewhat like a cross between wheat and oats. Viewed at a little distance from a slight elevation, its green is an inspiration and when it ripens the heads turn over quite corn colour and then the fields make a picture, especially in a sunshiny breeze, thrilling enough to rhapsodise over.15

All the gushing 'romance' was too much for one grazier, F B Falkiner, who shot off a missive to *United Empire* describing the rice industry as a 'shocking tragedy to the tax-payer and a travesty on expert advice on land selection'. Costs associated with the construction of Burrinjuck Dam and the MIA had been astronomical, he said. The original purpose of the MIA, Falkiner maintained, was to grow fodder, making that part of the state drought-proof. Instead, fruit and dairying had been indulged in for no result, while graziers with thirsty stock watched water licking unused acres. 'Produce lucerne', Falkiner demanded; store it and make the Area drought-proof as originally intended; forget this 'rice romance' nonsense.16

Lois Grant’s pen fell upon him like a Highland caber:
Through soil ignorance the land was classified for Utopian results in production and sub-divided into farms of utterly inadequate living areas. Under glowing propaganda, settlement became general before conditions were realised. Then came doubt and discontent, complaints and appeals, Royal Commissions, most royally superficial and barren of results: a period of a kind of stupor. Farms abandoned, settlers vanishing, debts accumulating while a stubborn adherence by the authorities to initial plans and policies became the despair of the settler and the scorn of the economist, all admittedly disturbing to the tax-payer. But to stem the further downward drift a remedy was at hand. It became mooted that the commission had struggled through with an experiment with rice and, on the almost whispered suggestion of a respected official, the writer made her first attempt to become a ricegrower by committing seed to sixteen acres of an abandoned farm, hitherto proving resistant to any kind of production but light grazing ... About five male occupants caught the same suggestion. We read up on rice, watered and tended it [and] sent a message to the McKay Harvesting Company warning them that Australia was going to produce its own rice and challenging them to evolve a suitable harvester. I realised £240 from the first crop. It would have been £12 from sheep! There was a rush of applications for abandoned clay farms as if they were gold leases. [Now] it is estimated that the new industry returned to the languishing settlement something like an amount of £70,000 and, for the present year ... the sum of £160,000. All from farms either abandoned or otherwise unprofitable. If this result is not romantic ... it is at least encouraging to the overburdened tax-payer and suggestive of a not far distant salvation of the Areas' embarrassing financial problems.17

Essentially, Grant was correct: rice did have potential to heave the MIA out of the doldrums. But much groundwork was yet to be done on both production and marketing sides. Moreover, ominously, a struggle was looming between ricegrowers and the Millers' Association on the matter of how the industry should be structured.
Chapter 7
The Murrumbidgee Irrigation Area
Ricegrowers' Co-operative, 1925–1926

Introduction

Optimism swept through the fledgling Riverina rice industry in 1925 and 1926 notwithstanding concerns about production costs, wet harvests, financing, milling, tariff protection and storage. A few worrying reports from the United States were also circulating about the difficulty of growing other crops on land used for rice cultivation for a number of years, claiming that constant inundation 'leached out' the soil rendering it useless for anything else. Rotation was essential. Already, a few MIA horticulturalists were seeking compensation from WCIC for waterlogging. Would they start blaming ricegrowers? Ricegrowers also understood that ducks could reduce a bay to a quagmire overnight. Late in 1925, however, with an estimated 3,000 tons of paddy rice in the fields awaiting harvest, receival, storage and dispatch to millers, such questions were put to one side but there was talk of a co-operative for ricegrowers.1

The co-operative background

New South Wales governments were vigorously promoting co-operatives in the early 1920s. The Co-operation, Community Settlement and Rural Credit Act (The Co-operation Act) in 1923, for example, described eight forms of co-operative societies:

• rural societies;
• trading societies;
• urban credit societies;
• rural credit societies;
• building societies;
• investment societies;
• community advancement societies; and
• community settlement societies.

A Co-operative Advisory Council was created and provision made for associations of co-operative societies and unions of co-operative associations. The dairy industry was already almost wholly co-operatively organised. By 1925, two of the ten wool brokers operating in the state were co-operatives, handling 22 per cent of Sydney sales. A voluntary wheat pool handled half of all wheat sales in Sydney markets. The fruit industry was rapidly converting to co-operatives modelled on the California Fruitgrowers' Exchange. More than 133 rural societies were functioning under The Co-operation Act. Dairy, fruit and wheat co-operatives from all states had formed the Australian Producers Wholesale Co-operative Federation (APWCF) trading into huge British and European markets through Overseas Farmers, a federation of British Empire co-operatives.2

No region was more co-operative-minded than the MIA. Friendly Societies and Lodges began developing immediately after settlement and continued to form as different religious, ethnic and interest groups arrived and consolidated. In April 1913, the MIA Settlers' Co-operative Society was formed in Leeton, but failed, its membership depleted by service in the Great War. The big dairy co-operative, Coastal Farmers Co-operative Society (later, Producers' Distributive Co-operative Society [PDS]), began work in September 1914 on the most substantial building then in Leeton, retailing hardware and farm requisites and handling and distributing produce. In 1915, 'Bag Town' settlers at Hanwood created the Mirrool Settlers' Cash Club (later, the Griffith Settlers' Co-operative Society) which forwarded orders to the big Sydney-based wholesaler, Moran and Cato, and delivered consignments to members from Willbriggie Station. The co-operative expanded into Griffith in 1916 and opened a Yenda branch. By 1921, a producers' co-operative had hived off from the original retailing operation; the Griffith Producers' Co-operative; running a 7,000 acre agistment paddock for members' cattle, employing a caretaker and managing stock on members' behalf. It also developed a co-operative butcher shop adjacent to the main store in Banna Avenue. In 1920, the MIA Co-operative Company formed in Leeton, possibly an attempt to revive the moribund 'MIA Settlers' Co-operative Society,
trading in groceries, hardware and farm supplies and running a service department handling the drying and marketing of fruit. Damaged by storms and stock losses, the co-operative was wound up in 1925. The Murrumbidgee Irrigation Dairy Farmers' Association formed in 1914 and the Leeton Fruitgrowers' Association in 1918. In 1921, the Murrumbidgee Irrigation Dairy Farmers' Co-operative Society Limited (later, MID Co-operative Society Limited) was formed to acquire butter and bacon factories and abattoirs previously operated by WCIC. The MID Co-operative, which included Mirrool Directors, added a butchery service to its operations.4

In 1929, WCIC tried to pass the state cannery, which was still losing money, over to producers, 'inviting' them to form a co-operative. There was little interest, but Councillor A G Enticknap, a horticulturalist and keen co-operator, persisted, and by 1932, the Leeton Fruitgrowers' Association had launched the Leeton Producers' Rural Co-operative Society (later, the Leeton Fruitgrowers' Co-operative Society). Originally a marketing agency and packing house, the Leeton Fruitgrowers' Co-operative Society organised a co-operative company in 1935 to acquire the Leeton Cannery from the government, including directors from Leeton, Yenda and Griffith.

A co-operative for ricegrowers

An urgent need existed in 1925 for ricegrowers to organise the handling, storage and sale of paddy. On 28 November the provisional directors of the 'Murrumbidgee Irrigation Ricegrowers' Co-operative Society' (hereafter, MIR Co-operative Society) met in solicitor Viv Ryall's house to consider the objectives of a co-operative. They elected to form a rural society under The Co-operation Act to 'handle on a co-operative pool basis the sale of paddy rice ex-field and arrange for storage in the district or elsewhere of the remaining crop awaiting sale'. Consideration was also given to the idea of another co-operative society specifically for raising finance and making advances to growers, pending receipt of income from sales. This was the germ of the statutory marketing authority, which growers voted to form a few years later.5

Seeking to attract grower support, MIR provisional directors identified a common grievance — ducks! So it was that the very first motion of the MIR Co-operative was to authorize the shooting of ducks by licensed ricegrowers outside the official duck season. Following an inaugural General Meeting on 19 December, the MIR Co-operative's first board of directors was formally elected: A (Arthur) Marston (president); P W (Peter) Moller (vice president), Lois Grant, G H (George) Blencowe, Charles Wynn; Michael Duffy and H L (Harold) Tooth. E C (Ted) Tweedie was confirmed as secretary.4

The MIR Co-operative set to work preparing for the 1926 harvest. Lois Grant approached the independent miller, Clifford Love seeking his support. Directors also invited A F (Alex) Bell of Harper and Company and the Millers' Association to visit Leeton again and 'make himself more conversant with local conditions'; that is, accept the fact that the co-operative existed; canvassed 'selected' Griffith growers to join, called Vancouver looking for markets and corresponded, seeing markets in China, Japan and New Zealand.5 A submission to the Commonwealth Tariff Board was prepared requesting protection, arguing that production costs amounted to £11.3s.6d. per ton of paddy on the basis of a sixty bushel crop per acre, calculated thus:

| Description                        | Cost  
<table>
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<tr>
<td>ploughing (per acre)</td>
<td>15s 0d</td>
</tr>
<tr>
<td>cultivating, seeding</td>
<td>10s 0d</td>
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<tr>
<td>checks and ditches</td>
<td>10s 0d</td>
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<td>cultivating</td>
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<td>stooking</td>
<td>4s 0d</td>
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<tr>
<td>carting and stacking</td>
<td>£1 0s 0d</td>
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<td>threshing</td>
<td>£110s 0d</td>
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<td>extra man on thresher</td>
<td>7s 0d</td>
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<tr>
<td>carting out of paddock</td>
<td>2s 6d</td>
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<tr>
<td>carting to railway</td>
<td>12s 0d</td>
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<tr>
<td>bags</td>
<td>15s 0d</td>
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<tr>
<td>twine</td>
<td>3s 0d</td>
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<tr>
<td>freight (at 19s.0d per ton to Sydney)</td>
<td>£1 2s 6d</td>
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<tr>
<td>watering (one man to 100 acres)</td>
<td>£1 0s 0d</td>
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<td>rent (per acre)</td>
<td>7s 6d</td>
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<tr>
<td>water (per acre)</td>
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At an MIR Co-operative Society General Meeting in February 'the ubiquitous duck' again came under fire. Rice farmers and ducks were natural adversaries. Department of Agriculture Instructor Roy Watkins, told them, but they would have to learn to live with each other. Watkins discussed methods of prevention used in the United States and spoke about improved cultivation techniques. A committee was formed to organise the co-operative purchase of bags. A delegation was appointed to meet federal officials and urge a tariff of £4.10.0d. per ton on paddy and an invitation was sent to Alex Bell seeking the the Millers' Association support in this regard.

In March, MIR Co-operative directors reported a successful renegotiation of the price for paddy with Harper and Company. The miller was now prepared to pay 'Free on Rail' (FOR), Leeton, not Sydney, reducing the co-operative's rail freight bill and improving returns to growers.

Clearly, the co-operative was making progress but grower support was still weak and the society financially strapped. In a membership drive, the co-operative extended services to non-members. Some complained that this rendered membership meaningless, others thought it a good idea, 'extending' the idea of co-operation. Legal minds pointed out that a co-operative doing more than 10 per cent of business with non-members was not a co-operative at all under The Co-operation Act and carried serious taxation implications. Some wanted the co-operative to extend credit in the same way as private shopkeepers, believing this would attract members but those familiar with Rochdale co-operative principles countered that co-operatives traded strictly for cash and not to do so would cripple a voluntary organisation. This was precisely why a separate organisation financing the co-operative's services was necessary. Finally it was agreed that the co-operative would extend neither credit to members nor services to non-members.

In April 1926 Alex Bell of Harper and Company attended an Extraordinary General Meeting of the MIR Co-operative, noting disagreement among members and a degree of resentment towards his Association. An outspoken W Jacka told the assembly that he thought the Tariff Board was under the spell of the Millers' Association. World parity price for paddy was £16.0.0d per ton, Jacka said, but Australian millers paid only £14.0.0d a ton. MIR Co-operative directors had 'betrayed their trust' by selling paddy to Harper at £10.10.0d, who re-sold it as 'seed' at premium prices without adding any value whatsoever. Arguments began when some growers announced their intention to do 'spot deals' with buyers, splitting consignments between the co-operative and the Millers' Association. J E Brown asserted that it was 'his paddy' and he would do what he liked with it. Some, wishing to support the co-operative, complained that they could get better prices elsewhere: why should they be penalised for their support? Someone said that the only way to stop the Millers' Association from playing 'divide and rule' was to build a co-operative mill. MIR Co-operatives traded more than 10 per cent of business with non-members. Some complained that this rendered membership meaningless, others thought it a good idea, 'extending' the idea of co-operation. Legal minds pointed out that a co-operative doing more than 10 per cent of business with non-members was not a co-operative at all under The Co-operation Act and carried serious taxation implications. Some wanted the co-operative to extend credit in the same way as private shopkeepers, believing this would attract members but those familiar with Rochdale co-operative principles countered that co-operatives traded strictly for cash and not to do so would cripple a voluntary organisation. This was precisely why a separate organisation financing the co-operative's services was necessary. Finally it was agreed that the co-operative would extend neither credit to members nor services to non-members.

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Bell observed the proceedings knowing full well that in some primary industries farmers were already co-operating to eliminate 'middle men' altogether. He told the
MIR Co-operative that the only way to achieve 'order' in the industry was to have Clifford Love join the Millers' Association. That is, get all millers co-operating in the purchase of MIA paddy and 'managing' prices in the interests of all industry players. Until this happened the Millers' Association could do nothing — would not do anything — to assist with the financing, storing and marketing of paddy rice. In other words, growers should give their blessing to and co-operate with a millers' cartel.

The ultimatum worried growers, understanding that, disorganised, they presented an ideal buyers' market. But unable, or unwilling, to finance the crop and store and market paddy, what choice did they have? WCIC had agreed to assist only as an interim measure and the Millers' Association would do nothing to help until supply was 'sewn up'. An organisational vacuum loomed, favouring millers. Perhaps the solution might be a statutory marketing authority negotiating 'deals' with millers on behalf of growers. No such creature existed in New South Wales (and would not until 1928). In the meantime, the MIR Co-operative would have to grapple with the problem of financing, storing and marketing paddy rice as best it could.⁹
Chapter 8

A Rice Marketing Board
for the State of New South Wales, 1928

The Marketing of Primary Products Act, 1927

The problem of growing rice commercially in south-eastern Australia had been solved. By 1927 around 4,000 tons of paddy was coming from previously unprofitable and, in many cases, ill-conceived properties. The question now was one of getting this 'billowing ocean of green' reliably to markets. The MIR Co-operative believed it had the answer: manage the industry democratically, regulated by growers themselves and organised in their interests. But who would finance this splendid vision? Growers could not agree. Moreover, the Millers' Association had other ideas.

A debate was raging in the mid-1920s about the relative merits of voluntary co-operation and regulatory control, given eloquent expression at a Producers' and Consumers' Conference in September 1926. This landmark conference, convened in Bathurst by Labor Minister of Lands P F Loughlin and organised by Director of Soldier Settlers A A Watson, brought together 219 delegates from 139 producer co-operatives and sixty-one consumer groups, including co-operatives, trades unions, friendly societies, the Workers' Educational Association, the Housewives' Association and more than nineteen representatives from local and state government. G J Evatt represented the Water Conservation and Irrigation Commission (WCIC) and A G Enticknap, W McNulty and V C Williams represented MIA settlers. The purpose was to consider 'streamlining' the marketing, transport and disposal of primary produce and improve relations between producers and consumers.

A A Watson described the Queensland system of 'compulsory co-operation' in primary industry. In Queensland, if 66 per cent of producers in a particular industry elected by ballot to pool a commodity, such produce would be disposed of through a statutory body to which growers were compulsorily bound. Most sections of New South Wales primary industry found the compulsoriness of this scheme repugnant, but there was no doubting the boost it had given Queensland primary industry and support for a similar system was building in southern states.

Minister Loughlin foreshadowed legislation providing for state-controlled commodity boards instigated at the request of producers, reviewed by them periodically and including consumer representatives. A poll would be conducted if 100 or more (or half the producers of any small industry) requested it. Voting was to be compulsory. A two-third affirmative majority of two-thirds of producers enrolled was necessary to create a marketing board. A board could be discontinued if a two-thirds majority of enrolled growers so voted (this was reduced to 50 per cent in 1934). Such a board would have powers to acquire and sell the products of the industry and raise money against an industry's assets. Boards would have a three-year life and consist of three, five or seven members, depending upon the industry and the industry's needs. Only British subjects were eligible to vote. A director of marketing was to be appointed within the Department of Agriculture and a state marketing bureau would be formed.

The conference approved the proposal. A A Watson was directed to begin work on drafting legislation and was appointed Director of Marketing in a new Division of Marketing.

In the winter of 1927, The Marketing of Primary Products Act was enacted 'to promote production by the formation of marketing boards representing producers and consumers'. The act was not to become effective for twelve months during which time polls would be taken in industries seeking application of its provisions.

Most sections of rural industry, however, remained suspicious of this Labor initiative, especially provisions for consumers. Wheat, butter, millet and fresh fruit producers, for example, all rejected proposals for the act's implementation in the first year. When in October 1927 Labor lost office, however, the incoming Bavin Coalition Government (H V C Thorby Minister for Agriculture) promptly abolished the consumer provisions but, significantly, did not repeal the act outright. In this form, more palatable to producers, The Marketing of Primary Products Act was promulgated, heralding a new
era in commodity marketing in New South Wales. Within months, MIR Co-operative was seeking application of its provisions to the rice industry.¹

**Tariff support**

As *The Marketing of Primary Products Act* proceeded through parliament, the MIR Co-operative continued to seek grower support, meeting with only moderate success. Nevertheless, the co-operative functioned as a valuable forum, regularly bringing growers and interested parties together. At the co-operative's first Annual Meeting in the Leeton School of Arts in January 1927, Jack Brady, recently back from another trip to the United States, spoke of his inquiries about rice cultivation, milling, marketing and technological developments. There was great interest in his report. Tariff protection and a pure seed scheme were discussed at length. The meeting decided to seek the support of the Farmers' and Settlers' Association (FSA) in investigating the feasibility of establishing a growers' mill and in mounting political pressure to secure a tariff. A motion was also passed, energetically supported by Lois Grant, requesting WCIC to devote 200 acres to experimental rice-breeding programs and to appoint a full-time rice advisory officer. Ironically, Lois Grant was voted off the board at this meeting, possibly because of private 'deals' with Clifford Love.²

On 24 March news arrived that the federal government had responded favourably to MIR Co-operative's calls for tariff support, accepting the case that it was impossible for Australian rice farmers to compete with lower wages and prices paid to Burmese producers in world markets where rice prices were declining. A duty of £3.15s.0d Central (Burma) per ton on paddy rice and £6.0.0d per ton on clean rice was imposed, designed to help stabilise rice prices and worth between £20,000 and £30,000 to the industry. In addition, because the government believed that the rice industry would become a 'vast national asset', a 'gentlemen's agreement' had been struck at federal level confining rice production to New South Wales and the MIA, 'so long as available markets can be supplied by the industry on its present scale'.³

**MIR Co-operative draws the millers' ire, 1927**

News of the tariff and the 'gentlemen's agreement' encouraged scores of farmers to convert to rice production, locating finance wherever it could be found. A stable price for paddy of about £11.0.0d per ton was anticipated, allowing reasonable returns. The Millers' Association, however, argued that tariff support simply made imports more expensive and that since growers now had protection, it was entitled to pay them less to compensate for duties payable. Alex Bell knew that growers, already holding a carry-over from the 1926/27 season, were in no position to argue. A much heavier harvest was anticipated in the 1927/28 season, possibly four times as great. Where would they store it? Pressure would build within the industry as panic over storage grew. Solidarity would crumble so that growers could be 'picked off' one-by-one. Storage was the key to control of the rice industry and growers did not have this.⁴

Aware of their exposed position, MIR Co-operative directors approached David Solomon of the Camperdown Milling Company in April 1927 to discuss storage and milling. Bell was furious: not only had the co-operative secured tariff support while failing to get Clifford Love into the association, but now it was actively courting the favours of competitors. He accused the co-operative of supplying short weights. MIR directors replied that millers were understating consignments. Bell complained that the original agreement with the co-operative had been 'free on rail' and that MIR directors had changed this so that millers were paying higher freight rates to the Department of Railways, further reducing margins on top of the tariff impost. This had to stop. The Millers' Association demanded 'signed authorities from all lienees of the co-operative that it [MIR Co-operative] had their authority to act on their behalf'. Until this happened no further payment for paddy would be made. Furthermore, the co-operative was to levy growers immediately a 'collection fee' for handling the forthcoming crop as the Millers' Association would not do it! Harper and Company then began rejecting bags of MIA paddy as 'inferior', suitable only for stock feed. Bell meanwhile insisted that the growers' share of the tariff be reduced from 35s.0d to 20s.0d and that MIR Co-operative accept responsibility for monitoring quality and weights and all other infrastructure costs associated with production.

MIR Co-operative, on a tiny capital base of about £200 and with members heavily committed to production costs unable to capitalise the society adequately could not
hope to meet these conditions. The industry had barely begun and already the Millers' Association was throttling co-operation on terms other than dictated by it.\textsuperscript{5}

**The decision to form a statutory marketing authority**

Seeking to have every grower join the co-operative, MIR directors dutifully sought written authority to act on their behalf, as required by millers. Growers, members and non-members of the co-operative, were confused: why were some producers, who were trading independently, able to attract better prices than available through the co-operative? And on top of this the co-operative wanted to levy farmers for handling and storage, further reducing returns. What was the point of the co-operative? Discussion turned to *The Marketing of Primary Products Act*. A statutory authority could marshal the resources to do everything demanded of it by millers while not placing any imposition upon growers (they believed).

MIR Co-operative directors invited Bell to further discussions about the 1927/28 crop but the miller remained non-committal. Recognising their exposed position and following intense debate, MIR directors agreed unanimously to approach the Minister for Agriculture requesting the formation of a rice marketing board. Peter Moller put a motion to this effect at the Annual General Meeting, to which only twenty-three co-operative members attended, calling for a 'ballot of growers for the purpose of forming a compulsory rice pool'. The motion was carried sixteen votes to three.\textsuperscript{6}

Again, a motion to build a growers' mill was canvassed and a proposal that MIR Co-operative co-operate with the Farmers and Settlers Association (FSA), Burns Phelp and Company and (possibly) the Murrumbidgee Irrigation Dairyfarmers' Co-operative Society (MID) to build a mill. Most growers dismissed the idea as grandiose: resources simply did not exist. Indeed, when an honorarium for MIR Co-operative directors was suggested, even this lapsed for want of a seconder — confidence in the co-operative was as depleted as its coffers.\textsuperscript{7}

**WCIC flexes its muscles**

Observing this stand-off between producers and the Millers' Association, and with a big crop about to come in, WCIC now moved to protect its own position, announcing that it would not supply water unless every ricegrower signed a 'deed of assignment over the land to be used for ricegrowing'.

Growers were outraged. A 'monster meeting' was held in the Leeton School of Arts in October 1927 where growers raged against what they saw as a commission 'king hit'. They were sick of WCIC 'dictators' telling them what to do. 'Get out and leave it to the co-operative', someone called. 'We trust the Department of Agriculture, not the commission', another one shouted. 'Having foisted the rice industry on the public as a sound national business [WCIC] now seems to want to kill it', said another. WCIC is '... attempting to set up a system of serfdom', someone added. Settlers who had made the expensive conversion from unprofitable dairying to rice were now being told they would not get water unless they gave WCIC a mortgage over the crop. Rice-growers had invested about £5 per acre to convert to rice production and many were dangerously exposed to moneylenders and shopkeepers. Farmers found it difficult, if not impossible, to raise capital against leasehold. Now the commission wanted security over the crop while the Millers' Association threatened a boycott of MIA rice! Passions were high. W R (Rupert) Cater, a solicitor and ricegrower representing Murrami soldier settlers, described WCIC's edict as 'immoral, unfair, despotic and unworkable. … It is like something you would expect from Moscow'.

A deputation to Commissioner George Evatt was organised, led by Messrs Blencowe and Cater. Evatt explained that some settlers were abusing the system, deliberately defaulting while bringing in share farmers and allowing much of the crop to 'pass out of their hands and line the pockets of others … while the occupier of the farm pleaded not sufficient funds and expected WCIC to stand the loss'. This would not be tolerated, he said.

Nevertheless, WCIC waived the 'big stick', opting instead to restrict acreages permissible for rice cultivation in an effort to control production. Pointing to over-production and poor quality, Minister for Agriculture Thorby announced a limit of 100 acres which any grower paddy could put to rice, inaugurating an era of WCIC permissible rice acreages, which continued for more than sixty years. Large area
farmers protested vehemently but the minister sensibly replied that the alternative was unwieldy production advantaging only the strongest and that sensible regulation was necessary.

**The voluntary Rice Pool, 1927/28**

Impatient with slow progress in forming a rice marketing board, MIR Co-operative directors interviewed Director of Marketing Watson. An avalanche of paddy rice was about to arrive, they said, what did the government plan to do with it? Growers were caught in a bind of inadequate storage and a millers' boycott. Watson told them the government was not ready; constitutional uncertainty surrounded the whole idea of statutory marketing authorities; and some interim strategy would have to do — what about a voluntary rice pool?

MIR Co-operative directors turned to Federal Minister for Markets Paterson, who was visiting the Areas in February 1928. Paterson was sympathetic, sharing grower concern about the millers' apparent abuse of the tariff, but told them that the commonwealth's hands were tied: rice was a New South Wales matter under the federal 'gentlemen's agreement'.

As the 1928 harvest began, MIR Co-operative directors appealed for 'co-operation' in the industry while negotiating the best terms possible with an intransigent Millers' Association. On 18 May 1928 they announced the formation of a 'Voluntary Rice Pool for the State of New South Wales', by which growers might present a unified face. Messrs Blencowe, Moller, Cater, Tooth, Wynn, Doyle, Duffy, Ryall and Tweedie were responsible for this. The idea was to pool the crop voluntarily and market it through the co-operative, which would act as an agent of the Pool, a temporary 'conduit' until a rice marketing board was set up. All money received by the co-operative from millers would be transferred to the Pool, less £1,000 for expenses. An Interim Rice Pool Board was formed, chaired by Mr Abrahams, a bag merchant from Sydney, which included Messrs Blencowe, Moller, Cater and Doyle. A delegation was sent to Melbourne to negotiate with the Millers' Association.

The millers were provocative, Bell repeating his requirement that every grower sign an authority for the Voluntary Pool to act on their behalf and flatly refusing to deal with MIR Co-operative if this condition were not met. Moreover, Bell said, the association planned now to take only half of the 1927/28 crop. Growers were dismayed and many blamed the co-operative. 'Who is this industry being created for?' Irrigator asked, 'the manufacturers or the growers?' The co-operative called a special meeting. This time seventy-eight growers showed up, dubbing directors, a poor reward for their diligent efforts. The co-operative's marketing efforts were unsatisfactory, farmers complained. Leeton directors had failed to provide Griffith growers with important information. What did directors intend to do with the anticipated carry-over? Already there were parcels of paddy tucked away all over the place, including 500 tons at the cannery. Who would pay for inspection to ensure that moist grain did not spoil the entire Pool? What did directors propose to do about 'red rice'? How would insurance be financed? Who would pay lumping rates at sidings? Was it necessary to employ a night watchman to guard the crop? Would the government finance grain millers would not buy? What was going on?

W Jacka was particularly critical. Answering his repeated attacks, George Blencowe, Peter Moller and J O (Ossie) Doyle said that millers had initially agreed to take only 8,000 tons at £11.0.0d per ton and that directors had later persuaded them to take 9,000 tons. Even so, a carry-over would remain. Jacka was not impressed but had no constructive ideas.

With a petition still circulating seeking authorisation for the formation of a rice marketing board, and with Director of Marketing Watson regularly briefing growers on the process, MIR Co-operative directors scrambled frantically to find storage for the unsold portion of the crop. Watson approached Minister Thorby, who offered to advance £35,000 for the carry-over if growers signed an authorisation empowering the Pool to act on their behalf, an arrangement guaranteeing the equivalent of £9.0.0d per ton. In return, the government would hold a mortgage over rice in store, plus production in the coming season, along with the co-operative's assets. Further hurried meetings between grower representative Rupert Cater, Minister Thorby, WCIC
Secretary Bevan and Commissioner Evatt followed, finalising details of the Voluntary Rice Pool.\textsuperscript{11}

Thorby's offer was unanimously accepted at a Special General Meeting of MIR Co-operative shareholders on 1 August 1928. Again, the government was bailing growers out of a predicament. As assistance for the voluntary pool was being negotiated, Department of Agriculture officials suggested to MIR Co-operative directors that surplus rice might be stored temporarily in the Government Grain Elevators at Rozelle (some reports say wheat silos at White Bay). Acting for the co-operative, but apparently without authorisation, George Blencowe went to Sydney and accepted the department's offer, promptly arranging for freight and supervision. MIR Co-operative directors tried to contact him to tell him that the Rozelle Elevators were unsuitable but by this time an agreement had been signed - someone had to make a decision! Acknowledging the fact, MIR Co-operative directors endorsed the arrangement, mildly reprimanded Blencowe for not consulting fully and sent urgent instructions to the Department of Agriculture to ensure that the grain was turned regularly to allow proper aeration. So far, so good, but paddy rice can be fickle in storage.\textsuperscript{12}

Co-operative under attack

The third Annual General Meeting of MIR Co-operative was held in the 'Gaiety' Theatre, Leeton on 18 August 1928. The event was anything but gay. With splendid understatement, Irrigator reported 'A number of scenes which if not actually stormy could not be described as calm'. More than 100 tetchy ricegrowers were assembled. George Blencowe, beleaguered in the chair, attempted to recount the co-operative's achievements. Certain speakers showed what Irrigator described as an 'appalling ignorance'. Mr Broadhurst from the Mirrool Area interjected so often and rebuked Blencowe so severely that the chairman was finally forced to retire. Arguments broke out in several places around the hall. Many tried to speak at once and disorder reigned. There were allegations that the co-operative's constitution had been flouted. A grower informed the crowd that a meeting had been held on 3 July in the packing shed of the Yenda Producers' Co-operative Society to discuss better organisation of the rice industry. About fifty growers had attended and strong dissatisfaction with Leeton's control was expressed. Indeed, a breakaway Mirrool Ricegrowers' Co-operative had briefly formed, with E C Tweedie acting secretary. Mirrool growers affirmed that they would proceed independently if they did not achieve satisfaction. A strong motion to include better Griffith representation on the MIR Co-operative Board met with rowdy applause. The Mirrool group demanded information about a 'shadowy group which had emerged purporting to be leaders of the industry', calling itself the 'MIA Ricegrowers Executive Board'. Someone cried out, 'Co-operate! So long as the millers hold the upper hand, growers will not receive the full value of their product!' There were cheers above loud accusations of impropriety directed at co-operative directors. Wild scenes followed and a shouting match between factions. The walls of the 'Gaiety' rang with questions, accusations and allegations. Were directors disclosing everything? Why all the 'hush hush'? 'Start a journal and tell everyone everything!' W Jacka insisted upon knowing how people outside the co-operative were able to get £11.0.0d per ton while co-operative members were lucky to get £8.15s.0d? Was it because some growers, including co-operative directors, split consignments or marketed independently, driving overall returns down? H L Tooth offered to resign from the MIR Board because of 'dealings with Messrs Love and Company', explaining that it had been necessary for him to do so because of the financial assistance the company provided. He now saw the error of his ways and wished to resign. Michael Duffy moved to refuse the resignation, Lois Grant seconded this and the offer was unanimously rejected, followed by a 'prolonged burst of acclamation'.\textsuperscript{13}

Still paddy rice was pouring in. The last act of the Voluntary Rice Pool and one of the final acts of MIR Co-operative was to consign about 6,000 tons of paddy surplus to the Sydney grain elevators in line with Blencowe's arrangement with the Department of Agriculture. This was calamitous! Stored inappropriately and not turned as directed, much of the crop went bad. Losses ran to several thousands of pounds. The government, already exposed with regard to advances for the carry-over, was financially and politically embarrassed and, in the recriminations following, MIR Co-operative was singled out by all aggrieved parties.
The real reason for the debacle, however, was not the co-operative's incompetence, not Blencowe's ill-informed arrangement with government elevators, not even ignorance about handling paddy, serious as these were, but production greater than the industry's capacity to absorb it and the willingness of Associated Millers to exploit this for commercial purposes. In the historical sense, ricegrowers had learned an expensive and bitter lesson in the business of marketing their produce.14

The Rice Marketing Board forms, 1928

In October 1928 (some reports say September), 117 ricegrowers authorised the government to form a Rice Marketing Board for the State of New South Wales (hereafter, RMB). As MIR Co-operative membership then stood at 196, we can deduce that at least seventy-nine growers voted negatively, abstained or remained unenrolled.

RMB was to consist of five grower-elected members and two government appointees subject to triennial elections and periodic audit by the auditor-general. The board agreed to pay growers for paddy rice delivered to receival points in a pool system and to return total net proceeds, less operating costs, for each crop to growers. A bank (eventually the Reserve Bank of Australia) would finance a preliminary advance to growers at harvest time and one or two subsequent advances in ensuing months as credit funds were generated through sales. This continued until crop proceeds were fully realised and paid out. Payment of instalments would normally stretch over fifteen to twenty months from finalisation of the harvest. RMB would also act as a selling agency for growers, seeking to place the total paddy on domestic and international markets to the best advantage of producers and in the public interest. It was thought that such an 'honest broker' role would both stabilise prices and guarantee returns to growers in line with market conditions.

RMB's functions were subsequently extended to include the selection, grading and issuing of seed to growers, the purchase of supplies in bulk to growers, the promotion of rice and the assessment of rice quality. The board was empowered to levy growers 2s.6d per ton to finance operations and make deductions from growers' proceeds for capital expenditure. (The actual amount of deductions appears to have been unknown when growers voted to form the board.)

Everything hinged upon storage and the board's ability to provide this. In the absence of dependable storage, growers remained wholly at the mercy of the Millers' Association.

On 13 November 1928, Minister Thorby visited Leeton and proclaimed RMB open for business. The first RMB Board of Directors was chaired by a government nominee, R H Hankinson, a retailer from Narrandera with no ricegrowing experience. Other board members included Alfred Kubank (Griffith), William Wood and Ossie Doyle (Yenda), Bill Adams and John (J L H [Jack]) Davies from the Yanco Area. The other government nominee was Herbert Abrahams, managing director of S Richards and Company Limited, retailers of Leeton and Narrandera. Davies, Kubank and Wood were directors of MIR Co-operative Society; Doyle had been previously. Messrs Blencowe, Darchy, Jacka and Tooth failed in bids to gain election. J Lyne was elected to the first board but appears to have retired soon after, possibly for health reasons, the sources are not clear. M H B King was appointed secretary.

RMB's first action was to attend to the disastrous 1927/28 carry-over, much of it still festering in Sydney Grain Elevators. It was not an auspicious beginning. Worse still, a 27,000 ton crop was anticipated in 1929, 3,000 tons more than total Australian consumption at that time. Where to hold it? No voluntary association could possibly cope with such a deluge. At the same time, MIR Co-operative was urging RMB to build a mill and allow the co-operative to manage storage on an agency basis, an arrangement providing growers with market leverage while they achieved equity in stores and capital to take over RMB at some later stage.

After the Millers' Association said it would not have a bar of this idea, Director of Marketing Watson urged RMB to do nothing precipitative but restrict itself to the regulatory control of paddy, leaving the risky business of milling and marketing to millers and to accept a storage role, 'as appropriate'. In effect, Watson was calling for the division of rice into two commodities: paddy rice (the growers' paddy) and processed rice (the miller's commodity); with RMB acting as 'honest broker'.
RMB agreed. Many growers thought this arrangement between the government and the Millers' Association altogether too 'cosy'. The board, however, immediately demonstrated efficacy by negotiating a £15,000 loan (probably from the Commonwealth Bank), locating offices in Kurrajong Street, Leeton, and preparing to receive the big 1929 crop in a business-like manner. A new era in the marketing of primary products had begun in New South Wales, the Rice Marketing Board, the first statutory authority formed under *The Marketing of Primary Products Act*. RMB's invention was necessary and timely given the rush to production and, along with the tariff, brought stability and predictability into the industry, building confidence. But still the question remained: whose industry was it — the growers' the government's or the millers'? Certainly, MIR Co-operative had failed to answer this question.\(^{15}\)
Chapter 9
‘Lords of the Water’:
The Co-operative, the Board and the Commission, 1928–1929

Calls for co-operative milling and storage, 1928–29

At a Special General Meeting of MIR Co-operative Society in the 'Gaiety' Theatre, Leeton, in late 1928, George Blencowe told members that the co-operative should seek to make an arrangement with the Rice Marketing Board (RMB) for the co-operative storage and milling of future crops. While this might not be possible now, it was important to work toward such an objective because it was the only way growers could ever achieve industry self-control. MIR Co-operative must re-establish a new raison d'être since RMB had assumed most of its functions. Peter Moller added that provision existed in The Marketing of Primary Products Act for RMB to act on storage and milling, moving that the co-operative 'take immediate action in conference with the RMB for the provision of storage for the future seasons crops, together with the necessary machinery for the de-husking and milling of our rice products'.

MIR Co-operative shareholders were invited to attend another special meeting to consider the Moller proposal. Only forty-two members attended on 22 December 1928. The spoiled 1927–28 crop at Rozelle had been disastrous, many blaming the society and would countenance no further talk of co-operation. Those present were advised that RMB had estimated storage costs for 15,000 tons at £14,228 and that a de-husking plant would cost a further £7,500. Where were growers going to get that sort of money? Raise the share capital of the co-operative, an unknown shareholder said, from £5 to £50 in £1 shares and levy suppliers 5s.0d per ton for the next three years. In the interim, devote £2,500 toward a three-year campaign against rice imports and for improved tariff protection. That would guarantee the industry's continued growth as funds accumulated for storage and milling. There was unanimous support for both these ideas.

Encouraged by this mandate, MIR Co-operative directors pushed forward. In July 1929, the co-operative released Rice Journal, the first news sheet in Australia providing general information of interest to ricegrowers, articles on the nutritional value of rice and notes on cultivation. Rice Journal also carried details of a meeting between the co-operative and WCIC officials at which the Rice Investigation Sub-Committee (formed in 1914 from the Irrigation Investigation Committee to research the viability of rice production on the MIA) was revived. The reformed committee, which included co-operative stalwarts George Blencowe, Peter Moller, H L Tooth and Tom Darchy, was briefed to meet with WCIC officers to establish a rational and equitable basis for determining rice production levels and permissible acreages in relation to water availability (the nucleus of a key industry body, the Rice Industry Co-ordination Committee [RICC]).

At a literally stormy meeting in February, rain crashing noisily on to the 'Gaiety's' iron roof, eighty-six growers were shocked to learn that RMB was going to levy them each 15s.6d per ton for receiving and delivering charges, loss of weight in store, risk of damage and risk of non-dispersal! Growers were furious, but it was no use, the board was no voluntary association like a co-operative where people could swan in and out as it suited, but a compulsory agency clothed with legally binding powers. You were either 'in' or 'out', and if you were 'out', you were not 'in' the industry at all. Growers had themselves petitioned for this. Co-operative directors explained how they had offered to act as RMB's agent and provide storage at 7s.6d per ton, and how the board had refused. Justifying the impost, RMB Chairman Hankinson spoke emotively about the spoiled 1927/28 crop, which, he said, had been 'left by the co-operative' so that RMB had been obliged to shift it at whatever price it could fetch 'for stock feed'. Growers would get value for money under the board's plan, Hankinson said. RMB would appoint lumpers and managers, arrange sidings and build storage. Someone called out, 'Whoever controls storage controls the industry. … The co-operative should build the stores!' 'No!' Hankinson snapped back, there was to be a RMB store at Murrami supervised ‘properly' by board staff and providing growers with adequate protection so that millers could not 'blackmail' the industry. RMB had been set up as an 'honest broker' and intended to fulfil its charter. At this point, W T (Tom) Henham
announced that he and F H (Fred) Meldrum were going to build a mill at Murrami and called for grower support, provoking another outburst, opponents arguing that storage and milling should be co-operatively organised and not controlled by governments or private interests. Others were worried about a growers' mill alienating proprietary millers, possibly destroying the industry. Some alleged that MIR Co-operative directors were simply disgruntled because they had failed to be elected to RMB. Hankinson shouted that he intended to resign and stormed off. A motion was put to a stunned audience that MIR Co-operative should levy growers to provide storage and increase share capital with a view to establishing a co-operative mill. This was lost fifty-eight to twenty-eight. Growers were not prepared to authorise any further inroads into returns — the RMB 15s.6d impost was shock enough for one stormy night.4

**Doug Mackellar, Alf Bowmaker and Reginald St Chad Young**

There were three men at that noisy 'Gaiety' meeting in 1929 who later would be instrumental in developing a growers' mill: Doug Mackellar, Alf Bowmaker and Reginald St Chad Young.

Doug Mackellar was a big man; physically massive with head and shoulders like a rugby forward. His eyes could glow like warm honey or blaze like boiling oil depending upon the mood. Mackellar had seen military service in the Great War as an aide-de-camp and, like many MIA soldier settlers, had been seriously wounded in action. He associated with officers and carried himself as one. Growing up on a pastoral property managed by his father, Mackellar described himself as a farmer and grazier; but he was also a ricegrower. A 'big picture' man, he took a broad strategic view and left nit-picking and operational detail to the 'nuts and bolts' people. He could forge formal structure out of the most turbulent of meetings with the sheer force of his presence. John Kellock remembers him as one who could get 'mad as hell'. Vera Davidge recalls that, '… when Mackellar had his back to the wall in a fight, you were glad he was on your side'. It was this passion and utter dedication to the industry that enabled Mackellar to carry the day in many a battle fought on growers' behalf.5

A E (Alf) Bowmaker was a native of Sydney, born in Glebe within sight of Central Railway Station. A staunch Methodist, educated at Leichhardt Public School, he served as a sergeant-major in World War I, training AIF Units in France (33rd Infantry Battalion). Lungs affected by gas Bowmaker was discharged in March 1917. He went to Broken Hill and married Irene Goldie, siring two daughters with her. A lay-preacher in the Methodist Church, Bowmaker's motto was, 'Service is the rent we pay for our room on earth'. No stranger to poverty he sought respectability and grace through hard work and community service. Bowmaker went to Leeton under the Returned Soldiers Settlement Scheme around 1919 (some reports say 1921) and took up a farm at Gogeldrie. After abandoning dairying, Bowmaker moved on to a farm near the 'Sand Hills' where he began ricegrowing. Combining a meticulous eye for detail with an instinct for confounding obfuscation, where Mackellar might sway a meeting with bravura, Bowmaker could convince, bring balance to the wildest polemic and reduce a welter of apparently contradictory propositions into a clear plan of action. Vera Davidge remembers him as '… a man that was not bombastic in any way, who gave a lot of thought to everything before he took it on, and when he did he threw his weight behind [it]'. A 'crosser of "t's" and a dotter of "i's"' Alf Bowmaker would always be waiting, pen poised, to draft a coherent resolution at the end of the most turbulent or exhausting meeting. A circumspect man, he saw himself as '…the brakes' of an industry where there were so many 'engines'. A dogged and determined but quiet campaigner, Bowmaker was in ricegrowing for the long haul.6

Reginald St Chad Young was born in Litchfield, England in 1878, the son of a parson. He came to Australia by sailing ship and spent his youth in Adelaide. He was educated at St Peter's College, South Australia, and Launceston Grammar. There are reports that Chad Young took a Bachelor of Science Degree (Electrical Engineering) from the University of Adelaide. However, in 1931, when Chad Young ran unsuccessfully for RMB election, he declared only 'the highest testimonials including a state credential', but no mention of a degree. In 1929 when he arrived on the MIA and took up ricegrowing, he was already more than fifty years old and nominally in retirement. A further thirty-eight years of involvement in the rice industry lay ahead. An ingenious, shrewd and dignified man with a complex technical mind, Chad Young
was also an excellent farmer, consistently winning prizes for 'perfect water control'. He won the 'Rice Millers' Cup' in 1929 on a property made difficult by channels put in by Samuel McCaughey. He invented a device to catch grain shooting over the back of the header in the straw, costing £5 to manufacture and saving one bag of rice to the ton, virtually paying for harvesting costs. Chad Young built machines for reaping crops in difficult spots adjacent to check banks, and ones to lift a million gallons of water, eighteen inches a day, up to so-called 'non-irrigable land'. He had experience in engineering, business and financial affairs and the wholesale marketing of commodities. He is reported to have been general manager of Collie Proprietary Coalfields (Western Australia) Limited and managing director of Scottish Collieries, where he developed bunker coal trade with the United Kingdom. Chad Young is also reported to have been Chief Engineer for Supply for the Sydney County Council and superintended 'many important engineering undertakings, including the plans and estimates and erection of milling and manufacturing plant'. It is believed that he also served as a clerk in a hardware business, owned by the mayor, on the Kalgoorlie Goldfields, becoming involved through this in the installation of an electrical lighting system in that city, where he gained experience in electrical and mechanical engineering. There are also reports that he worked underground in New South Wales Hunter Valley coalmines and as a mining engineer at Wonthaggi in Victoria and the Catamaran mine in Tasmania. We do know for certain that he married Bronwyn Evans, the daughter of a mine manager and that they produced five children. Whatever the precise details of his varied career, there is no doubting that Chad Young brought a wealth of experience and technical know-how to the infant rice industry and was utterly committed to it. In 1931, for instance, when seeking election to RMB, Chad Young declared support for a growers' mill, grower representation, regular meetings, industry self-regulation, the promotion of rice consumption at home, the banning of imports and, ironically, as it turned out, the 'regular retirement of Directors'.

This talented trio: Mackellar, Bowmaker and Chad Young; often referred to as the 'Three Wise Men of Leeton', and not always in a complimentary sense, would have a profound influence on the shape and direction of the rice industry in New South Wales.

**RMB makes its mark**

Soon after the RMB Special Meeting in February 1929, the board began construction of an 8,000 ton storage facility at Murrami, negotiated with the Railway Department to provide a siding and announced plans for a further storage facility of between 4,000 and 5,000 tons at Leeton with others to follow. The statutory authority tendered for bag lumping at Leeton, Whitton, Murrami, Yanco, Griffith, Yenda and Koonadan, appointed rice receival inspectors, acquired plant for the cleaning of paddy, detailed receival standards and proper ventilation methods, announced plans to grade rice in three categories: A, B and C; negotiated a further loan of £168,000 for infrastructure and payment to growers, took a lien over crops for the three seasons (1929−1931) and gathered detailed information for the commonwealth government in respect of world parity prices, something the Millers' Association had been unwilling to do.

There was no doubting RMB's ability to get things done, but it was not immune from grower criticism or miller resistance. For instance, as the big 1928/29 harvest was brought in, rain squalls interrupted work and the board had made no proper provision for this. Some crops were spoiled before they left the fields. At the same time, the Millers' Association was exploiting the rice category system to drive down prices paid, some millers offering RMB £7 per ton for 'B' grade rice, virtually indistinguishable from 'A' grade rice, for which the price was approximately £11. When the board refused to fill an order for 5,000 tons of so-called 'B' grade rice, the Millers' Association said it would have to look overseas. In response, board members reminded millers that growers were demanding a co-operative mill, reporting correspondence from the MIR Co-operative:

> The majority of growers ... and the directors of the MIR Co-operative Society are strongly in favour of erecting a mill. It is contended that the Associated Millers have shown an unfriendly attitude towards the growers and some action will have to be taken to get the growers off the bread line.
The millers were not fazed, knowing that growers had already voted against a co-operative mill and could not afford one in any event. RMB therefore advised growers to be 'realistic' and support W T Henham's proposed private mill at Murrami, as an interim measure. If that was unacceptable, growers should demand MIR Co-operative do something about a mill, as RMB would not. MIR Director Peter Moller reacted strongly: the co-operative, which had been instrumental in bringing the board into existence and now simply had to watch its source of funds destroyed as a consequence; to which an RMB official replied that if the co-operative could do nothing to help then it should desist from criticising. Rupert Cater urged growers to stop squabbling and 'rub the millers out of existence for they don't play fair. They have been the blood sucker'. He and Moller had waited on them in Melbourne, Cater said, trying to obtain a fair price for the growers, and the millers just kept them 'dangling about'.

Support suddenly arrived from an unexpected quarter; the 160,000 strong Australian Workers Union (AWU); concerned at worsening unemployment. At its Annual Convention in late 1929, the union called for a ban on imports of 'black' rice and support for 'white' Australian rice. Australian 'diggers' were unable to market their rice, delegates were told, because millers had combined to boycott 'white' rice and drive down prices to pre-tariff levels while 'those doughty warriors' on the MIA went broke, competing with 'coolie' labour. There were 17,000 tons of 'white' rice still in store '... awaiting the pleasure of the millers of Sydney or Melbourne'. Ricegrowers wanted their own mill and should have one. The AWU would support them in the endeavour, but there was a price: ricegrowers tended to pay workers poorly, around 10s.0d per day for fine weather only; and '... there was no preference to local lads, only to the cheapest'. This situation would have to improve. In return for AWU support a log of claims would be prepared, designed to improve worker conditions in the new industry.

AWU support was welcomed by the rice industry even as the proposed log of claims was not. An understandably anonymous MIA poet countered:

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When you are working in your office
Or you're toiling down the mine,
If you're lumping on the wharves
Or driving trams upon a line,
Just remember that there's another bloke
Who lives down 'Bidgee way
Toiling growing rice at Leeton
On the line that leads to Hay.
Whilst pestiferous politicians
Pulling wires and making laws
Could assist us to stand upright,
Yet they keep us on "all fours".
We do not ask for charity,
We wish an honest job.
And all we want for one pound's worth
Is twenty solid bob.
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**WCIC revives the lien issue**

Still, constitutional uncertainty surrounded RMB's compulsory requisition powers in respect of Free Trade (Section 92) and drawn out legal battles continued on the matter of marketing boards. Meanwhile, with the Great Depression deepening and more farmers seeking to enter the rice industry, the voluntary arrangement between the Rice Investigation Sub-Committee and WCIC in setting acreage and production levels was being openly flouted. Production again seemed to be running out of control placing strain on infrastructure, markets and profitability. In this context, WCIC revived the lien issue: growers must sign a lien over crops and assets, or no water!

The ultimatum could not have better served as a rallying cry for ricegrowers seeking improved industry organisation. Alf Bowmaker told settlers that only rice could steer the MIA 'out of the fog', yet the government seemed determined to strangle the industry through heavy-handedness. 'Let us produce rice,' he said:
When an infant is born into a household and the person responsible for its upbringing, fearing that it will be troublesome to rear, proceeds to strangle it, then that person is punished by the law and justly deserves punishment.

*Area News* deprecated WCIC 'Lords of the Water', '[who were] ... strangling the rice industry' and published a 'monstrous document', detailing commission plans:

The most sensational document we have ever seen ... a tragic story for it tells of the forfeiture of a man's liberty and it spells the death Knell of a growing industry from which much had been hoped on the Areas. ... A power grab ... unequivocal, tyrannous and repressive.

WCIC had set draconian conditions, *Area News* said, with which it was impossible for settlers to comply for they were already heavily mortgaged and in debt. Settlers could not give the commission a lien over crops without giving it total control. The ricegrowers have taken the gloves off ... the Yanco Area has received the first taste of commission tyranny and is restive under the lash'.

When WCIC officials replied that unless growers agreed within a fortnight to give the commission a lien over crops, water would be withheld, MIA newspapers ran hot with stirring language, delivering:

... a broadside to the WCIC [which would] break down its defences. ... Settlers [are] threatening to take the matter into their hands and turn the water on. We do not know that there is anything in the history of these Areas more appalling than this attempted strangling of the rice industry.¹²

It was a real issue concentrating grower concerns at a critical stage in the industry's development, serving to rally support for a protective organisation, which would eventually take the shape of MIA Rice Growers' Association. Before discussing this association, however, it is useful to digress and consider the 1930 *Tariff Board Report on the Rice Industry* for the 'snapshot' this provides of the infant industry.
CHAPTER 10
The Tariff Board Report on the Rice Industry, 1930

The federal government was sympathetic to claims by the MIR Co-operative, the Rice Marketing Board (RMB) and the Australian Workers Union (AWU) that the 1927 tariff was being manipulated by proprietary millers to the detriment of growers. A Board of Inquiry formed, tabling a report in parliament in November 1930.

The report found that there were 251 ricegrowers on the Areas in late 1929, up 121 on the previous year, a big increase. Farmers were turning to rice as returns from other primary industries were declining. More than 500 found permanent employment in the industry, rising to 2,500 during the harvest, which lasted from three to four months. Another forty-six people were employed in the distribution of rice.

About 45,000 acres had already been converted to rice cultivation, meaning that, with rotation, approximately 20,000 acres were available for rice production each year. Average yields amounted to eighty-six bushels per acre. The pasture improving qualities of rice had been noted and a rotation of rice, nitrogen-fixing clovers, other pastures and fat lambs had already begun.

Capital employed in the industry in 1928/29 amounted to £638,200, calculated on the basis of 30,600 acres at £12 per acre, 251 holdings of plant valued at £1,000 per unit and £20,000 in storage sheds.

Domestic rice consumption had climbed from 26,095 tons in 1922/23 to 35,225 tons in 1928/29. About three-fifths of the crop went to Melbourne, mainly to Robert Harper and Company, and the remainder to Sydney, principally Clifford Love. Five or six millers took paddy and nine proprietary mills, all on the seaboard, processed it.

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The MIR Co-operative contended that despite the duty, existing since 1927, prices paid by millers to growers had actually fallen. In 1925/26 when no duty was payable the price for paddy had been £10.10s.0d a ton FOR (although growers realised only £8 a ton due to the carry-over). In 1926/27, when a duty of £3.14s.8d per ton (unclean) had operated, growers received £12 a ton, encouraging production. The 1927/28 season saw prices fall back to £11 per ton and, by the following season, decline further to £10.10s.0d per ton. This was explained in terms of the absence of storage and RMB's need to cut prices simply to shift the commodity. The millers' margins had crept up appreciably in the same period, from £1.10s.0d per ton dressed in 1926, to £2.2s.10d in 1929, while returns to growers had fallen proportionately. Prices paid to growers had been tied to import parity, which had been diminishing while the price paid to millers by wholesalers (£25 per ton dressed) remained the same regardless of the duty. To this deteriorating position for growers was added a 15s.6d per ton impost by RMB for handling and storage.

George St Clair Potts, then a settlement inspector for the WCIC, told the Inquiry:

The tariff is to a large extent ineffective because imported rice is weighed differently to Australian paddy. That is, Australian paddy is weighed as paddy and when cleaned it loses 20 per cent in weight, which, with the costs of operation, virtually wipes out the benefits of the tariff.

William (Bill) Wood, a member of the Soldiers' Classification Committee and a RMB director, recommended an increased tariff to encourage further acreage and more employment. RMB officials said the board hoped to supply all of Australia with rice while, 'limiting excess production, if necessary by curtailing the water supply on the Area [to avoid] … loss to the local selling price'. Wood exceeded his authority in offering such an opinion, as water supply was strictly a WCIC matter, but it appears
his submission had the commission's blessing since the price of water was rising steeply in a dry year. The RMB director continued:

The export and sale of rice abroad is proposed as a means of disposing of any surplus and it is not suggested that the local selling price should carry any possible loss. All possible steps will be taken by the RMB to ensure that prices are kept down to a minimum. If necessary, arrangements will be made to have the milling performed at the Area which will result in a saving over existing conditions with mills at various points around the seaboard.

Wood argued that the proprietary millers were manipulating quality differentials to pay as little as possible for 'B' grade paddy, which was virtually indistinguishable from 'A' grade and that an increased tariff meant increased production, better quality, more employment and export earnings.

Another RMB director, A G (Alf) Kubank, argued for an increased tariff or else '... the RMB will not be in a position to control the industry' [because the board could not] minimise the disparity between what the grower receives and the consumer pays. The RMB sought a tariff of one penny per pound uncleaned and one-and-a-half pence per pound cleaned, undertaking to deliver rice to consumers at current prices:

The desire of the RMB is to enter into closer co-operation with the millers and prevail upon them to erect mills to deal more economically with Australian rice as [they] at present are geographically suited to the treatment of imported rice only.

Kubank was opposed the idea of a co-operative mill on the MIA, however, arguing that millers should continue to control this side of the industry.

Rupert Cater, solicitor, ricegrower and RMB member from Leeton, agreed with Kubank that an increased tariff was necessary to get the statutory board on a solid footing and gain full control of the industry, but his position on a co-operative mill is unknown. The significance of Kubank's and Cater's positions will become evident.

A F (Alex) Bell, the managing director of Harper and Company Limited, expressed:

... the desire of the millers to co-operate with the farmers and to assist the industry in every way and stated that the centralised control of the industry had been beneficial to producer, miller and distributor.

When asked why it was necessary for millers to continue to import rice from Hong Kong, Bell replied that 'speciality' grains, Patna and Siam long-grain, for example, were not available from the MIA. This was true. On the other hand, he said, two trial shipments of MIA rice, each fifty tons, had been sent to London and had brought a favourable response. Indeed plans were under way to export a further 17,000 tons. The Territory of Papua–New Guinea imported rice worth nearly £19,000 per annum, Bell continued, and Fiji was a large rice consumer. Burma, India, China and Indo-China currently supplied those markets but plans were under way to place Australian rice there. Bell believed that a mill on the MIA was not practicable because of high railway freights and was non-committal on the tariff, though it was understood he was opposed to any increase.

J G Melvin, a director of the Melbourne millers, Parsons Brothers, agreed with Bell, saying that transport costs ruled out an Area mill and that seaboard mills were more suitable for export and the disposal of by-products. Moreover, since rice production would probably develop elsewhere in Australia, it would be hasty to focus on the MIA in this way. Melvin argued against the tariff, saying that consumers were already subsidising rice in states other than New South Wales and Victoria, where millers were obliged to sell at a loss in order to prevent 'foreign dressed rice entering there'.

In summing up, the Tariff Board of Inquiry noted unprofitable land on the MIA had been made productive through ricegrowing, helping to save the Areas from disaster. Many hundreds of new jobs had been created and there was evidence that the MIA was beginning to pay its way. Rice was partly responsible for this. The nation had become self-sufficient in rice, consumers had benefited, millers had profited — but returns to producers had not improved since the industry’s inception. On the contrary, grower returns had actually fallen appreciably relative to millers. The tariff, as it stood, was not working in the interests of producers and the industry seemed geared toward
The board expressed a view that, 'Prices obtained by growers have been less than were justified considering the extra duty imposed and the extra price charged to the public'. It noted that growers assessed production costs per ton of paddy at £13. The Tariff Board's estimate was £11, predicted to fall as mechanised headers became more widespread. On the other hand, diminishing yields were a real possibility as the industry expanded and this had to be taken into account. The Tariff Board concluded that £11 per ton, excluding RMB charges, was a fair price, allowing a net return of £2.15s.0d per acre, well in excess of what wheat was returning. In determining this figure, the Tariff Board noted that rice was only one source of income for many farmers, who were already practising a wheat-sheep-rice rotation: 'The ricegrowers at Leeton deserve credit and support for pioneering this industry, but it would prove a great mistake to fix for their product a price which is not economic'.

The Tariff Board called for the reorganisation of the industry to make milling more efficient, to rationalise mills and realise economies of scale. It recommended not one, but two milling plants at Leeton (as a precaution against fire), saying that it made no sense to transport paddy to seaboard mills when husks equalled 20 per cent of commodity weight. The board also said that if a Leeton mill discouraged rice production in other areas then this was 'advisable' while the industry was establishing. At least one mill should be co-operatively structured:

> If the growers extended their co-operative efforts to include milling and distribution, it is obvious that portion of the 15s.6d paid by growers per ton to the RMB could be utilised in the reduction of overhead charges.

In conclusion, the Tariff Board announced an intention to provide incentives for efficiency in exports and for better prices to consumers and returns to growers. Anticipating a reduction of thirty shillings per ton in the price of rice to consumers, the board agreed to impose a penny halfpenny per pound tariff on dressed rice provided that central mills controlled by a 'local authority' be established:

> ... and that the authority give satisfactory assurances that the price to the wholesale merchants will not exceed a figure which will cover costs of milling and marketing plus a reasonable percentage of profit.

The Tariff Board’s even-handed approach helped stabilise the Riverina rice industry, attract more growers to it and encourage the building of inland mills, but, as subsequent discussion will reveal, it did nothing to stop proprietary millers manipulating prices to their own advantage. Neither did RMB act on recommendations to develop a co-operative mill. Instead, the board persisted conservatively with receival and storage, leaving production to farmers, and milling and marketing to millers. It seemed a sensible division of labour, one confirming and perpetuating the board’s pivotal ‘honest broker’ role while maintaining favour with the Millers’ Association, RMB’s primary customer. The status quo was workable, but failed to satisfy growers determined to see their industry placed on a democratic footing, free of ‘middle men’.1
CHAPTER 11
‘Wild and uncompromising agitators’:
The MIA Rice Growers’ Association, 1930–1934

Demise of the MIR Co-operative

The painful decay of MIR Co-operative dragged on through 1930. The recrimination was bitter on the issues of paddy spoiling in the Government Grain Elevators at Rozelle, alleged discrepancies in the co-operative’s balance sheet and legal proceedings involving the Department of Agriculture’s Silo Authority. The outcome is unclear, but it appears that the government did finally reimburse RMB for losses incurred. Whatever the case, the co-operative was blamed for everything. There were calls for the MIR Co-operative Board to resign en bloc and fresh elections to be held, apparently for purely punitive reasons. Others demanded successfully that winding-up procedures commence immediately to put the co-operative out of its misery. In defending himself and fellow directors, Peter Moller said:

The millers broke the co-operative with procrastination, ultimatums, refusal to export, continued import, buying only part of the crop, rumour, innuendo, passing on the costs of the tariff to consumers and orchestrating consumer contempt of growers. If ricegrowers … would get down to the strict principles of co-operation they would achieve something, but today we are going to hell with our rice industry.

An MIR Co-operative Shareholders’ Meeting in the Kurrajong Hall, Leeton, in July 1930, to wind up the business, was so poorly attended that a motion to dissolve the society could not proceed for want of a quorum. Instead, it was moved that ‘all assets of the [Voluntary Rice] Pool from the sale of rice be paid to the Department of Agriculture in full settlement of their storage charges’.

Another meeting was held in August to which only eighteen members came. Messrs Moller, Duffy, Wynn, Darchy and Tooth stared forlornly at all the empty seats. The co-operative was indebted for storage, but no-one wanted to know about that and fewer wanted to help. There is a report that, as this disconsolate band filed from the hall, Secretary E C (Ted) Tweedie called them back, urging the formation of a ‘protective association to keep growers together’. Mr Nolan then moved:

That this society, [the MIR Co-operative], carry on for a period of one month … and a committee be formed to investigate the possibility of the formation of a further organisation of ricegrowers for the whole of the Area.

The motion was carried. A provisional committee of six was selected: Messrs Black, Facer, Broadhurst, Moller, Cater and Bowmaker; authorised to include two additional members from Yenda. It was the beginning of the MIA Rice Growers’ Association.

At a better attended meeting later in August to finalize the winding up of MIR Co-operative, a motion to form the MIA Rice Growers’ Association (hereafter, MIARGA) was carried unanimously. A committee formed consisting of: A E Bowmaker; M Broadhurst; Lois Grant; Peter Moller; Rupert Cater; R C Black; S J (Jack) Hinton; H D C Manning; and Messrs Pike, Cox, Facer and Spicer; E C Tweedie (secretary). MIR Co-operative Society was formally wound up, thirty-five votes to nineteen, and liquidation proceedings commenced. The co-operative was no more, destroyed by miller obstructionism, unwieldy production, the fragile nature of paddy rice, inexperience and the reluctance of members to capitalise operations adequately or accept financial responsibility for growth. Nevertheless, the society had achieved much in the critical early phase of rice industry history:

• articulating a clear grower voice in tariff debates;
• bringing focus, albeit temporarily, to grower aspirations for self-regulation;
• provided an important forum for debate;
• drawing attention to the predatory nature of millers;
• bringing into association gifted future industry leaders;
• handling at least two harvests when no alternative structures existed;
• affirming the importance of industry research and co-ordination;
• publishing the first journal ever in the New South Wales rice industry; and
• was instrumental in forming RMB.

The co-operative’s failure, however, weakened support for co-operation in the industry and not for another twenty years, when conditions permitted, did it revive.3

Formation of the MIA Rice Growers’ Association, 1930

A vote was taken to formalise the executive of MIARGA. Alf Bowmaker and Alexander McArthur tied for the position of chairman. McArthur, a Scot and prominent in the Farmers and Settlers Association (FSA) and the Progressive Party (a forerunner of the Country Party), was keen to secure MIARGA affiliation with FSA. This was opposed, particularly by small-holders on the Yanco Area, chary of any identification with a political party and suspicious of FSA motives. Alf Bowmaker’s name was drawn from a hat. McArthur and Doug Mackellar were elected vice presidents.4

The shape of the modern rice industry was set: WCIC central as ever; a Rice Investigation Sub-Committee serving as a conduit between industry and commission; a statutory RMB effective in handling production; and MIARGA set up to protect and advance the growers’ interests. But still the Millers’ Association held ultimate power by dint of its capacity to determine what the growers’ paddy was worth.

An effective lobby: MIARGA, 1930–1935

MIARGA immediately set to work:

• gathering and disseminating information vital to growers;
• monitoring application of the new tariff;
• exposing the millers’ practice of importing rice categorised as ‘pig food’, mixing it with ‘A’ grade Australian rice and demanding to pay only ‘B’ grade prices;
• publicising the millers' habit of importing paddy and re-exporting it while refusing to export Australian rice;
• hounding RMB, demanding improved storage facilities;
• insisting upon regular financial statements from RMB and complaining of irregularities in the voting system;
• arguing the growers' case in the legal question of ownership of paddy rice rejected by RMB;
• calling upon RMB to bulk purchase farmer requisites to defray production costs;
• urging grower support for RMB 'only if it does the job';
• maintaining calls for a co-operative mill on the Areas, as recommended by the Tariff Board;
• arguing that the New South Wales Government should construct a mill on the model of the Queensland sugar industry, permitting growers to achieve equity;
• lobbying the government for amendments to The Marketing of Primary Products Act to remove uncertainty about the board's powers in respect of the milling and distribution of rice; and
• advocating improved co-operation in the Rice Investigation Sub-Committee between RMB, WCIC and MIARGA on such issues as:
  - permissible acreage;
  - water allocations; and
  - grower equity.5

As grower support for MIARGA built, the politics of the industry hotted up. For example, RMB Chairman Hankinson again came in for heated treatment at a Leeton meeting in December 1930, specifically his alleged sycophancy with millers. The board was 'sitting on its hands' instead of pushing a growers' mill. 'How can growers ever hope to start a mill with millers in control when you won't do anything to pull them into line?', Alex McArthur asked. 'At the present time [RMB] is only acting as an agent for the millers. A mill seems only a necessary adjunct to the sheds and railway sidings and we will have to take the necessary action'.6

At another meeting in July 1931, association delegates accused RMB outright of being 'hand in glove with the millers'; doing nothing about the millers' exploitation of 'A' and 'B' grade categories; buying at 'B' prices and selling at 'A'; doing nothing to enable growers to obtain equity in storage sheds; and doing nothing to represent growers' interests in the matter of acreages or rice production levels. Water had got into the Yenda store and ruined 250 tons of paddy grain. Who was going to pay? Why were
there always delays at RMB sheds? There were calls for a vote of no confidence in the chairman and, by implication, RMB. Someone hissed, 'No, no, no, don't be silly'. Growers were angry but understood they needed the board because the alternative was total subjugation by millers. Hankinson stormed off, fed up, but a vote of no confidence did not proceed. What could growers do? Someone reminded them that elections for a second RMB were due in November and growers could make their voices heard then.7

MIARGA was very active in the approach to the 1931 RMB elections, its *cri de coeur* strengthened by another WCIC threat to take a lien over property before it would guarantee water supply. Another 'monster' meeting was called, this time in 'The Globe' Theatre, Leeton, with Bowmaker, Mackellar and Chad Young prominent. *Irrigator* reported that the trio were 'on the boil'. The Minister for Agriculture and his entourage were staying at the Hotel Leeton. Mackellar organised a meal for them. Plates of rice were presented, one containing 'B' grade rice and another, 'A' grade rice. Visitors were asked to choose the better rice. They chose the 'B' grade. The minister was astonished and could not understand why growers received £7 a ton less for 'B' grade quality than for 'A'. 'Neither can growers', said Mackellar, superbly making the point.

Soon after, RMB's Hankinson received a 'please explain' letter from the minister's office. Hankinson said it was the growers' fault; they were inefficient and mixed seed so that it was impossible to tell the difference between 'A' and 'B' grade? The minister was not impressed, Hankinson was embarrassed and MIARGA, delighted.8

With RMB elections imminent, debate about a mill on the Areas intensified. Hankinson remained implacably opposed. Growers could not afford it, he said, the idea was merely a propaganda ploy directed at RMB by a group of Leeton malcontents who had failed to be elected to the board:

The agitation for a mill is very fierce, but most people of New South Wales are convinced that per square mile there are more wild and uncompromising agitators on the Areas than elsewhere, except perhaps in a few small Latin states of South America.9

W T (Tom) Henham urged support for the small mill he and Fred Meldrum were building at Murrami. There was still little interest, most wanting an RMB mill with growers gradually achieving equity and few seeing any point in simply substituting one private mill for another. *Area News* also argued that, 'Creating a rice milling monopoly on the Areas and prohibition on rice imports would result in wealthy vested interests creating new rice fields in Australia'.10 and agreed with *Irrigator*, that meetings between growers and RMB seemed merely an empty ritual. The paper reported a splendid volley from Fred Meldrum describing meetings as little more than a, "... tedious, declamation of windy persiflage — almost pure pap but with a microscopic amount of meat. ... Irrelevancies served up as illuminants, a concoction of quibbles'.11

**The second RMB**

Hankinson paid the price at the November election, replaced as RMB chairman by J Lyne. Three MIARGA members moved on to the board: Messrs McArthur, Cater and Bowmaker. Alex McArthur died soon after (while representing MIA ricegrowers in Sydney at the Royal Agricultural Show) and was replaced by A D Malcolm. In 1932, J O Doyle replaced Lyne as chairman for reasons unknown, possibly the latter's ill-health. Messrs Gleeson and Nulty represented the government. Two sub-committees formed, one for publicity and another to investigate the feasibility of a co-operative mill. A third committee subsequently formed to negotiate the AWU log of claims.

The second RMB was significantly more ambitious than its predecessor, and distinctly more 'pro-grower'. With MIARGA's blessing, an RMB representative was sent to the Imperial Economic Conference in Ottawa in 1932 to monitor the Anglo-American Trade Agreement and explore the possible impact of rice from USA entering British markets. The board established a 'two pool system': one for exports; and one for domestic markets. A quarter of a million rice recipe books were printed and distributed. A schools education program was launched. Home market consumption improved further in the period, partly due to this promotion but also because people were substituting rice for potatoes through the Great Depression.
Nevertheless, with prices for rice still falling, MIARGA struck a conservative path, the economic situation too delicate to push awkward issues like a co-operative mill, which would require farmer investments. It was time to proceed quietly and consolidate. Industry leaders well understood that millers, through the simple device of delaying payments, could squeeze growers and smash solidarity. Moreover, revised estimates of the cost of constructing a mill put the figure at £30,000, almost double what it had been a few years earlier and well beyond grower resources. Neither did the possibility exist that the government would ‘countenance such expenditure, RMB nominees arguing that co-operation ‘did not work’ and pointing to the defunct MIR Co-operative Society as proof. For its part, RMB recommended that if a mill were to be constructed on the MIA it should be privately financed with growers taking shares. Henham and Meldrum's Murrami Rice Mill Company was a starting point. A cloud of constitutional uncertainty still hanging above RMB darkened in 1932 after the High Court ruled that states had no power to create a marketing board when S.92 of the Constitution (Free Trade) was infringed and that a board whose functions crossed a border required the annual, voluntary authorisation in writing of every producer empowering the board to act on their behalf. While these issues dragged on for years in James v Commonwealth, the 'Dried Fruits Case', MIARGA successfully lobbied the New South Wales Lang Labor Government for amendments to the act both clarifying the board's operations and bolstering its position. The association also appealed unsuccessfully to the federal government for legislation removing impediments to RMB's operations. Not once was the board allowed by MIARGA to forget its tenuous legal existence and ‘favours' rendered by the association.

Murrami Rice Mills Company

Tom Henham (1893–1964), an English-born returned soldier (Second Battalion First AIF), and Fred Meldrum proceeded with the construction of a rice mill in 1932, installing an Ingleberg Huller driven by a belt-to-pulley on a Fordson tractor. However, the machine was insufficiently powerful to mill much rice until the following year, when electricity arrived in Murrami. Concerned over the additional investments necessary to utilise electricity fully, Meldrum withdrew from the partnership, leaving his original investment of £60 until Henham was able to pay him back. The mill, which employed up to five men and women and serving mainly Henham and a few other growers in the immediate vicinity, had a capacity of 200 tons. The product, packaged in 56lb jute bags or 3lb linen bags, was marketed locally under the 'Murrami Rice' label, initially through Moran and Cato.

The MIARGA Central Executive

A central executive evolved within MIARGA in the early 1930s, a cell of lobbyists and strategists in close and regular contact with WCIC, RMB and state and federal governments. WCIC and RMB officials were regularly invited to central executive meetings and MIARGA Annual Meetings where their opinions were sought but not their votes. This arrangement, incorporating the old Rice Investigation Sub-Committee evolved into a key liaison body considering such crucial issues as permissible acreages and production levels in relation to water availability and markets.

Some growers, especially large-area growers, still resented the Central Executive’s Leeton orientation, its alleged selectivity in dispersing information and any presumption that the executive could restrain their behaviour through the Rice Investigation Sub-Committee, but most saw the important liaison role it played necessary in striking a sensible path. In time, the Central Executive would develop into the industry's 'supreme parliament'.

The third RMB

There were few surprises in the 1934 RMB election: Ossie Doyle was re-elected as chairman (replaced briefly by Alf Bowmaker in 1935) as were all sitting grower representatives: Bradbury, Cox and Malcolm; and government nominees, Abrahams (who had replaced Nulty) and Gleeson; were returned. W R Cater, however, was voted off in an unexpected result confirming a general view that the board's electoral system was faulty. Doyle's platform included an undertaking to have all rice grown in New South Wales vested in the board, giving it a virtual monopoly. Bowmaker's agenda, curiously in the light of subsequent events, included investigating the possibility of RMB exporting directly, doing away with storage altogether.
New confidence

As tentative signs of recovery from the Great Depression appeared, new confidence built in the rice industry, still barely ten years old. The industry's sophisticated organisation was already a model for other industries. The Farmers and Settlers Association (FSA), for example, congratulated ricegrowers for a structure ‘... already the envy of many sections of primary industry’. Doug Mackellar brought strong applause at the 1934 MIARGA Annual Convention when congratulating RMB for its 'wonderful achievements and effective relationship with growers' while the industry was in the depths of economic depression. Paddy production had climbed from around 24,500 tons to 40,700 tons and exports from trial parcels in 1928 (or 1929) to almost 11,000 tons per annum. Indeed, virtually alone in primary industry, rice appeared to have escaped the worst affects of the economic collapse. But the industry did not come through wholly unscathed as subsequent discussion will indicate.17
CHAPTER 12
‘They were all sick of it’:
The Rice Industry and the Great Depression

‘A scene of bustling activity’
Irrigator reported in May 1935 that the rice industry ‘was largely immune from the Great Depression’ and had begun to make the MIA pay its way, describing busy scenes where:

Everything is in full swing at Murrami rice shed ... a scene of bustling activity as a long queue of wagons heavy-laden with the precious grain were waiting their turn on the weighbridge. ... Inside the great shed, men were busy unloading while others, big men with muscles like steel clad in shorts and singlets, were placing the bags in position on the stacks which tower up ... to the iron roof.

The grain comes in from roughly speaking a six-mile radius of the shed. When the weather is fine it is a picturesque sight to see the harvest arriving. Motor lorries and horse drawn wagons converging on the shed from all directions until a long queue of vehicles is lined up. Amidst a clump of trees not far away smoke from the camp fires of men engaged at the shed rises in the air.

The recollections of Henry Leighton
Henry Leighton, a rural worker whose father helped tend Austin Shepherd’s 1923/24 trial at Farm 106, remembers those Depression years differently. He remembers the great wet of 1931 when ricegrowers:

... were all going to give it away. They were all sick of it. They knew if they kept growing rice and had to harvest it with what they had they'd end up going backwards. It took too long to grow the rice. You would start in March and not end up until some time in November. It wasn't economic, particularly if your land could be used for something else like those blocks around Gogeldrie which were good for grazing. The roads were terrible. There were bogs everywhere and it was a terrible job to get your crop out into the store. Sometimes the carters would refuse. There was just no money in it.

Henry Leighton and his mate, ‘Irish’ O’Donoghue, worked on the harvest at Rupert Cater’s at Gogeldrie in 1931. Leighton took twelve horses up to Cater’s, who paid five shillings a day for each of them. It was very wet and the Clydesdales struggled mightily to haul the header through churning mud. Leighton put the header on a skid to get it round and into position for the return trip. He could see that the horses were being worked too hard; the big-hearted beasts were scrambling, slithering and bogging. Leighton and O’Donoghue went up to Cater and told him they would not continue, it was not fair on the horses, and so they ‘nutted out’ another way. Cater said eight horses would do the job, but Leighton would not have a bar of it; twelve was the minimum. Cater agreed. Leighton put four horses in front of a little caterpillar tractor that Cater had there. They weighed the front of the tractor down so that it would not leap and pitch in the mud. Horses and caterpillar together then dragged the header-and-skid-contraption over the heaving bog. But the caterpillar could not turn around, so O’Donoghue backed it up while Leighton got the horses around and in line with the tractor. Then they would hook up the Clydesdales and caterpillar and off they would go again. Another four horses ‘snigged’ bags from the field on a sledge, while the remaining four Clydesdales were spelled.

Many farmers had to harvest the rice manually, Leighton recalls. Back-cutting along the check banks was still common, women and boys and girls making good money, up to eighteen pence a chain.

Because of the damp, work would not start before 10.30 a.m. and sometimes as late as 1.00 p.m. Henry and ‘Irish’ would have a snack before starting, fix up the horses and then go out to work until dark. A cup of coffee would arrive periodically, most welcome when wallowing up to your knees in mud most of the day. It would be 8.00
or 9.00 p.m. before the horses were let go and the ravenous workers were 'tearing into a big meal' supplied by Cater (or more precisely, Mrs Cater).

Ducks were a particular problem that year, Leighton remembers. They would strip up to half an acre of young plants in one night. Snakes were a nuisance. 'When you went around checking the banks you would have a bad day if you didn't kill a half dozen, usually the red-bellied black snake. They were thick on the river and used to move around with the floods.'

Leighton and 'Irish' O'Donoghue got Cater's crop in by 28 September 1931, well ahead of most in that terrible year. They waited five-and-a-half months for their cheque. After they paid expenses and divided it up, the remuneration worked out at about 2s.6d per day each. 'But Cater fed us', Leighton remembers with mixed emotions.3

Henry Leighton believes that 'rice saved this part of the country in those years'. He remembers the abandoned blocks around Griffith and the dairy farmers who had gone broke. Significantly, he believes that the introduction of the pneumatic-tyre saved the industry near the end of the Depression when many growers were about to 'drop their bundle'. Tyres on headers and machines which could turn around easily made growers feel more confident that they could handle the most difficult rice harvests. But technological change cost jobs, Leighton recalls. Nevertheless, he continued to find employment in the rice industry, going on to work on the construction of RMB storage sheds. The board paid him one shilling a yard to load, cart and dump gravel. It was hard work, poorly paid, but steady.4

Working for Doug Mackellar: Fred Robinson recalls
As a lad of fifteen in 1925 Fred Robinson worked as a bag-sewer on Michael Duffy's 'pioneer' harvest. He also remembers those Depression years and the big wet of 1931.

I was working with Doug Mackellar, who was share-farming with Mr Blake on the Sandhills. I used to put the horses alongside the Main Canal of a night where there was a bit of feed. And I had a tent. I camped near a small dam there, right on the bank of the canal. It was my job to see that the horses didn't get into the rice.

One night I heard a queer sort of a noise so I woke up and put my foot over the side of the bed and went half-way up to my knees in water. That's when the big floods came down.

So I took my blankets and everything up on to the Main Canal bank where there was a stack of rice and put everything under the tarpaulin. In the morning when it got light all you could see was just a lake of water. The water was right over the top of the rice.

The other two fellows who were working there, they came out around Yanco-way and the back way. And we got in a boat and rowed it across to a place where an old fellow was living in a place called "Yamba". We rowed over to see if he was all right. He said he was all right and had enough tucker to last him for ten days he reckoned. So we rowed the boat back over the top of the rice, over the fences, about half- to three-quarters of a mile.

When that water went down, luckily it went straight down. It didn't run-off. The rice was still standing up and it didn't rain from then on and that rice was harvested. They had a lot of trouble with the header, even though it was the "Coffee Pot". Mackellar got the Leeton Steelworks to build a slide and they took the header on this slide and they slid it around with eight horses and the header used to leave a hell of a great rut while they were going around. There was about six inches of water on the ground all the time. You couldn't put the bags down. I took three horses and a sledge and as the header used to go around I used to pull up alongside it and they'd dump the bags onto the sledge and cart them out on to the Main Canal bank. The sledge was a platform, like a table, with wooden runners and steel underneath. The "snigger" would stack some bags at the back and some at the front and stand in the bare space in the middle. Three horses in ordinary harness would be used for "snigging out".

The 1931 season was about the worst the growers have had as far as rain goes. They used all types of means to get their rice off. One fellow got a team of twelve
bullocks in. But of course the bullocks were hopeless as far as a header was concerned because it took half a paddock to turn around. They used to knock more rice down than they harvested.

We couldn't get the paddy in by road because they were in such a hell of a mess. Mackellar made an arrangement. There used to be a train come through from Narrandera down to Leeton called the "Six O'clock Rattler", and he made arrangements with the Railway Department for that train to stop for twenty minutes at Roach's Siding on Narrandera Road.

We carted the rice from the Main Canal bank and we used to stack it alongside the railway line. And old Doug used to come into town and he'd pick three lumpers up (they used to knock off at five p.m.). He'd come in the back way in an old "Chev" or something. He used to bring the lumpers out and we would be waiting for the train to come along. And as soon as it came they'd go like mad and they would load two trucks in twenty minutes. And the same lumpers would unload it in Leeton. He'd bring them back in. We done that. We got practically all that crop in like that.

When Mackellar took his rice off and brought it to town, the miller refused to pay FAQ prices for it because they said it had been under water and wouldn't be FAQ quality. This started the farmers thinking that if the millers were going to start kicking up a fuss about what they were going to pay and what they were going to take, that the growers should have their own rice mill. That was the start of it.5

'Light at the end of the tunnel': Vera Davidge remembers

Charlie and Vera ('Nan') Davidge first grew rice in 1930/31. Vera remembers how '... everyone was anxious to get a salvation of some sort. Farmers were wondering where they were going to go next'. Charles got seed from a neighbour, Alf Kubank. Vera recalls what a 'big deal' it was getting the banks put up and the soil ready for water. Charles 'wore the knees out of his trousers' waiting to see the first shoots come away.

Davidge and Kubank solemnly compared notes, brows knitted, walking quickly this way and that, pointing, grasping their chins and becoming very pensive. There were 'meetings after meetings'. The first meeting of the Mirrool Branch of MIARGA was held on Charlie's verandah. All the neighbours were there, including H R Bradbury from RMB, and much discussion on water management and 'shifting about' getting information about ricegrowing wherever it could be found.

Vera also recalls the terrible harvest of 1931. Bob Boyd harvested Davidge's crop that year. He started off with a header and horses but had to bring in bullocks because he was constantly 'bogged to the axle'. Boyd had a habit of raising his hat with two hands when in a desperate situation saying, 'It's monstrous, it's monstrous'. Then he would dig the header out of the bog and start again. Vera would sometimes take a lunch of sandwiches, tart, cakes and billy tea down to the paddocks in a horse and sulky. She would hear what the men were saying over the bogged axles and even today, Vera admits, she 'cannot repeat what was said'. Vera helped with the bags, stamping and dumping them in the dam, hanging them on the fence to dry so that they would stretch and fill more easily, taking more rice.

There was great excitement about the new crop heralding a golden age of anticipation. ... Rice seemed that something was coming right because we could see, having had the experience of various things here, you could see the light in the tunnel. ... This was a solution to the problems if you could get it away. They had tried so many things here that came to a dead end and this looked for the future something good.6

Lois Grant records

We are indebted to Lois Grant for meticulous records she kept of the ricegrowing seasons between 1924 and 1934 and the insights these provide into the impact of the Depression upon growers.

• In 1924/25, Grant paid WCIC £27 for water. By 1928/29 the figure had climbed to £156. For the 1932/33 season, the figure had plunged again to £27 (possibly relating to charge and debt reductions recommended by the Farram Committee of Review).
• For seed in 1924/25, Lois paid £9.10.6d. Seed costs peaked at £163 (at £14 per ton) in 1927/28. By 1932/33 seed costs had fallen to £16.19.8d.

• There was no expenditure on fertiliser in 1924/25 or in subsequent years. But by 1932/33 sulphate of ammonia was costing £35.4s.0d.

• The fuel bill rose from nil in 1924/25 to £75 in 1930/31 for 'putting in' and £36 for 'taking off'. It fell to £17 for putting in and £7 for the harvests of 1932 and 1933.

• Contracts for ploughing, sowing, ditching, reaping and binding, threshing, fencing and the like cost £111.4s.9d in 1924/25 (a 'conversion' year). By 1927/28 costs for these had soared to £304. In the 1932/33 season they plunged to a mere £15.

• In 1924/25 Grant paid £23 in wages; £178 the following year. By 1933/34 the wages bill had fallen to £5.5s.0d and the daily rate for labour from 15s.0d to 10s.0d.

• Expenditure on bags amounted to £45 in 1924/25, rising to £122 in 1927/28. By 1932/33 the figure had fallen to £22.

• The hire of tarpaulins, tractors, horses, lorries, movers and reapers, etc., had risen from £10.6s.0d in 1924/25 to £50 the following year. By 1929 expenditure on this item had fallen to nil and remained at nil for the five following years.

• Freight, which had stood at £8 in 1924 and £62 in 1927, had fallen to nil by 1931/32.

• Similarly, cartage which had peaked at £57 in 1927/28, fell to £7.9s.7d in 1932/33.

• Insurance fees peaked at £63 in 1928/29. By 1932/33 they had fallen to £12.

• Extras, such as riddles for threshers, sickles, scythes, sharpening stones, chaff for hired horses, tents, spare parts, grain rakes, bags, RMB charges (£16.14s.0d in 1928), ploughshares, authorised RMB brand labels, rubber hosing, chains and mechanical items rose from nil in 1924/25 to £41 in 1926/27. By 1931/32 this item had fallen to £4.

Grant recorded actual losses in 1925/26, 1930/31 and 1931/32, all wet years. We note also that the price for rice consigned to Clifford Love of Sydney (then, still independent of the Millers' Association) fell from £10.10.0d in 1924/25 (before the first tariff), to £8.15.6d in 1929/30. The price levelled around that point in the following season and rose briefly after the Tariff Board Report of November 1930. By 1933/34 prices had fallen to a record low, £8.2.6d. If Grant's figures are correct, she made only £533 profit from rice overall in ten years.

Grant's yields fell consistently until she introduced sulphate of ammonia in 1932/33, a consequence of falling prices and depressed markets. Greater use of fertilisers and improved rotation practices saw yields dramatically increase in the period and, by 1934, yields of four tons to the acre were not unknown.

### TOTAL COSTS OF PRODUCTION (TO NEAREST £)

**GRANT FAMILY RICE CROPS 1924/25–1933/34**

<table>
<thead>
<tr>
<th>YEARS</th>
<th>TOTAL COST</th>
<th>PROFITS</th>
<th>ACRES</th>
<th>YIELDS TONS PER ACRE</th>
<th>PRICE PER TON PADDY</th>
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<tr>
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<td>322</td>
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### RICE ACREAGES AND HARVESTS MIA 1924/25–1933/34

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<th>YEARS</th>
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<th>PADDY TONS</th>
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<td>1933/34</td>
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A progress report

Whilst ricegrowers made little money from rice in the first decade of the industry’s operation, it is fair to say that the industry weathered the Great Depression tolerably well, changing the outlook of many MIA settlers from one of despair to optimism. This growing confidence was demonstrated by the construction of another rice mill on the Area in 1933, built by C S Paul and Company at Yenda (destroyed by fire in 1936). A third, more significant mill was constructed later at Griffith by the Sydney firm, Australia Rice Proprietary Limited, which began phasing out its Sydney operations.

By 1934, the value of rice produced on the MIA since 1927 exceeded £2 million. MIA production then exceeded £1 million per annum, rice accounting for about half of this. In 1925/26 paddy imports equalled 13,560 tons. Now it was fifty tons. Paddy production had climbed to approximately 40,000 tons per annum and exports of almost 11,000 tons were being placed in Britain and the Pacific Islands. Experimental cargoes to Canada had begun. Earnings to the Railway Department for rice freight alone amounted to £103,000 annually. How the MIA would have fared economically through the Great Depression without the rice industry can only be conjectured, but it seems reasonable to say that the economic injection the new industry brought helped it to survive. Certainly, ricegrowing helped hundreds of settler families to stay on the land and for them, indeed, rice was a ‘salvation crop’.
CHAPTER 13
Mounting Land and Water Pressures:
Depression to World War II

Introduction

A generally cordial relationship between MIARGA, RMB and the Millers’ Association continued to the eve of World War II. Subject to constitutional uncertainty, the board was responsive to grower demands while, for their part, millers dealt exclusively with RMB and refused to buy from individual growers. It was orderly and workable, contrasting with the unpredictability of the butter, wheat and fruit industries in the same period.

Satisfaction with the status quo was reflected in the fourth RMB election of 1937 when the five sitting members were re-elected. The new board’s emphasis was squarely on exports, quality of supply and adequate storage. New regulations in respect of paddy moisture content were introduced and strictly policed. The board demonstrated new sophistication in monitoring shifts in prices on domestic and international markets. Frequent RMB deputations to the Minister for Trade and Customs and to the Millers’ Association were organised. Exports to Papua–New Guinea, Fiji and New Zealand increased substantially. A further 10,000 tons of paddy rice were sold to the United Kingdom. Canada Rice Mills became an important customer through this period when exports rose to 14,000 tons per annum. Production targets were set at ever higher levels, exceeding 50,000 tons. Membership of MIARGA continued to grow, numbering 320 by 1938. Handsome new RMB headquarters were opened in Chelmsford Place, Leeton. The rice industry gave every appearance of being prosperous and progressive.

But for struggling MIA ricegrowers there were worrying signs. More and more farmers, particularly large area farmers in the Irrigation Districts adjoining the Areas, and farmers in the Murray Valley, were clamouring to enter this new, lucrative and stable industry. Competition for scarce land and water resources was building as prices for rice and average Australian domestic consumption of rice were actually declining. Despite the board’s best efforts, consumers were returning to traditional vegetables, such as potatoes as the meagre recovery from the Great Depression began. And always lurking in the background were unresolved questions of waterlogging and salination going back to the Areas’ original design.¹

The contest for water begins

More farmers wanted to join the rice industry. Whilst strictly speaking there were no legal ways of preventing them there were compelling environmental and economic reasons for regulating growth and, somehow, the industry needed to assert this.

In 1929, a large-area committee formed seeking classification adjustments similar to those achieved by smallholders. Subsequent meetings in Leeton and Griffith led to the formation of the MIA Large-Area Holders’ Association. This drew up plans for irrigation farms south of the Griffith–Yenda Main Canal, where farmers had been granted extra non-irrigated portions on expired leases. The Large-Area Holders’ Association argued that the scattered nature of these portions and the fact that they were not irrigated rendered them non-profitable in terms of their original classified use and capital value. Moreover, rentals were too high. Large area farmers demanded to grow rice, which was profitable. WCIC was strongly opposed on environmental grounds, but by 1934, the Large-Area Holders’ Association had achieved its objective, exploiting political events to obtain permission to grow rice. Thereafter, the influence of large-area farmers on the industry strengthened and relations between them and ‘blockies’; small-holders; were often strained.²

Upon securing permission to grow rice in Districts adjacent to the MIA, the Large-Area Holders’ Association raised a loan to construct a channel off-take from the Main Canal at Merribee Bridge. Rice production soared. Meanwhile, WCIC established other Domestic and Stock Water Supply and Irrigation Districts west of Griffith to assist pastoralists with guaranteed fodder. Much of the Benerembah Station, for example, was sub-divided (1,112,818 acres) and 46 per cent of this was eventually irrigated. Water entering the Benerembah system also served the Widgelli and...
Warrawidgee systems, allowing development of the Tabbita Irrigation District, the Wah Wah Irrigation District and the Gunbar Water Trust. In 1933/34, water rights were granted to settlers in these Districts for fat lamb, wool and cereal production. By 1936 about 330 ricegrowers were working 13,950 acres on the Yanco Area and 7,808 acres on the Mirrool Area and associated Districts producing around 40,000 tons of paddy. More irrigation farmers were converting to a rotation-cycle of rice, lucerne and fat-lambs. Both rice and lucerne farmers were heavy water users. By 1939 there were 23,600 sheep on the Yanco and Mirrool Areas as part of this lucrative and agronomically productive but thirsty cycle. More and more pumping licences were being granted along the Murrumbidgee River. The Kooba Station was pump-irrigating thousands of acres.

Irrigation works proceeded also in the Murray Valley. Construction of the Wakool Domestic and Stock Water Supply and Irrigation District began in June 1932. By 1939, this Irrigation District, between the Edward and Wakool Rivers, was fully operational with 192 irrigation licences embracing more than 350,000 acres. Demands to grow rice there arose.

New tensions between producers wanting to grow rice, on the one hand, and the industry and the commission, on the other, were evident. In 1936 WCIC announced that as some farmers were again abusing the voluntary system of permissible acreages by over-planting, the commission would reintroduce the much detested inspection system. Following negotiations with MIARGA, WCIC agreed that a maximum of eighty acres could be put to rice on any one farm, re-negotiable yearly. This was seen as an equitable way to advance the industry without penalising those smaller family-based farms which had pioneered it. MIARGA approved. The Large-Area Holders' Association complained bitterly saying that MIARGA had no authority to speak on its behalf. Friction between large area farmers and small-holders intensified.

For their part, fruitgrowers were concerned by the rapid growth of rice farms (large and small) alleging that they caused seepage and waterlogging. For example, in 1939, fruitgrower H. Rickter wrote emotionally to Irrigator reporting waterlogging and 'twenty years of work ruined by rice next door'. No firm evidence linking rice-growing to waterlogging existed but most horticulturists and orchardists were convinced rice was to blame. Possibly some were exploiting the issue seeking WCIC compensation.

But one new development worried all irrigators, whatever sized farm or industry in which they worked. The New South Wales Government in 1938 began constructing power lines linking a hydro-electric generating station at Burrinjuck Dam to fuel-powered stations associated with the steel industry at Port Kembla. It was believed on the MIA that this would divert water from irrigation and curb growth. At the same time, the London firm of consulting engineers, Rendel, Palmer and Tritton, presented a report to the government on the electrical development of New South Wales, recommending the use of Snowy River waters for hydro-electricity. With huge plans for water conservation and usage in train, inevitably competition for the precious resource would intensify.

A water crisis, 1938/39

The year 1938 was the driest on record in the Murrumbidgee Catchment Area. The whole of south-eastern Australia was in the grip of a great drought. In September, at the beginning of the irrigation season, the Burrinjuck Dam was at an all time record low level. There were real doubts that the 135,000 acre feet of water required for 25,000 acres of paddy fields would be available. Some on the Areas began questioning whether the MIA could any longer be described as an irrigation area if farmers had to worry about water supply.

By October, alarming headlines proclaimed a water crisis: Burrinjuck was over-taxed; permanent-pasture farmers were pumping all along the river and, as a result, town water supply for down-stream communities of Hay, Balranald, Jerilderie and Moulamein was under threat. United by the plight, MIARGA, the Large-Area Holders' Association and horticulturist groups met WCIC officers. Farmers were told that rice production would certainly be cut but horticulturists were mainly at risk because they faced the possible wholesale loss of trees and vines. As fruit growers were the largest employers, the collapse of that industry would badly hit local business.
Understanding how exposed ricegrowers were, MIARGA advocated voluntary co-operation in water conservation rather than submitting to compulsory regulation. WCIC Commissioner Rawlings agreed to the proposal, keen to avoid confrontation between ricegrowers and horticulturalists. MIARGA, in turn, accepted that permissible acreages for the 1938/39 season should be reduced from eighty to sixty acres. Predictably, the Large-Area Holders' Association reacted strongly, arguing that water rationing should be imposed rather than acreage limits. A compromise was worked out by which each grower was allocated a quota of water to be used as he saw fit. Grower representatives from both MIARGA and the Large-Area Holders' Association were appointed to a WCIC committee to decide quotas, the effect of which was to limit acreages to levels advocated by MIARGA. When Murrami large area ricegrowers demanded full quotas, WCIC overruled them.

Local rain temporarily relieved the parched conditions, but no rain fell on the catchment nor did melting snows do much to replenish Burrinjuck Dam. If significant rain did not fall in the catchment soon, Irrigator gloomily forecast, and if water consumption continued at current levels, the dam would fail in March 1939. Awesome pictures of a hollow Burrinjuck Dam were published in the press. Farmers anxiously scanned meteorological forecasts. There was discontent and recrimination. Emphasising that MIARGA was 'not strong' among its numbers, the Large-Area Holders' Association sought:

... to secure the implementation of the Farram Committee's Report ... to secure for every large area holder full Home Maintenance Area, based on the recommendations of the Soldier Settlers Classification Committee ... laid down by Justice Pike.

The Large-Area Holders' Association took legal advice, hinting at action against WCIC if the commission failed to supply water, occasioning loss. Large-area farmers, reluctant to make any concessions at all on the matter of water rights, launched a campaign to have Burrinjuck Dam heightened to the original level (the wall had been lowered ten feet following 1925 floods) and urged construction of a dam on the Tumut River, the diversion of Snowy River waters by tunnel or channel into the Murrumbidgee, and water conservation works at Lake Meejum (Mejum), near Narrandera.

**The Murrumbidgee Valley Water Users' Association**

On Boxing Day, 1938, the Large-Area Holders' Association began organising for a conference of all land-holders on the Murrumbidgee River from Gundagai to Balranald. The association also joined a deputation, which included MIARGA representatives, to Agriculture Minister A D Reid and WCIC Commissioners Evatt and Rawlings, pressing for additional water storage. A committee formed from this deputation consisting of:

- J O Doyle and A E Bowmaker (RMB);
- T Darchy and H L Tooth (MIARGA);
- J H Kelly (Large-Area Holders' Association); and
- G Dalton, R Richards and P W Bloomer (Area business interests).

The government was slow to respond but, on 13 January 1939, Minister Reid announced plans for a £1.85 million redevelopment of the Burrinjuck Dam. The project would employ 400 workers for five to seven years and expand the dam's capacity by 20 per cent.

A Murrumbidgee Landholders' Conference was convened by the Large-Area Holders' Association. In suffocating heat (47°Celsius) in January 1939, with babies being rushed to cool rooms and heat stroke affecting the community, 400 delegates and 200 observers crammed into a boiling MIA hall. The subject was water. J H Kelly and other speakers, including R F Harnett, urged a national approach to the development of water resources. The present shortages highlighted a need for a Snowy River Project diverting alpine waters inland and generating hydro-electricity. Kelly and Harnett linked the diversion of water inland to population growth, defence and regional industry. They drew attention to 'forty miles of snow from a few feet deep to 200 feet deep in drifts' waiting to be tapped on the southern spine of the Great Dividing Range. Currently, speakers said, the Murrumbidgee River catchment area had but fourteen to sixteen miles of snow available to it, and the Tumut River about twenty miles. A
Snowy River scheme would relieve the Burinjuck Dam of any further hydro-electric responsibility, which might adversely affect irrigation.

A resolution was carried supporting diversion of the Snowy River linked to a hydro-electricity scheme. The Murrumbidgee Valley Water Users' Association was formed to press for this, electing J Alan Gibson, President and J H Kelly, Secretary.12

**The Ricegrowers' Defence Committee**

The great heat continued and a sense of foreboding grew. The rice crop was about to mature. If water were cut off now growers would face crippling losses. Then the dreaded WCIC announcement arrived: unless significant rain fell soon, water would be cut off to ricegrowers for five days after February 20, 1939. Burying their differences, the Large-Area Holders' Association and MIARGA formed the Ricegrowers' Defence Committee consisting of:

- A D Mackellar (Chairman);
- H L Tooth, F A Walsh and E C Tweedie (MIARGA); and
- T Darchy, J O Doyle and J H Kelly (Large-Area Holders' Association).

The committee's brief was to explore every avenue possible to allow the crop to be harvested and protect growers' legal rights. Large meetings in Leeton and Griffith were held on 7 and 8 February where legal action against WCIC was considered. A rumour circulated that the commission was orchestrating legislative changes to absolve itself from responsibility for damages in the event of a failure to supply water. Whether WCIC was actually doing this or not is unknown, but rumour had the same effect as fact and strong grower feeling was stirred.

A sort of parched desperation characterized debates. On 15 February a large gathering of angry horticulturalists met in Griffith demanding their rights: water for rice heralded doom for fruitgrowers. Ricegrowers, they alleged, were largely to blame for the water shortage. No concessions should be made to them but, in the interests of unity, fruitgrowers would join with ricegrowers in a legal action to ascertain WCIC's obligations. Horticulturalists also endorsed the Murrumbidgee Valley Water Users' Association's Snowy River resolution.

Responding to growing militancy on the MIA, WCIC hastily formed a Snowy River investigation team and conducted surveys in alpine districts.13

The solar bombardment continued. On 17 February, Minister Reid addressed a grim gathering of settler representatives in Leeton, telling them that Burinjuck Dam would shut in eleven days unless significant rain fell. Large-area farms would receive water until 3 March and horticultural farms until 15 April. There would be no water for stock and domestic use on large area farms. The situation was simply too desperate.14

The Ricegrowers' Defence Committee lost no time, entreating all growers, large and small, to 'co-operate' water supplies, to rotate water so that supplies not required by some could be used by others as crops matured. The committee recommended a reduction in the velocity of supply, allowing water to be held in bays for a longer period. Doug Mackellar employed the full force of his personality in urging growers '… to co-operate among ourselves'.

The scorching heat burned on. A week passed. No rain. The 28 February deadline arrived. Empty skies. Ricegrowers prepared to see their water supply terminated and crops wither. Then splendid news: soaking rains were falling further up the Murrumbidgee catchment and widespread falls were expected to continue for days! The MIA was saved! The rice industry had been rescued from disaster by an Act of God and not for the last time.15

On 3 March water restrictions were lifted and the harvest proceeded resulting in an all time record of 51,000 tons, about 9,000 tons up on the previous season and showing superior average yields (approximately 1.84 tons to the acre). Almost 26,000 tons of it was earmarked for export.

There was little time for congratulations, however, for, suddenly, water shortage was turning into water surfeit. The saving rains of February and March poured into one of the wettest winters on record. Inundation so soon after a long dry saw water tables rise alarmingly. WCIC appealed to ricegrowers to delay draining their bays. Most did
for as long as practicable, but water was backed up for miles in some areas, hanging around Stony Point for weeks. The canal embankment needed to be breached to shift the deluge. Reports of waterlogging were widespread. About 20 per cent of all MIA fruit trees were lost that winter; around 100,000 trees; ruining many horticulturalists. Salination spread rapidly and ominously, for ultimately everything dangled on the intricate web of nature. Again, the future of the Areas weighed in the balance.

WCIC and MIARGA independently commissioned research to investigate the interaction of MIA soils and irrigation. This was still poorly understood in an irrigation system, which, right from its inception, had grown from a muddle of conceptual contradictions and political expediency.¹⁶
A Need for Quality Research

Waterlogging and salination

Following the formation of the Commonwealth Institute of Science and Industry in 1922, the need for an improved research effort on the MIA was identified in meetings with the Department of Agriculture and WCIC. The commission’s Agricultural Extension Service was transferred to the department. WCIC also co-operated with the institute in creating the Citrus Research Station at Griffith, designed to understand better the interaction between horticulture and irrigation. Eric West, a returned soldier, was appointed officer-in-charge, the first WCIC research officer to be appointed full-time to the Areas. His empire extended to 'two rooms in a wilderness'. His assistants were known locally as 'trap-door spiders' because they sank four-inch holes into the soil and capped them with tin lids like a spider's nest hole and spent long periods taking readings in wells along with the real spiders. The purpose was to conduct a systematic survey of soil and the impact of irrigation, such precise study neglected in the scheme's original development.

In 1926, the commonwealth government replaced the Institute of Science and Industry with the Council for Scientific and Industrial Research (CSIR) (a forerunner of the Commonwealth Scientific and Industrial Research Organisation [CSIRO], which was formed in 1949). The Citrus Research Station became the CSIR Irrigation Research Station, based at Hanwood, near Griffith. C L Crane of the Department of Agriculture Division of Information and Extension Work was instrumental in forging this important link between producers, scientists and administrators which became a model for other industries introducing farmers directly into the management of research programs designed to help them. An Irrigation Research Advisory Council was set up consisting of WCIC Research Officer F K Watson and grower representatives.1

Almost from the inception of the rice industry, orchardists and horticulturalists complained of an alleged ' … growing menace to security ... the dangerous proximity of rice to orchards'. No real evidence substantiating these concerns existed although the suspicion was real enough.

Concern about waterlogging, seepage, salt build-up and drainage peaked after the wet 1930/31 season, when violent hailstorms smashed crops at Murrmi and Gogeldrie and floods at Jerilderie and elsewhere did much damage. Fruitgrowers and horticulturalists, alarmed by a rapid build up of the water table, blamed ricegrowers, alleging that water from paddy fields was leaking into subterranean sand drifts and moving sideways 'like a pipe'. Still no conclusive evidence demonstrating this link existed, but allegations continued, damaging the reputation of not only the rice industry but the commission. Something had to be done.2

WCIC launched a major research program investigating the nature of the vast MIA it administered. The Irrigation Research Branch in Leeton was directed to examine waterlogging, salination and seepage in the Yanco Area. Dr J A Prescott and Dr B Dickson of CSIR, experts in soils and plants, respectively, were brought in to guide the program, seeking finally to resolve problems with the MIA traceable to its haphazard origins.3

Extensive soil surveys were conducted and test bores sunk, indicating ancient alluvial sand beds at varying depths under much of the Yanco Area. Mineral charged water saturating these beds was under pressure and rising, percolating to overlying soils. If this continued unchecked, Prescott and Dickson warned, surface crops, particularly fruit trees, could be destroyed, recommending:

- tree planting along channels;
- cement or tile lining of channels, drains and tanks;
- draining swamps (such as those at Tuckerbil and Five Bough);
- daylight watering of orchards;
- better education of farmers;
- deep well-pumping schemes; and
- the curtailment of ricegrowing in some areas adjacent to orchards.4
There was little action on these recommendations, however, as the government’s attention turned first to dealing with the Great Depression and later to recovery from it. The waterlogging 'time bomb' lay submerged in official inattention, not resurfacing until the great wet of 1939. In that year, MIA Ricegrowers Association (MIARGA) representatives met (now) Professor Prescott and Dr Dickson, requesting further research. Ricegrowers did not wish to jeopardise horticulture in any way, they said, but required objective scientific information to guide responses to persistent and ill-informed allegations. Some settlers, MIARGA officials said, appeared to be using an alleged link between rice and waterlogging as a 'political stunt' merely to extract compensation from the commission. The real source of the problem was ill-conceived land classification and the absence of a proper scientific basis to this. Prescott and Dickson's earlier report, although inconclusive, MIARGA representatives complained, was being used to substantiate charges against ricegrowing. New research might clarify this misapprehension and allow horticulturalists and ricegrowers to live amicably together on the Areas.5

With MIARGA support, Dickson and Prescott conducted further studies into the waterlogging question, releasing a preliminary report in mid-1940, which:

- noted the demoralisation of many horticulturalists by this grave problem;
- commented at length upon the inadequacy of drainage in the irrigation system;
- recommended:
  - improved drainage to be provided by WCIC;
  - a separate drainage system for rice;
  - the grouping of properties not suitable for horticulture and their deployment for something else;
  - the segregation of ricegrowing from horticultural farms;
  - de-watering through a lucerne or other green-crop rotation cycle; and
  - farmer education in proper water management.

The researchers were unequivocal on one point: no conclusive evidence existed to suggest that seepage was occurring from rice lands, citing evidence from the Stanbridge Area where an '… island of horticulture is surrounded by rice fields' and no seepage existed. Moreover, they noted, root rot and 'sour sap' among trees was as serious in the Goulburn Valley where no rice was grown. The final report, however, again ended on an ambivalent note commenting that '… there may be specific circumstances … where underground drifts allow lateral seepage'. This statement would fuel much controversy in the future as waterlogging and salination worsened.6

Walter Poggendorff and the Rice Research Station

No account of research on the MIA between the world wars would be complete without reference to the great plant breeder, Walter Poggendorff, and the Rice Research Station.

In 1928 the Yanco Experiment Farm was transferred to the Child Welfare Department to become the Riverina Welfare Farm for Delinquent Boys (still known as 'Yanco Farm'), retaining this function until World War II. The Department of Agriculture set aside approximately 670 acres a few kilometres west of the farm specifically for rice research: the Yanco Rice Research Station. F Matthews was appointed manager. A brilliant young biologist, Walter Poggendorff, was transferred there as assistant plant breeder from the department's plant breeding branch, for general plant breeding work. The work of these men and their team was vital for the progress of the rice industry.7

Known as 'Pog' to his many friends and admirers, Walter Poggendorff chose to specialise in rice, immediately demonstrating his worth by intercepting a deadly 'rice smut' virus on rice imported from China by a negligent farmer. Matthews and 'Pog' also found 'red stalk' present on imported seed from Arkansas. If either disease had entered MIA paddy fields, the consequences would have been devastating. As a result of their discovery, legislation was enacted banning the import of seed or rice products
originating outside the MIA without WCIC permission. Consequently the MIA remained largely free of rice diseases plaguing other rice producing nations.\textsuperscript{8}

In the 1920s plant breeding as a science was still in its infancy. Poggendorff's assignment was to 'undertake the task of providing pure seed stocks of those varieties in demand and effecting any improvement possible in the yield, quality or type of rice'. Each year 'Pog' would experiment with about fifty acres of rice, examining cultivation, weeds, varieties, fertilisers, rotation and the like. Seed rice employed in the MIA was still badly mixed. Poggendorff realised that if natural crossing occurred between varieties some distance apart, there were serious consequences for the design of pure seed layouts. He, therefore, began pure-lining \textit{Caloro}, \textit{Colusa} and \textit{Wataribune}, planting seed in circles at intervals of ten feet to measure the amount of cross-pollination. \textit{Wataribune} was eventually discarded 'because of its late maturity'. He was seeking an early maturing variety with improved grain quality, showing strong straw and a good yield. When attempting to cross varieties, Poggendorff would wait for a dull, cloudy day and did obtain fresh pollen by 'floating heads of the donor parent on water where high temperature and humidity caused flowers to mature and open'. By 1932, he had produced twelve tons of pure strain \textit{Caloro}, which he named \textit{Caloro 2}, an exceptionally good yielder, for which the research station organised distribution. Poggendorff published regularly in \textit{Agricultural Gazette} advising growers about \textit{Caloro 2} and how to distinguish it from \textit{Colusa}. In 1933, he conducted a two-ton trial of another pure strain, \textit{Late Caloro}, a late maturing, heavy yielder that produced good grain quality and was instantly popular.

By the season of 1936/37 \textit{Caloro 2} and \textit{Late Caloro} occupied 30 per cent of total MIA rice acreage, the demand for seed rice exceeding supply. The Rice Research Station was now able to offer growers late, mid-season, early, and very early, short-grain varieties. Poggendorff patiently experimented with seed from China, Spain, Italy and Japan. In later years he perfected varieties imported from the United States such as \textit{Lady Wright}, \textit{Texas Patna}, \textit{Blue Rose} and \textit{Edith}, selecting uniform and better adapted lines from them. The biologist also noted a high-yielding dwarf, \textit{Caloro}, but did not have time to pursue the investigation further, progress interrupted by World War II. It is interesting to note also that the first long-grain rices adapted to southern New South Wales were bred by Poggendorff in the 1930s, some high yielding, but never grown commercially because long-grain rice was not then required by the industry.\textsuperscript{9}

The Rice Research Station investigated all matters affecting rice: discolouration, field design, contour banks, soils, seeding, compatible pasture grasses, fertilisers, pests and ducks. Sun-cracking — the development of a fault in the belly of grain causing it to break and mill poorly — was a particularly tricky problem. Poggendorff struggled with bureaucracy to have electricity delivered to the research station for small-scale milling work to help with the sun-cracking problem. The station also organised demonstrations of new harvesters and equipment, for example, introducing the 'Royal Header' in 1935. Drawn by five horses, eliminating stalling and the mixing of grain and stalks, the machine was received enthusiastically by growers. Another machine invented by Lois Grant's brother, D A Grant, manufactured in Wagga and Leeton and running on pneumatic tyres, was demonstrated in 1936. The remarkable 'Goodyear Rice Field Tractor', a technological breakthrough from the United States also made its debut at the Research Station.\textsuperscript{10}

Ironically, given his excellent work, Poggendorff's research visit to the United States in 1935, accompanied by J O Doyle of RMB, struck one of the few discordant notes in MIARGA–RMB relations after the Depression. Association members objected to two people travelling: why should growers pay for both? MIARGA representatives complained that they had not been consulted and a small, angry meeting convened. When Alf Bowmaker explained that the New South Wales government was paying for Poggendorff, not growers, there were a few red faces. Indeed Poggendorff returned from the trip with valuable advice in respect of weed control, direct sowing of seed into water and sophisticated pure seed systems, benefiting the industry.\textsuperscript{11}

Apart from isolated misunderstandings, it is fair to say that the rice industry, scientists and administrators co-operated well and were innovative in the conduct of research in the inter-War period contributing substantially to the industry’s success.
At a well-attended Research Station Field Day in 1938, Director of Marketing A E McDonald congratulated growers and the industry for astonishing progress. Only a few years earlier, McDonald said, nearly all of them had been 'broke'.

The rice industry is an example to the whole of Australia in regard to what can be done by organised effort and co-operation between growers and various officers of the department and others concerned with the development of the industry on the marketing side.

A most successful example of any marketing scheme ... chiefly due to the very active co-operation of all those concerned, legislation provided, and the proper use of it, and the friendly co-operation of every one in the industry. It is really remarkable how quickly the rice industry has developed.

With the outbreak of World War II, the industry was suddenly thrown on to a different footing. Poggendorff was transferred to head office in Sydney in 1940, to help with the war effort. Rice improvement work was confined to variety testing. Hybridisation work was suspended until 1957, when D J (Don) McDonald was appointed to Yanco as plant breeder. By then, most of Poggendorff's breeding lines were lost or unable to germinate, obliging McDonald to start afresh. And always, ticking away underneath surface events lay the unresolved questions of salination and waterlogging.
Chapter 15

‘The fight is on, the gloves are off’:
The Rice Industry and World War II, 1939–1945

A quiet before the storm, 1939–1941

There was little real change in the rice industry in the first two years of the war but practically every adverse factor then known in rice cultivation, bar a wet harvest, combined in the 1939/40 season. A record wet winter saw prolific growth of native grasses, clovers and trefoil. Birds, caddis fly and aquatic beetles attacked new shoots in masses. A comparatively cool summer, including a cold snap in late February, saw late flowering and, at the ‘milk and dough’ stage, rice beetles, coots (Eastern Swamp Hen) and ducks did further damage. Frosts ruined many crops in early March. Slime and stagnant water were problems, a consequence of over-seeding too late in the season and 'cold' land preparation resulting in lowered seed vitality. Scattered hail storms carved swathes through the fields and hot drying winds near the harvest saw 'empty glumes' appear in some crops. Yields were very low at 1.4 tons to the acre, the harvest falling from 51,000 tons in 1939 to 34,241 tons and gross value falling below 1933/34 levels.¹

Jack Brady: RMB Chairman

With the waterlogging question still unresolved, the Rice Marketing Board (RMB) realistically budgeted for a smallish 33,000 ton harvest in the 1940/41 season. A few large area farmers, keen to enter the rice industry, objected strongly, reviving old complaints that the RMB electoral system was 'rigged' and failed to give a 'photograph of growers' thinking'.

In the 1940 election, Jack Brady replaced the pro-miller J O Doyle as RMB chairman. Jack Brady, who had done so much to encourage official interest in ricegrowing in the 1920s, now moved into a key position of influence in a robust industry he had helped to launch. His board consisted of A E Bowmaker, H R Bradbury, S H Cox, J O Doyle and government nominees J Gleeson and H J Gorey (replacing A D Malcolm, who was overseas). Brady, Doyle and Bowmaker immediately travelled to Sydney to make arrangements for wartime production, have rice declared 'an essential service' and organise defence of the storage sheds. Brady was appointed chairman of the Commonwealth Rice Advisory Executive for the duration of the war. (Later, in 1942, he was appointed executive officer of the Commonwealth Rice Production Committee, a supreme wartime body overriding both RMB and the MIA Rice Growers Association (MIARGA.).)

Response to The Prescott-Dickson Report

Responding in mid-1940 to The Prescott–Dickson Report, which rejected the notion of a necessary link between ricegrowing and waterlogging and pointed to a need for improved water management and drainage, WCIC immediately began work on drainage improvements. The commission also convened the MIA Joint Executive Committee and a Seepage Sub-Committee representing all Area primary industries. Doug Mackellar and Charles Davidge, the latter who now became more vocal in MIARGA affairs, requested that the Seepage Sub-Committee look at each case individually and avoid making blanket assumptions about the rice industry, advocating a ‘co-operative’ rather than a ‘prescriptive’ approach in solving waterlogging problems to avoid ‘friction and misunderstanding’. But WCIC was determined to resolve the issue once and for all and announced a further series of technical tests to determine whether rice land was responsible for seepage. Mackellar requested that MIARGA monitor these tests but Commissioner Rawlings said that the association would, ‘ … only be able to go into the evidence with the commission’s technical officers who would explain the position and the basis on which the decision had been arrived at’.²

The Department of Agriculture also announced the upgrading of its Soil and Irrigation Extension Service and introduced field work leaders into the Areas to ‘sell the best ideas in irrigation’.³
War crisis, 1942

Concerns about waterlogging and seepage were again swept aside when Japan entered the war in December 1941. Extension works on irrigation research, drainage and water management techniques, experimental work on rice varieties and the pure seed scheme being developed at the Leeton Rice Research Station were all suspended as resources swung to the war effort. The production of food, fruit and vegetables for the armed services and friendly populations in the northern fighting zones and Pacific was all that mattered now. A National Emergency Scheme was implemented. Cities were prepared for evacuation and arrangements made for the defence of essential services and industry. The MIA's designated role was food production and preparation to receive population.

Murrumrii Rice Mills added a second, larger mill, capable of milling 1500 to 2000 tons a season and a 500 ton store, marketing products through Wright Heaton and Company (Southern New South Wales), McCullock Carrying Company (Albury), Importers and Agents (Auckland) and British and Military markets under Wartime Organisation and Industry (WOI) arrangements. In March 1942, with the crisis worsening, the Riverina Welfare Farm (formerly Yanco Experiment Farm) reverted to vegetable production, managed by J L Green, the Department of Agriculture instructor who had played such an important role in demonstrating the viability of rice in the early 1920s. Following the commonwealth government's decision in July 1943 to make Prisoners of War (POW's) available for farm work under the Geneva Convention, some 700 POW's, mostly Italian, were introduced into the Yanco Farm to boost production. Up to three prisoners each were also made available to eligible farmers, who were obliged to provide adequate housing (tents were unacceptable), cooked meals and £1.0.0d. per week. The Women's Land Army was formed and all available labour; men, women and children; was involved in food production.4

Joyce Boyson remembers

Joyce Boyson, the daughter of David Wright, who had first grown rice in 1925, and Jean Bennett, an army nursing sister in World War I, remember those days. The family had taken up a farm at Murrami in 1919. Joyce was in her teens. Her eldest brother was overseas on active service and her two other brothers were at Yanco Agricultural College. Their regular farm labourer had joined up so that Joyce and her parents were obliged to run the farm by themselves:

New farm machinery and spare parts were impossible to obtain. We had two Massey-Harris rice harvesters. Come the rice harvest it was a case of cannibalising the oldest machine and scrounging bits and pieces to make one operative harvester. We became adept at improvisation! One essential piece of equipment that was impossible to get was a roller cage bearing for the main and land wheels of the harvester.

Before each rice harvest it was my job to sit with a length of quarter-inch pin steel and a set of bolt-cutters to cut the required number of short lengths of pin steel to take the place of the roller bearings. These lengths of pin steel had their rough ends filed off and packed in grease around the axle inside the hub. One set usually managed to do the harvest, if we were lucky.

In the wet winter of 1943 it took us six weeks to harvest eighty acres of rice, a job which normally took five to six days to complete. Everything was awash as we were caught halfway through the harvest when the rains came. The rice bays filled with water with the harvested bags of rice still standing in the paddocks up to their middles in water. No wheeled vehicles could get near the paddocks. An improvised sled had to be made from logs and the sodden rice bags were towed out with a four-horse team to the nearest dry land, which was the road side. This was extremely heavy work which my father, mother and I managed somehow to achieve. To add to our misery, galahs came from miles around to feast on the drying bags of rice, attacking the twine at the top of the bags thereby enabling the rice to trickle out, causing the stack to collapse!

One day … my father and I were working on the harvesters. We had been working underneath the machinery when a Stock and Station agent called to see my father. My father was talking to the agent while I stayed under the machinery to get the job done. The agent could only see a pair of boots and work trouser
legs from under the machine. When this grease covered apparition, with long blond pigtails suddenly wriggled out from under the machine, the agent stopped in the middle of a sentence to exclaim, "My God, it’s a GIRL!"

With rice declared an 'essential commodity', markets were suspended and crops purchased by the commonwealth government at a set price. In mid-1942, all Australian rice supplies were placed at the disposal of the government. Practically no rice was available for Australian consumption but, even so, a huge shortfall in supplies to the services and allies was expected. With rice producing areas in Burma, Thailand and French-Indo China (Vietnam) paralysed by the war, the commonwealth issued an urgent appeal to the Australian rice industry to produce 100,000 tons of rice!

**Rice in the Benerembah and Tabbita Districts**

Rushed efforts were made to increase production. The Burrimjuck Dam was only half full, however, and water did not exist to meet the government’s request. Instead, the commission relaxed the eighty-acre per farm limit on rice production, threatening to de-water any grower who 'over-planted' to cash in on guaranteed (and rising) prices. Some farmers, however, disregarded these threats, arguing that it was their 'patriotic duty' to produce. Charges were laid but the outcome is unknown. The conclusion, however, was obvious to the government: the MIA by itself could no longer meet national demand for rice. Therefore, the federal 'gentlemen's agreement' confining rice production to the MIA so long as the Area could satisfy national demand, needed to be varied: rice had to be grown elsewhere in the state.

WCIC suggested that ricegrowing could be expanded into the Berriquin Area. RMB, however, sympathetic to MIARGA complaints, argued that this would present 'organisational problems'. The board suggested instead the Benerembah and Tabbita Domestic and Water Stock Supply Irrigation Districts, adjacent to the MIA, as a 'wartime measure'. In August 1942, Jack Woodside, then a grazier on a 7,000 acre property and representing thirty-two farmers from the Districts, met WCIC and commonwealth officials to negotiate production targets. There was talk of bringing Kooba Station into production—Kooba, where Hugh McKinney had first dreamed of vast irrigation works on the Riverine Plain (see Appendix B). FW Hughes and Company, then owners of the station, had offered 585 acres for ricegrowing in the 1942/43 season, the largest single rice crop ever contemplated in Australia.

Pre-war concern about adequate drainage, waterlogging and salination were forgotten in the rush to wartime production. In the 1942/43 season, 34,327 acres were planted with rice seed, almost double the previous year. A harvest of nearly 60,000 tons was anticipated, about 10,000 tons of this coming from the Benerembah and Tabbita Districts. This was still well below commonwealth targets.

**The Rice Production Committee**

Acknowledging that the MIA alone could not meet national targets, MIARGA co-operated with the commonwealth in forming the Rice Production Committee, presided by Jack Brady and including Benerembah growers, who used the opportunity to urge the commonwealth to proceed with plans for the diversion of Snowy River and Tumut River waters into the MIA system—clearly the Burrimjuck Dam could not be relied upon in a national emergency. The committee also joined with RMB in calls for an increase in the price of paddy to £11.17.0d per ton, high enough to encourage production while avoiding profiteering and co-operated with the MIA Joint Executive Committee, which included representatives from the dairy, pasture and horticulture industries, in efforts to co-ordinate the war effort.

**Industrial unrest**

In late 1942, with the Japanese threat peaking, MIARGA convinced WCIC to release men from other duties to assist in the forthcoming harvest. The Australian Workers' Union (AWU) objected, describing this as 'body snatching' and not in the interests of members. The union also charged that MIA farmers were pressing the commonwealth to intern all aliens, whether Fascist or not, forcing them into cheap labour. An AWU delegate on the Areas, A Ursin, announced that as his union had never organised labour in the rice industry or obtained an award, he now intended to change this by presenting an extensive log of claims. In response, MIARGA, with Doug Mackellar and Alf Bowmaker to the fore, organised the MIA Ricegrowers' Defence Fund, levying
associates sixpence per ton per annum, refundable if not expended. Jack Brady was appointed treasurer. By November 1942, the dispute had widened to include lumpers, who were members of the AWU, complaining that wages and conditions were not on a par with equivalent workers in the wheat industry and threatening strike action. AWU then served a log of claims seeking:

- 25s.0d per day, plus keep for header drivers;
- 30s.0d per day, plus keep for team drivers;
- 20s.0d per day, plus keep for casual hands employed for periods of less than six days; and
- £5.0.0d per week, plus keep for permanent hands.

Piece rates for youths nineteen years or under were to be 75 per cent of the basic wage, with full wages payable to workers older than nineteen. Youth workers were to comprise no more than one-third of adult workers. A 'working day' was to occur between the hours of 7.30 a.m. and 5.00 p.m., allowing one hour for 'dinner' and two 'smokos' of ten minutes each. Not more than forty-five hours per week were to be worked under standard rates. Double rates applied outside set hours and on Saturday and public holidays. Where a worker combined mixed functions requiring greater skills, a higher rate was to be paid. Payments were to be made weekly. One week's paid annual leave was to be awarded.

While Australian and Allied troops held the Japanese at bay the Arbitration and Conciliation Commission awarded considerably less than AWU demands but workers accepted the ruling. RMB also agreed to pay 26s.0d a day to casual labourers, averting strike action. Both Doug Mackellar and Alf Bowmaker thought the outcome 'reasonable', but many growers were outraged. How had this situation come about? What about the War effort? What had happened to the Defence Fund? MIARGA seemed impotent on the question of WCIC acreages and useless in negotiations with AWU over rates. Perhaps, some insinuated, Bowmaker, the 'kid from the Big Smoke', was soft on workers.

A 'wartime measure': Wakool and Berriquin

Rushing ahead with production in the Benerembah and Tabbita Districts, WCIC decided also to experiment with rice in the Wakool Irrigation District in 1942/43, on Tulla Station between the Edward and Wakool Rivers in the Murray Valley. Assisted by the commonwealth and New South Wales governments, the commission developed two experimental plots: Holding No. 43, the Estate of T Wrag; and Holding No. 66, E R Hollins. Two other plots were prepared at Berriquin, on R H (Hunter) Landale's 'Mundiwa' property on the Mulwala Canal, five miles east of Deniliquin, and on W Pyle's 'Edgecombe' property between Berriquin and Jerilderie. Delays in the delivery of harvesting machinery and raids by cockatoos played havoc with trials but average yields were recorded and air and water temperatures and rainfall were comparable with the MIA. Accordingly, WCIC planned a 5,000 acre rice crop in the Murray Valley for the 1943/44 season. However, the commonwealth and New South Wales governments could not agree on capital and production cost-sharing or the provision of labour and materials until March 1943, so that when the Wakool development finally began, a frantic scramble began to prepare fields by October.

Approximately 15,000 acres were involved on Tulla Estate and 1,051 acres on T R McConnell's adjoining property. The land required little or no grading. CSIR surveyors worked sixty hours a week including public holidays for six months to complete a systematic soil categorisation, which indicated five types:

- Yallakool Clay Loam
- Norong Clay Loam
- Moulamein Clay
- Beremeged Loam
- Beremeged Sandy Loam.

WCIC Farm Design Officer R M Stannard prodigiously designed bays and supply channels. Commission Planner G B Gibbs led a planning team in WCIC's Deniliquin office, working ten hours a day to finalise administrative details.

Over 100 men were required to prepare the fields. Workers supplied by the Man Power Department were generally slack and unsuited to the task. In September,
100 Italian POW's (later increased to 175) were shifted to the Wakool Project. There were language problems and difficulties in teaching relevant skills, but the Italians were hard working and thorough. A camp was set up fourteen miles from Wakool, eighteen miles from Barham, comprising sleeping quarters, a mess, recreational facilities, sanitation, workshops, machinery sheds, stores, water supply, electric light, a hot water system, refrigeration, all constructed in a controlled frenzy of methodical improvisation. Facilities also had to be provided for service personnel guarding the POW's, materials and people being ferried in from everywhere.

A dry autumn and winter aided rice planting. Italian POW's drilled the seed using horses and an array of hurriedly assembled mechanical devices while drainage channels were still being constructed. They worked ten-hour shifts, sometimes twice a day. Farm Manager W H Swales rushed about checking everything. Channels were filled between 6 and 7 October and, on the following day, irrigation commenced! By 5 November the seed had shot and was already under permanent water. Exceptional windstorms, such as those accompanying drought conditions, swept across the site during the entire irrigation phase. A serious breach occurred in No. 1 Channel on 12 October, but was quickly repaired. Another big break appeared on 15 December. The whole water supply was halted and the entire channel system inspected. The crop went well until the end of January, but, in February, cool weather stopped growth. Temperatures rose above 100°F Fahrenheit on only two occasions between 5 February and 31 March. A cold southerly wind in the pollination period interrupted the maturation phase and many 'white heads' developed. Water continued to be applied until 30 March 1944, when general drainage began, first delivered on to the property of a nearby landholder and eventually into the Niemur River. The land dried out well and on 20 April the harvest commenced. Then cold winds and misty showers delayed everything until 8 May. Not until 15 May could all machines be operated. Stripping was completed by 17 July. Bagged rice was taken to Burraaboi Siding for RMB receiveal. About 8,000 tons were taken off, producing gross returns of £91,935 and returning £40,000 to the government. Everyone was impressed. Planning immediately commenced for an 8,000 acre crop next season.10

A record 75,000 tons of paddy rice was taken from all producing districts in 1943/44; still well below the commonwealth target of 100,000 tons, but MIA growers alone reaped £700,000; £300,000 more than the previous year. Everyone was looking to an even bigger planting in the 1944/45 season. WCIC made more acreage available and more farmers were clamouring to enter the industry. Still burning questions remained unanswered: did sufficient irrigation water exist and what of the waterlogging and salination issues?

The millers' firm their grip

Meanwhile, the Millers' Association, seeking to 'sew up' production in the profitable and expanding wartime industry, had formed the Rice Equalisation Committee (REC), shareholding based on RMB quotas. REC members agreed to share quotas among themselves and withhold excess paddy from outside operators. The rationale was orderly marketing to 'smooth out' price discrepancies but essentially the arrangement was a cartel, stifling competition. Perhaps, under wartime emergency conditions, this made sense but, MIARGA officials wondered, would millers seek to perpetuate it after the war?11

REC member, Australia Rice Proprietary Limited, approached the Commonwealth Treasury via RMB for approval to build larger storage facilities and mill at Griffith, arguing this as necessary to deal with increased volumes and consistent with government policies of strategic decentralisation. After RMB argued the miller's case before the Railway Department, seeking and gaining reduced freights to encourage development, the Griffith Mill was approved. David Solomon was appointed manager. Another mill was to be converted at Cootamundra for table rice production.12

Many growers saw RMB encouragement of REC interests as a betrayal, but opinion was far from unanimous. Large area farmers in the Mirrool Area and adjacent Districts, for example, approved of the shift in industry orientation from Leeton towards Griffith. Possibly MIARGA objections to the proprietary mill at Griffith and Alf Bowmaker's acceptance of AWU claims contributed to him being voted off the RMB board in November 1943, replaced by H L (Harry) Tooth.13
Reconstruction mood: the contest for water builds, 1944–1945

By early 1944 the tide of war had turned in favour of the allies. A reconstruction mood was gathering sway. Governments began planning for demobilisation and farmers for a post-war boom. A spate of land sub-division began in which water supply and water security was vital and a key policy issue. Water was a ‘national asset’; but who should have access to it? The inadequacy of Burrinjuck Dam for purposes of expanding irrigation had been evident since 1938 resulting in a clamour to build more dams. Who should pay for these? Talk of a proposed Snowy River Hydro-Electric Scheme linked to inland rivers quickened in a terrible drought through 1944 when dust storms stripped top-soil off millions of acres of the Mallee District to the west and dumped it everywhere, including in waterways where it choked channels or was swept to the sea. Run-off increased dramatically, silting worsened, the risk of flooding was heightened and, again, Burrinjuck Dam was almost empty.

Once more WCIC was forced to cut water supplies to MIA ricegrowers and confine individual growers to 60 acres of rice. A maximum consumption of 458 acre feet of water per property was permitted for the 1944/45 season. Not even this could be guaranteed. The only thing the commission could guarantee was strict policing. The restrictions meant that less than 20,000 acres of rice could be sown on the MIA, down 15,000 acres on the previous season. Production would be around 30,000 tons, half the previous total. Many MIA farmers were bitterly disappointed, believing that rice was ‘finished’ on the Areas, that it had been ‘grabbed’ by farmers elsewhere. Many turned to fat lamb production in a rotation involving lucerne, Wimmera rye grass and subterranean clovers.14

Indeed, WCIC was now actively distributing rice production over a wider geographical area. More than 350 miles of water channels had been laid in the Wakool District and 200 farmers were permitted to grow rice there. The Tabbita and Benerembah Districts were to be supplied with water for rice production for the duration of the war, under strict control. The Irrigation Act would be amended to permit this, allowing for improved drainage works and the sharpening of WCIC powers. WCIC itself was to be revamped with its chair, the Minister for Conservation, personally supervising all sub-division relating to rice production. The intent was to curb unruly development after the war.15

Water development leagues sprang up along the inland rivers. A Murrumbidgee Regional Development Committee formed and a Murrumbidgee Irrigation Development League developed out of the Murrumbidgee Water Users’ Association, lobbying for Snowy River diversion and improvements to Burrinjuck Dam.16 Similar water groups formed in the Murray Valley. The Mirrool Large-Area Farmers Association opposed WCIC moves to disperse rice production beyond the MIA, particularly the approval of a Benerembah District sub-division involving 90,000 acres in twenty-nine blocks and a further Widgelli sub-division of 8,000 acres. The association also objected to any further sub-division of the Tabbita District or the granting of irrigation water rights there, complaining that farmers had come to the MIA because of the existence of water rights but now, while the commonwealth was urging ever more production, they were confined to 60 acres of rice and obliged to share water restrictions with large area farms outside the Areas. Lacking water security, the value of MIA farms would fall. Farmers in the Benerembah District had paid £4.10.0d. an acre for land, settlers on the MIA had paid £10.0.0d. per acre. Where was the equity in that? The Pike Commission’s Home Maintenance Area (HMA) Principle, upon which the MIA had grown, (discussed in Appendix C) was ‘in tatters’. ‘Now we don’t have a MIA,’ some said, ‘We do not have an irrigation system’.17

However, school teacher, ricegrower and MIARGA stalwart, Clarrie Bowditch, defended WCIC’s plans. Farmers in Districts paid more for water than farmers in Areas, he said, they produced well and their presence in the industry lessened the possibility of rice production on a permanent basis in other areas after the war — in the Wakool and Berrinjuck Districts and Tullakool Area, for example. Already, J A Lawson (Country Party, Murray) was urging the government to permit ricegrowing in the Wakool District after the war, calling for an additional 50,000 acres of rice permits and permission for private irrigators in the Berrinjuck District to grow rice. The Queensland government was investigating rice production. Bowditch drew attention to H G R Swan, who had grown 150 tons of rice at Merrimac in the northern state, just
over the New South Wales border, but had been forced to feed his produce to pigs because ‘... it had not been grown under RMB supervision’. Swan had been growing rice for five seasons and possessed a mill capable of processing 400 tons. Questions were being asked in the Queensland parliament about the 'gentlemen's agreement' confining ricegrowing to New South Wales. It was important to stick together, Bowditch argued, and prevent 'late-comers' from cashing in on an industry pioneered on the MIA just as it was becoming very profitable. ‘Co-operate,’ he urged growers, for the industry ‘... is in danger of breaking out uncontrollably to the detriment of MIA farmers’.18

Adapting to the new situation, MIARGA reduced the number of association branches from four to two and increased the central executive from six members to nine. A new Yanco Branch absorbed Leeton, Murrami and Stanbridge branches, consisting of five delegates, while the reshaped Mirrool Branch included Griffith region growers and the Benerembah and Tabbita Districts, consisted of four delegates.19

**The Snowy River Report, November 1944**

In November 1944, the New South Wales Legislative Assembly Snowy River Investigation Committee released a report: *Utilisation of the Waters of the Snowy River*. Applauding the quality of WCIC research and proposals relating to the diversion of Snowy River waters into the Murrumbidgee River, the report noted that MIA rice production in 1943/44 was worth almost as much as the state's gold production in 1938. MIA rice and vegetable growers produced about £1 million of produce each year, greater than the total state production of copper, tin, silver-zinc and other minerals, except for gold, silver-lead and coal. Total MIA production was about £3 million per annum, approximately the same as the Broken Hill silver-lead industry.

Since 1924 the rice industry had returned more than £5 million to the Areas. The committee argued that significant additional irrigation development in the Murrumbidgee Valley would be possible if the river’s waters were augmented for irrigation by the Snowy and Tumut rivers, assisting the settlement of returned servicemen and increasing the population by 50,000. Annual production on the MIA could then equal the value of all mining in the state, including coal. Improvement in the unimproved capital value (UCV) would immediately realise £7 million, significantly compensating the state for an estimated expenditure of £11 million for the diversion, and £2 million for hydro-electric power stations. Murrumbidgee waters supplemented in this way would:

- stabilise the Murrumbidgee and Hay Irrigation Areas;
- improve the Benerembah, Tabbita and Wah Wah Irrigation Districts;
- allow controlled flooding in the Lowbidgee Area;
- permit private irrigation and stock supply schemes under licence;
- encourage greater intensive production equal to the current output of the MIA; and
- allow irrigation of the Darlhay and Billabidgee systems.

To critics persisting with a view that the MIA was a 'colossal mistake', the committee replied that the Areas had already paid their way, excluding what governments had found necessary to write off as a result of ill-conceived planning, noting that the total value of horticultural farms, large area farms, residential farms, village blocks, factories, sheds, workshops, business houses, dwellings, churches, schools, hospitals, wineries and hotels on the MIA amounted to £6.7 million. The report highlighted the fact that the MIA’s total production from 1912 to 1942 equalled £23.7 million, adding that in each subsequent year after that date the Areas would produce more than half of the cost to the state of works necessary to make production possible.

The Snowy River report concluded that diversion of waters to the Western Plains would not preclude hydro-electricity and argued that irrigation combined with improved grass and tree planting would help prevent soil erosion and wind-borne soil degradation. Observing that more land suitable for irrigation existed than water to supply it, the committee recommended as a priority a thorough study of soils and sub-soils and comprehensive market research as prerequisites to any further development. The Snowy project was seen as a national priority. The report recommended damming the Snowy River at Jindabyne and diverting its waters into the Murrumbidgee River, which was also to be dammed nearer its source at Billilingera. Hydro-electrical power
stations should be constructed and a thorough catchment area management program put in place. There was jubilation on the MIA at the positive tenor of the Snowy River report and a sense of real achievement: the Area was not only paying its way but the future seemed assured.

Then WCIC dropped a bombshell.

**Elimination of ricegrowing**

On 6 June 1945, approximately three months before the war ended, WCIC announced that, following an inquiry into the waterlogging question conducted by its Water Restrictions Committee, the commission had decided to eliminate 125 of the 180 rice farms to the west of Leeton and to the south of Murrami. Water tables had risen to an alarming level in that region, WCIC officials said, particularly on farms between Yanco and Leeton, from Leeton to Koonadan and in the areas of Petersham and Five Bridges.

Reshaped WCIC policy now was that rice could not be grown where the water table was at six feet or less and would be phased out altogether above ancient alluvial sand beds. Farms consuming more than ten acre feet of water per acre would be eliminated. (This was existing policy.) Farms consuming more than nine acre feet per acre were to be phased out from the 1945/46 season. Other farms consuming more than six acre feet per acre would be phased out over four years. If the water table stabilised, the elimination process would be halted; but if it did not, the process would continue. The commission now believed that ricegrowing and fruit cultivation were incompatible in the same locality and proposed experiments costing £40,000 (for which ricegrowers were to pay) demonstrating a relationship between ricegrowing, rising water tables, salination and losses in the horticultural industry.

The announcement triggered a torrent of resentment, directed not only at WCIC but at MIARGA and RMB delegates who had served on the Water Restrictions Committee. Why had they not pre-empted the move? RMB President H L Tooth, also President of the Yanco Branch of MIARGA, had known details of the commission's intentions for a fortnight. Why had he not alerted growers? Tooth replied that he had been bound by the committee's terms of confidentiality, adding with exasperation:

> It is no exaggeration to state that the action decided upon by the WCIC is the most drastic premeditated and unwarranted blow ever struck at any section of primary producers this country has ever seen in its agricultural history.

Tooth said that the alleged link between ricegrowing and rising water tables was unproven but that WCIC always raised the issue as a precursor to water price increases. The Water Restrictions Committee's conclusion, he revealed, was based on the evidence of one technical officer. The commission wanted rice grown in other parts of the state, Tooth continued, and was seeking to reduce rice production on the MIA to justify this in terms of water use. The value of rice farms across the MIA would plunge if growers did not unite to fight the commission's draconian plan.

An MIARGA delegation consisting of Doug Mackellar, Chad Young and Alf Bowmaker, together with RMB members J Gleeson, S Cox, J O Doyle, and representatives of the Farmer and Settlers Association (FSA), organised an urgent meeting with Acting Premier Baddeley (Labor), introduced by A E Enticknap (Labor, Murrumbidgee). The delegation demanded an independent inquiry into the waterlogging question. Baddeley was sympathetic. Chad Young stayed in Sydney gathering data. In Leeton the '… air was tense with expectancy'.

Later in July, at a 'standing room only' meeting in St Peter's Hall, Leeton, involving MIARGA members and non-members, Doug Mackellar told the assembly, 'The fight is on, the gloves are off'. Growers now had to 'stiffen up the sinews of war'. WCIC had been running a 'scare campaign' against ricegrowers ever since rice was introduced, even though it was WCIC who had brought rice onto the Areas in the first place and had been responsible for reclassifying and gazetting farms as suitable for rice. Now the commission was forever using 'propaganda' to hit ricegrowers and pit the horticulture industry against them. Once rice got outside the Areas, Mackellar warned, control of farmers' assets would be lost. If the commission succeeded in knocking out 125 MIA
farmers, that would be precisely the pretext needed to justify ricegrowing elsewhere, particularly in the Wakool District.  

Chad Young said his research indicated that ancient alluvial sand drifts under rice fields actually carried water westwards and away from fruit producing areas. Moreover, he added, most rice was grown on impermeable clay sub-soils which prevented leakage. The inference was that not all rice was grown on such soil and this was an area of legitimate concern. WCIC allegations were generally without foundation, he said, but were being used as a political ploy to snatch the industry away from the Areas.

Speaking for horticulturalists, C R Glover said that while all irrigation ultimately contributed towards waterlogging, he believed that ricegrowing contributed disproportionately and that WCIC research had been thorough. It so happened, Glover continued, that nowhere else other than on the MIA were rice and fruit grown together. The idea of 'impermeable soil' was a very relative thing as some soils were more impermeable than others. Fruitgrowers had received no compensation for tree losses over the years, while ricegrowers were successful in having WCIC postpone action on eliminating rice farms and increasing production, putting fruitgrowers at risk. Perhaps it was necessary for the federal government's 'gentlemen's agreement' to be revoked and have rice grown elsewhere. Glover, however, agreed that an independent scientific inquiry should proceed, one thoroughly objective and expert, involving neither WCIC nor MIARGA.

When Acting Premier Baddeley visited Leeton to discuss the waterlogging question, he agreed with MIARGA officials to submit the whole matter to a body of independent experts and act on their advice. A committee of three was formed: Professor Prescott, of the CSIR (chairman); Colonel Codette, chief engineer of the Hunter District Water Board; and C St J Mulholland, of the Mines Department. Another ricegrowers' fighting fund was organised, growers levied 1s.0d per ton of paddy. Yanco growers were gratified to observe quite solid support from the Mirrool Area where many felt that the 125 Yanco farms to be eliminated from ricegrowing was merely the 'thin edge of the wedge'. A Test Bore Committee formed to import drilling and pumping equipment from the United States and conduct tests. Hector Grant organised a pumping exercise on Mr Langham's property, backed by Mackellar, Bowmaker and Chad Young, on behalf of MIARGA and Don Hughes. The plan was to extract sufficient water from a sand bed beneath the horticultural section to relieve pressure and stabilise the underground water at a safe level. Over the next eighteen months hundreds of acre feet of saline water were sucked from the earth beneath Langham's farm, demonstrating the possible viability of the system (though where the water was redirected is unknown). Later the Test Bore Committee and the Tile Drainage Committee set up a system of tube-well pumps and tile drainage in the fight to save sections of the MIA from waterlogging and salination.

By September 1945, when the Pacific War ended, awfully, the geographic distribution of the rice industry had fundamentally changed, slipping outside the MIA into Irrigation Districts and the Murray Valley. Most farmers believed it unlikely that this 'interim measure' would be reversed. Some cavilled at the new situation and were resentful, fearful of eroding incomes and farm values. Others spotted opportunities and planned moves into new production zones. Certainly, the proposed diversion of water from the Snowy and Tumut Rivers promised new prosperity and growth, notwithstanding unanswered environmental questions.

Moreover, MIARGA had lost some authority in a welter of wartime regulations and its credibility had been dented by lost battles with AWU, WCIC and the Large-Area Landholders' Association. The task for rice industry leaders in the post-war period would be to rally growers under the association's banner in taking the fight up to the 'Lords of the Water' and 'Miller Barons'. New circumstances required a 'new order' and MIARGA had plans: a co-operative mill for ricegrowers.
Chapter 16

‘We must organise and stick together’:
The Rice Industry in the Immediate Post–War Period

Introduction

The war was over, but the battle involving MIARGA, WCIC, RMB and the Millers' Association over control and direction of the rice industry was just beginning. In the interval between World War II and 1949, a fundamental power shift occurred in the New South Wales rice industry. The MIARGA regained much authority eroded by wartime conditions, reorganising and articulating key issues, lobbying to reform RMB and, by the end of the period, was poised to take on the proprietary millers employing a co-operative mill.

As the CSIR–Prescott Committee continued investigating a possible link between ricegrowing and waterlogging, the walls of Burrinjuck Dam echoed empty. Once more WCIC announced restrictions on most rice farms, limiting production to sixty acres and promising only to review the situation 'as appropriate'. Indeed, as the water situation improved some farms were permitted to grow eighty acres, even 100 acres of rice. Those confined to sixty acres, naturally complained. What was WCIC trying to do: set farmer against farmer? A perception that the commission was surreptitiously manipulating acreages to drive MIA farmers from the industry and relocate ricegrowing elsewhere gained currency.¹

Nevertheless, the commission stayed its hand on eliminating ricegrowing from 125 'at risk' farms in the Leeton district, prohibiting only twelve farms in the Koonadan region from growing rice in 1945/46. However, wherever possible, ricegrowing and horticulture were segregated. The commission also closed down the irrigation system for three months to drain and renovate channels, improve flow and drainage and to install and repair plant, warning of further stoppages as technical tests into water delivery and waterlogging continued.

The Irrigation Research and Extension Committee (IREC)

During the war the Irrigation Research Station was combined with other kindred committees, including the MIA Joint Executive Committee (an assembly of producers and business interests) to co-ordinate MIA production. Upon the cessation of hostilities, the Department of Agriculture announced plans to rejuvenate its Soils and Irrigation Extension Service (SIES). The MIA was to be a priority. In association with CSIR and the Advisory Council of the MIA Joint Executive Committee, the department developed a representative forum to co-ordinate the work of the Irrigation Research Station at Hanwood and its branches.

The old testiness between the Department of Agriculture and WCIC resurfaced through this period with officers of SIES generally taking a more pro-rice view than WCIC counterparts, arguing that while waterlogging and salination were undoubtedly linked, there was clear evidence to show that in areas where ricegrowing had been curtailed water tables continued to rise. The cause, therefore, must be more complex than simply ricegrowing. Departmental experts also argued that it was better to leave salt-spoiled areas alone and concentrate on improving de-watering and soil-enriching rotation techniques in areas which remained productive, claiming:

This is not a policy of despair, it is a policy of realism. We have no knowledge of the means by which salted soils can be reclaimed and until that knowledge is gained it is better not to further damage the soil.²

Early in 1946, SIES published Farmers' Newsletter, a booklet, carrying practical information about waterlogging and salination. Such problems, Newsletter reiterated, could be traced back to haphazard MIA soil surveys early in the century: planners had got it wrong; ditches had been designed and placed incorrectly; certain movements of earth had been ill-advised and some land was extended beyond irrigable levels. There
was evidence to show that early land-holders had carried out developmental work unaware of the problems they were inheriting, or bequeathing. The Newsletter noted that soil types on the MIA were numerous and varied. On one farm, for instance, there might be up to six different soil types. Furthermore, variable surface grades complicated the task of getting water to required areas. ‘Opinions advanced by highly-trained agronomic scientists ... point to the fact that, of all Australian irrigation settlements, the MIA calls for the highest degree of knowledge of the art of the management of water’.3

In a wry dig at WCIC, Newsletter advised farmers to consult 'experts', that is, personnel from the Department of Agriculture and CSIR, before engaging in further development as this was no longer simply a matter of just receiving water. Farmers had to improve skills in water management themselves, not leave it to 'others'. The Newsletter referred to the world-renowned expert on waterlogging and salination, A Costiakov, chief consultant of the USSR Irrigation and Drainage Organisation. Costiakov had demonstrated an inextricable link between waterlogging and salination showing that a slow release of excessive water onto unfavourable soil structures induced a rising water table carrying soluble salts to the surface. This could be avoided by maintaining a healthy crumb structure of the soil, decreasing the level of evaporation, by using organic fertilisers and gypsum, and by proper crop rotation using grass lands and managed lucerne simultaneously to ‘shade’, enrich and de-water soil, while restricting salt movement. A system of test wells should be constructed in irrigation areas and checked each five days during the irrigation season and each ten days in the off-season. All possible measures to reduce seepage should be taken and the best way to achieve this was through an integrated co-operative approach involving farmers, scientists and administrators, precisely the approach, the article said, being taken by the SIES. Costiakov, however, had confirmed that irrigated rice fields should not be scattered among other irrigated fields: rice areas should be segregated and provided with separate irrigation and drainage ditches where possible.4

By September 1947, SIES had formalised ties with CSIR, the MIA Joint Executive Committee and other committees to form the Irrigation Research Extension Committee (IREC), based at CSIR–MIA headquarters in Hanwood. The IREC Committee consisted of twenty-three members: four from the Department of Agriculture, three from CSIR, two from WCIC, two from the Rural Bank, one from the University of Sydney, one from the Soils Conservation Service and ten from MIA proprietary companies and co-operatives involved in primary production. V C Williams was elected chairman, holding this position until 1964.

IREC was the first organisation in Australia to combine such a wide representation of rural, industrial and business interests with qualified researchers for extension purposes and was soon emulated in other industries in Australia and overseas. IREC's functions included:

- advise the Department of Agriculture's Yanco Experiment Farm and the CSIR Research Station on principles and administration of research and extension work in the region;
- co-ordinate research involving scientists, farmers and economists;
- identify problems and guide research to solutions;
- develop sensible and effective policies for the sustainable development of the MIA.

A similar committee subsequently formed in the Murray Valley: the Murray Research and Extension Committee.

IREC appointed sub-committees including: the Land Use Sub-Committee; the Reclamation Sub-Committee; the Soil and Leaf Sub-Committee; the Wood Lot Sub-Committee; and revived the Rice Investigation Sub-Committee. It also developed a research clearing-house for technical problems relating to ricegrowing in irrigation areas; the Rice Industry Sub-Committee, which monitored the industry's activities on the MIA and developed a Rice Soil Testing Service Sub-Committee.

With IREC, its Murray Valley equivalent, various sub-committees charged with responsibility for different aspects of irrigation and ricegrowing, WCIC Drainage Sub-Committees and the MIARGA Test Bore and Tile Drainage Committees, the rice
industry was well served by a co-operative research and extension team second to none in Australian primary industry.

The first draught of deregulation, 1945-1948

Meanwhile, the city press was drawing public attention to the waterlogging issue, publishing stories about a 'dying MIA'. Noting these, the Rural Bank expressed concern about the possible collapse of ricegrowing on the Areas. In parliament, Joe Lawson (Country Party, Murray) maintained calls for permanent ricegrowing permits for soldier settlers in the Wakool District and Tullakool Area and demanding an inquiry into the 'gentlemen's agreement' confining rice production to the MIA. The Minister for Conservation, and Chairman of WCIC, W F Dunn (Labor), was publicly opposed to ricegrowing in Wakool, cool to the rice industry in general and convinced that Australian rice could not hope to compete once overseas markets returned to normal. 'Coolie-grown' rice would inevitably catch up with demand, Dunn believed, so that the Australian rice industry could never hope to be a large long-term primary industry. Production levels through the war were artificially high, the minister said, and WCIC price increases for water and cut-backs in areas given to rice, therefore, were justified. In pointing to the MIA's inability to supply total national requirements during the war, he said he was opposed to the federal 'gentlemen's agreement', inferring that rice should be grown elsewhere.6

Certainly, shortages and high prices for rice were controversial political issues as crammed cargoes left for overseas under the Allied Reconstruction Plan. Tasteless rice substitutes, such as 'Rycena' and 'Rycette' were being introduced on to local markets and were unpopular. People were being prosecuted for smuggling rice from the MIA to city business houses. A black-market in rice had developed in sleazy Sydney and Melbourne back streets, some farmers installing 'planter's' mills to exploit this demand.

WCIC Chairman Dunn believed the answer to production shortfalls lay in permitting farmers the right to 'parcels' of water, doing whatever they wished with it and that WCIC should retire from an active role in deciding the volume and location of production. Dunn wanted the market to allocate water resources, supporting a Farm Water Bill to this end and warning, 'Whatever the change-over is to be in the MIA, it will be planned soon by a special committee appointed by the New South Wales government.'7

A chill went through the MIA attended by political rumblings. The leader of the Country Party, Lieutenant-Colonel Bruxner, took a personal interest, saying that he would not stand by and watch the rice industry 'killed'. The McKell Labor Government, anxious to retain a good showing in rural electorates, was responsive. Within weeks, the aptly named George Weir replaced Dunn as Minister for Conservation and Dunn was sidelined. His ideas eventually bore fruit, however, but not for another forty years. Weir, a strong supporter of co-operatives and involved in the building society movement, advocated a 'middle position', which would permit rice production in the Wakool District using Murray River water and the diversion of Snowy River waters into the Murrumbidgee River to stabilise the MIA.8

A New South Wales Parliamentary Committee was duly sent to the Wakool District, recommending that ricegrowing continue there as part of a pasture improvement cycle. The Chifley Federal Labor Government, however, would give no undertaking that any extra rice production was required, whereupon the New South Wales government announced that ricegrowing would cease in the Wakool District. Lawson protested vehemently, supported in this by the Returned Services League (RSL), which described the decision as a 'calamity' for soldier settlers. The government not only reversed the decision but announced plans to resume approximately 16,000 acres for soldier settlement, including rice production for the Tullakool Irrigation Area, in the Wakool vicinity, about nineteen miles from Barham. In this way sustainable environmental choices were eclipsed by political expediency.9

Growers, millers and the RMB, 1946–1948

In May 1946 the Millers' Association, MIARGA, RMB and the federal government met in Leeton to plan development of the post-war rice industry. The Millers' Association then represented:
Most of the millers and politicians visiting Leeton had never seen rice fields before.

In July, the Millers' Association formed the 'Rice Association of Australia', declaring this to be the legitimate voice of the Australian rice industry in negotiations with the commonwealth and New South Wales governments and portraying MIARGA as merely a 'parochial' body. In November, the Rice Equalisation Committee (REC), the millers' wartime arrangement, was formally registered as a company: Rice Equalisation Association Limited (REA). Based in Sydney, REA's object was to '... combine to develop the rice industry both growing and milling ... along sound lines'.

Anticipating windfall post-War profits, millers firmed their grip on the industry. MIARGA watched apprehensively: the Miller's Association cartel was jockeying for ascendancy while WCIC was challenging grower solidarity. Utilising the waterlogging issue as a rallying point, the association responded. Alf Bowmaker told a large audience in St Peter's Hall, Leeton, that although the association had convinced WCIC Commissioner Rawlings to postpone the phasing out of rice farms on the MIA, the commission still intended to eliminate ricegrowing there:

> We do not want to be inciting to rebellion, but it is nearly time we had action. We are losing a lot of money through those ... restrictions. We contend that until it is proved otherwise we are losing it needlessly. ... It is jolly near time those foolish restrictions (were) abandoned. We hope that you will give us more force that we as your Executive have had up to the present.

Chad Young appealed for unity and grower support for MIARGA:

> We want to bring every ricegrower into the Association with the idea of reconstructing it into a more closely united and therefore more powerful and influential one than it now is. If growers had shown a more solidly united front since the inception of the industry, they would now be enjoying a certain measure of freedom instead of being bound hand and foot to the Commission.

WCIC was dividing growers with arbitrary lines drawn on a map, he said, saying 'no' to ricegrowers on one side of the line and 'as much as you like' to growers on the other. The commission was splitting grower ranks, lulling some into believing that its policies were reasonable by offering the 'bribe' of larger acreages, while punishing others by limiting acreages or restricting ricegrowing altogether. Someone in St Peter's Hall called out, 'Let's pull up the boards and take the water!' But Mr Marston, an old co-operator associated with the defunct MIR Co-operative Society, replied firmly 'No!' That would mean growers taking from each other. Growers could not prevail that way. They had to cooperate, organise to out-maneuver WCIC and other agents who sought to keep control of the industry from grower hands. Marston believed that growers should have equal quotas of water and that MIARGA should fight to secure this. There was a burst of applause. The old MIA egalitarianism was not yet quite extinct.10

Mr Davies added:

> We must organise and stick together like wharf labourers, or coal lumpers. Whenever we go to the commission we are listened to sympathetically, patted on the back and as soon as we are out of the room they say, "Thank goodness we have got rid of you for a little longer".

There were calls for ricegrowers to stage a march through Sydney. Some Griffith growers supported this saying that the MIA had been created to use water for the development of primary industry — so let it be used. But moderate voices prevailed and it was decided instead that a delegation, four from each end of the MIA, should attend Premier McGirr (who had replaced McKell in February 1947 following a Labor...
revolt) and Minister Weir. This was unanimously resolved on a motion moved by Chad Young that:

In order to save the ricegrowing industry from destruction by white-anting tactics of the Irrigation Commission, ricegrowers of the MIA are resolved to stand unanimously together in any line of action or policy determined upon by a majority at any meeting or meetings regularly convened for that purpose. MIARGA was back in business. Ahead lay the task of preparing growers for a bitter contest with the commission and REA cartel for a greater measure of industry ownership and control.

**The Prescott Report**

Still great environmental question marks hung above the MIA's future, enunciated in the *CSIR Prescott Committee Report* into waterlogging and salination, finally made public in late 1948. MIARGA leaders, however, were already aware of a confidential letter from Prescott to Minister Weir expressing a view that WCIC had acted 'prudently' in placing restrictions on ricegrowing west of Leeton and that a 'definite suspicion' existed that ricegrowing contributed 'in some measure and perhaps materially to the water table in lands overlying sand drifts'. The letter also said that 'excessive seepage did take place from rice bays'. The minister had read Prescott's letter to MIARGA delegates when they attended him in Sydney, stood up and said, 'That it is all I can do for you'. The delegation was obliged to retire, silent and stunned.

Nevertheless, the Prescott Committee's report, based on lengthy and exhaustive scientific tests, did also establish conclusively that where ricegrowing occurred on impermeable clay soils, seepage was slight. However, growing rice on lands requiring a high consumption of water was undesirable, both because of the volume of water consumed and damage to surrounding areas. The report confirmed an earlier investigation by WCIC's Water Restrictions Committee:

... and provides full justification for the action of the Commission in restricting the use of water in [that] part of the Yanco Area. [It] concludes that the use of the water for rice crops has an important degree of responsibility for surcharging underlying sand beds and consequent waterlogging arising therefrom.

**A progress report, 1945–c1948**

By now, thriving communities had grown up around the rice industry in the MIA, which was the Areas' major income earner. The industry had been functioning for barely twenty years but already production was valued at £8.7 million, far outstripping any other primary industry on the Areas. If rice went from the MIA, the whole region would suffer. Ricegrowing was no longer exclusively an environmental or industrial matter, it was about the survival of communities.

In 1947, there were approximately 370 ricegrowers working 28,000 acres of paddy fields on the MIA and 4,125 acres in Benerembah and Districts. Production levels, yields, acreages and incomes, however, were well down on wartime levels. The value of rice as a percentage of total MIA production was declining and the Areas were feeling the economic pinch with incomes barely over half wartime levels. The Yanco Area was still the premier ricegrowing area with 12,822 acres but the Mirrool Area now accounted for 10,766 acres. By 1950, possessing 14,259 acres of paddy fields, Mirrool had outstripped Yanco, which cultivated 11,582 acres.

**TOTAL MIA PRODUCTION, 1912–1946**

<table>
<thead>
<tr>
<th>Crop</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rice</td>
<td>£8.70 million</td>
</tr>
<tr>
<td>Wheat and Oats</td>
<td>£7.57 million</td>
</tr>
<tr>
<td>Wood</td>
<td>£4.57 million</td>
</tr>
<tr>
<td>Livestock</td>
<td>£4.87 million</td>
</tr>
<tr>
<td>Dairy</td>
<td>£6.13 million</td>
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<tr>
<td>Citrus</td>
<td>£4.16 million</td>
</tr>
<tr>
<td>Dried Fruit</td>
<td>£6.22 million</td>
</tr>
<tr>
<td>Wine Grapes</td>
<td>£2.55 million</td>
</tr>
<tr>
<td>Other Grapes and Horticulture</td>
<td>£1.18 million</td>
</tr>
</tbody>
</table>
Land pressures were building as competition for water intensified and rice incomes fell. The average price for paddy (On Rail MIA) was now £11.17s.0d per ton, well above pre-war averages, which barely rose above £9 per ton, but, in the light of skyrocketing prices for polished rice overseas, growers believed this was unnecessarily depressed. MIA growers felt threatened by WCIC policies not only in respect of liberalising production areas and water entitlements but cheated by greedy millers. A strong bond of association was developing among northern ricegrowers healing old rifts dividing 'blockies' and large area farmers, Mirrool and Yanco growers and Area and District irrigators. This was a fertile field for co-operation. An 'outbreak' of ricegrowing outside the MIA and Districts seemed imminent, with production possibly running out of control, further damaging incomes and farm values. Already the RSL was pressing for further sub-division on Kooba Station, west of Leeton, for soldier settlement and, it was rumoured, rice cultivation. The Italian community was moving into irrigation farming following a High Court ruling allowing Eric Browning to transfer a lease to Antonio Carbone (in Australia since 1927 and naturalised in 1934), dismissing a ridiculous WCIC argument that 'Italians do not make good irrigation farmers' as 'nonsense' and 'irrelevant'. Moreover, rice fields in the Wakool District and Tullakool Area were being developed apace while REA was snapping up storage sheds constructed by the commonwealth during the war at bargain basement prices: 4,000 tons at Whitton; 10,000 tons at Murrami and Griffith; 5,000 tons at Leeton and Yenda; and also in the Murray Valley.14

Disciples of co-operation, such as Clarrie Bowditch, Charles Davidge and Menzies Emery, asked growers why they could not 'do it themselves', why they should not organise to achieve independent storage and mills, enhancing market leverage for farmers. However, the November 1946 RMB election produced an outcome not unfavourable to the millers, with J O Doyle, H Gorey and F R King, all favourable to the status quo, returned, along with the generally more pro-grower members, R H Bradbury, J H Marks and Chairman Jack Brady. MIARGA therefore set its sights on the 1949 board election determined to organise the numbers and take on the Millers' Association. Whose paddy was it, after all?15
PART III

CO-OPERATION
Chapter 17
'Beware the millers':
A Turning Point, 1949

Introduction

The year 1949 marks a turning point in the history of the New South Wales rice industry, warranting a separate chapter. In that year MIARGA made progress in convincing growers that their best interests lay in co-operating to build a growers' mill. To counter this, the Millers' Association, organised to control prices in the Rice Equalisation Association Limited (REA), offered a 'profit share' deal based on a fixed 'floor price'. Growers were left to decide on the relative merits of these proposals: the unknown quantity, co-operation, with possibly higher returns; or the security of established millers, with guaranteed but lower returns. For some time MIARGA organisers had been moving about the growing district urging growers to co-operate in order to rid the industry of 'middle men'. In this scenario, the disposition of the Rice Marketing Board (RMB), particularly Chairman Jack Brady's views on allocating a paddy quota for a co-operative mill was crucial and an election for the board was due in October.

The Jack Brady Testimonial, May 1949

As mentioned earlier, a testimonial for Jack Brady was held on 25 May 1949 in the old Dormitory Hall, Leeton. The stated purpose was to commemorate the seminal role Brady had played in developing the rice industry. The hidden agenda was to ascertain the chairman's position on the REA cartel. The gathering was one of the most representative ever seen in Leeton's history to that time.

The moving drama of the early days of Leeton ... were lived over again. The early hopes and disappointments, the failures and the triumphs and imagination was stirred to the depths as the pages of the past were retraced by many an eloquent speaker. Brady was showered with well-deserved praise and gifts. Former WCIC Resident Commissioner George Evatt spoke of 'all the fine things accomplished by settlers of this Area', telling the assembly that while Brady 'put the breath of life into rice', many others, particularly Austin Shepherd, were due equal regard. The industry had begun as a 'co-operative effort, and no one individual could claim credit for it'. Roy 'Watto' Watkins, the Department of Agriculture experimentalist who had replaced Shepherd following his resignation in 1925 (and who was obliged to pay his own way to the dinner and barred from the speech list because of outspoken views concerning the 'Brady legend'), tells us that 'many stared open-mouthed' as Evatt spoke.

To loud applause, the chairman rose to respond. Brady began by letting it be known that he was his 'own man', mildly chiding those who would laud him as 'Father' of the industry and agreeing with Evatt that its success was largely due to the efforts of the growers themselves. Referring to the unavailability of rice in Australian shops and the controversy surrounding this, the chairman said:

At the strongly expressed wish of the United Kingdom Government, the Australian Government is withholding rice from general consumption to help people in the eastern countries who are suffering starvation. By doing this, Australia is not only rendering an humanitarian service but is also assisting the United Kingdom which has responsibilities to people concerned.

Brady let everyone know that this policy had received MIARGA's blessing, relating how the local member, Hon P R (Paddy) Grace (MLC), had introduced Doug Mackellar, Clarrie Bowditch and Alf Bowmaker to the Federal Minister for Commerce and Agriculture, and how they, along with millers and RMB, had supported the export of total rice production. This was sensible, he said, since production costs were such that lifting the ban on home consumption would see growers' incomes plunge to 1940 levels, completely upsetting the economics of the industry. Polished rice was bringing £45 per ton abroad and only £30 per ton at home. The United Nations Organisation (UNO) had appealed for more rice. In line with this, Brady urged WCIC to 'lift restrictions on another 6,000 acres and supply water for them'. (It is not clear
whether he meant the 125 'at risk' farms in the Yanco Area, but it was common knowledge that Brady disagreed with the WCIC sand-drift theory.)

Doug Mackellar, reminding Brady of how MIARGA had organised a £300 gift through the commonwealth government in acknowledgment of the chairman's services to the industry through the war, confirmed everything the chairman had done for the industry while letting him know he would never be allowed to forget what the industry had done for him. There was laughter but the seriousness of the sub-text was clear enough: with an RMB election due, where did Brady stand on the matter of a co-operative mill? Brady would give nothing away, not in this forum.5

**A growers' mill?**

Soon after the testimonial, MIARGA formally put the question to RMB: would the board build a rice mill on the MIA? Now that the New South Wales government was introducing a system of 'reverse freights' to encourage manufacturing in rural areas consistent with a decentralisation program, a board mill was not only feasible but economically desirable.

The board immediately resumed negotiations with Creamota, the Victorian company which had applied in 1948 for a rice quota in order to construct a mill at Yenda. The rationale was that Creamota should build a mill first as this would be viewed favourably in the matter of securing a quota. Creamota Director Roger Beveridge accepted and construction of the Yenda mill commenced. Alex Middleton was appointed manager. However, when Creamota was awarded a paltry quota of 1,500 tons, Beveridge was furious, believing this due to REA pressure on the board. Possibly because of this, Creamota chose to remain outside the REA combine.

In February 1949, the biggest fire ever seen in Griffith totally destroyed ARI's rice mill. About £50,000 of damage was done. A plane load of ARI directors flew from Sydney to survey the wreckage. S R Bell (chairman of directors), M E (Peter) Farley (managing director), Mr Taylor (REA), David Solomon (mill manager) and H E (Herb) Meyer (secretary), were all stunned at the extent of the damage.6

In May, Farley announced that the mill would be rebuilt, the largest and most modern in the world, capable of handling half the entire MIA rice crop. ARI also planned mills at Whittory, or Murrami; to make the MIA 'self-sufficient' in milling. Farley later announced REA plans for a mill at Echuca in Victoria. This concerned MIARGA and RMB because a Victorian mill would be constitutionally beyond the board's jurisdiction while strategically placed to receive Murray Valley production. Proprietary millers could easily engineer the industry into two competing elements.7

Then, in June, Farley announced that ARI was planning to build in Griffith the largest starch factory and wine and spirit distillery in Australia at a cost of £250,000. Cracked and damaged rice was to be processed by a subsidiary, Cole Manufacturing Company, in association with Swift and Company Limited and Griffith Investments Proprietary Limited. Griffith business houses were delighted but ricegrowers wondered: where was the money coming from to fund this ambitious development? The answer was: from their pockets. What was RMB going to do about it?8

**Pressure on the 'gentlemen's agreement'**

With overseas demand for rice expanding exponentially, the 1948/49 season in New South Wales was a disappointment. Cold, frosts and unpredictable weather resulted in a harvest of only 50,000 tons. The great hopes of Wakool in the Murray Valley had not been realised. Only 5,000 tons harvested from 11,000 acres with yields on average half those of the MIA. A succession of poor harvests meant that:

• WCIC postponed eliminating the 125 'at risk' farms linked to waterlogging;
• ricegrowing in the Wakool District was allowed to continue despite disappointing results (indeed, the commission doubled the southern area for rice in the 1949/50 season);
• strong overseas demand saw pressure build to grow rice elsewhere in Australia.9

The press shouted loudly about rice shortages and complained at the absence of rice in shops. Mr Mills of the Hay Rotary Club, for example, wrote: 'They take our water to grow rice, they give the rice to Chinamen and put us in gaol if we get any of it'. Mrs H
J Brown of East Melbourne, replying with deadly aim to an undiplomatic jibe from Doug Mackellar that housewives ' ... just want more rice because it is hard to get', said, 'You should have spoken to my husband. He was a prisoner of war for five years. He's "had it", but I haven't'.

Rumblings over the federal government's 'gentlemen's agreement' confining ricegrowing to New South Wales continued in the Queensland parliament. Small plots of swamp and upland rice were being tested at Biloela Regional Experiment Station in that state. Attempts were made to revive rice production in the Gold Coast district (begun at Merrimac during the war) and MIA techniques were being tested at nearby Mudgeeraba. The Mason brothers also put in seventy acres of rice near Cairns in the 1949/50 season. The outcome is unknown. Queensland Minister for Agriculture Mr Collin said, 'There is no law against it, only a "gentlemen's agreement" ... effective so long as New South Wales can fulfil national rice needs'. Clearly this was no longer the case. Most Queensland producers, however, believed RMB would simply organise to undercut prices to protect the southern industry and stayed away from ricegrowing.

There was also renewed talk of rice production in the Ord and Kimberley regions in Western Australia. Peter Farley of Australia Rice Proprietary Limited and other REA spokesmen broadcast the 'inevitability' of rice production there and spoke of a time when the Northern Territory allegedly exported rice to China, saying that this had only ceased when the MIA began producing rice:

At Darwin, Box Creek and Pine Creek are areas known locally as "the rice gardens" because rice was once grown under natural conditions without the costly irrigation water needed in the Riverina marginal areas. ... It is unfortunate [that] the [taxpayer] foots the bill for growing a water-consuming plant like rice in a country utterly unsuited to its natural cultivation.

WCIC and RMB remained silent but the New South Wales Department of Agriculture took up the cudgels saying that Walter Poggendorff had warned against 'haphazard ricegrowing in areas not equipped for handling and marketing', arguing that large scale ricegrowing in the Northern Territory and Western Australia, while superficially appealing, would ultimately be an uneconomic and costly mistake. Time would prove Poggendorff right. Nevertheless, in the 1950s, the idea of ricegrowing in areas where 'water fell from the skies', persisted, rekindled periodically by proprietary millers whenever MIARGA became obstreperous.

**WCIC is reconstituted: The Conservation Authority**

Meanwhile, political pressure mounted, mainly in the Country Party, to change WCIC's constitution. The commission had done very well from rice, reaping £950,000 in water rates since the industry's inception, conferring stability and considerable institutional power upon the organisation. Now more large-area farmers, particularly in the Murray Valley, were eager to enter the industry. As far as they were concerned, if this meant removing WCIC controls on production levels and growing areas, so be it. This was simply a political question.

WCIC was again reconstituted and regulated by the Conservation Authorities Act. This established a conservation authority with commissioners for Soil, Forestry and Water. Each commissioner was responsible to the chairman of the Conservation Authority, who answered to the Minister for Conservation, who ceased to be a member of the constituent commissions, as such. The first chairman of the restructured authority was F H Brewster, formerly a WCIC commissioner, who had been associated with the MIA and ricegrowing from pioneer days. W Rawlings was appointed commissioner of the Water Conservation Authority, the regulatory powers of which remained intact. Because the new Water Conservation Authority was commonly referred as the 'commission' or 'WCIC', however, this nomenclature continues to be used in discussion.

**The Snowy Mountains Hydro Electric and Water Diversion Scheme**

In 1949, work began on the Snowy Mountains Hydro-Electric and Water Diversion Scheme, a massive water conservation and engineering project which promised the prospect of vast new areas for irrigation in the Murrumbidgee Valley. Talk quickened concerning a major new irrigation system on the southern side of the river, as Hugh McKinney and Colonel Holme had envisaged late in the nineteenth century,
(discussed in Appendix B). This was the genesis of the eventual Coleambally Irrigation Area (CIA), discussed later.  

**The millers’ ‘profit share’ proposal**

In July 1949, MIARGA formally complained to RMB about the domestic price for paddy, which was now below production costs, estimated at £12.17.0d. per ton. In August the association again met the board advising that it would be directing questions to the director of Marketing, requesting an inquiry into what appeared to be a ‘cosy arrangement’ between certain board members and REA.

The Millers’ Association (still describing itself as the ‘Rice Association’ and proclaiming itself the legitimate voice of the rice industry) wasted no time in responding, seeking to drive a wedge between RMB and growers by offering the latter a ‘profit share’ deal contingent upon the elimination, or reduction, of RMB ‘middle men’. By dealing directly with millers and removing bureaucratic intermediaries, REA spokesmen said, growers could realise better prices. This was touted as ‘safe co-operation’, the insinuation being that co-operation between growers was ‘risky’ and should be avoided. But there was a catch. In exchange for improved and guaranteed returns, REA insisted that growers enter a three-year contract guaranteeing delivery of total paddy to REA mills (less 5 per cent to the maverick Creamota). REA also sought permanent possession of storage sheds which growers would pay for through RMB. A guaranteed minimum ‘floor price’ of £15 per ton and a 60:40 profit share beyond a certain level would be payable to growers. The scheme would be orchestrated through a Rice Industry Committee, a peak body joining growers and millers in binding contracts, doing away with most RMB functions. ‘Not so green as cabbage looking’, John Kellock recalls, growers realised that by offering a three-year contract, the millers were acknowledging that market-related pricing had ceased, or was to be suspended, when all they wanted was for markets to be allowed to operate fairly. Moreover, anyone who cared to think about it knew that control of storage was the key to control of the industry. In Kellock’s view, REA made a tactical blunder in offering this arrangement, eventually leading to the undoing of the proprietary millers’ cartel.

**Beware the millers**

As noted earlier, MIARGA organisers had been moving about ricegrowing areas since 1947 assessing grower attitudes to the idea of a co-operative mill. Charlie and Vera Davidge, for example, travelled thousands of miles, mainly at their own expense, seeking an undertaking from growers to subscribe to shares and supply a co-operative should one form. Vera recalls:

> Charlie went out among the growers. I used to go with him, and get them to sign ... support for a growers’ mill. The millers were taking too much. The growers wanted to have that for themselves. ... But before they started anything they had to get the backing of the growers. We drove [our new car] thousands of miles because they had experimented with rice down Wakool way, getting the names of growers who would support a growers' set-up of their own. ... By this time Menzies Emery, who was share-farming, went down to Wakool and started a farm down there ... and he was one of the ones we called on. ... One of nature’s gentlemen, and he was camped in a lean-to. He was one signature that we got to support growers in forming a mill.

Late in August 1949, in virtually monsoonal rain, Chad Young went to Sydney to represent MIARGA in meetings in Department of Agriculture offices with the Millers’ Association and RMB. He spoke of grower restiveness at the disproportionate share of rewards going to millers. REA representatives reiterated the ‘profit share’ proposal. The RMB board found itself in an invidious situation: on the one hand, growers were accusing it of being ‘soft’ on proprietary millers at grower expense; and on the other, facing the possibility of becoming irrelevant if growers accepted the millers’ ‘profit share’ deal. Following the Sydney meeting, Jack Brady hurriedly organised meetings in Leeton and Griffith to which A E Symons and Peter Farley of REA were invited to put their proposal directly to growers. Basically, growers had to decide which way to go: with the millers or with the board? If the former, then who would safeguard the interests of all growers? If the latter, then what were the consequences for storage and milling? Reluctant to have their powers and privileges curtailed, a view arose among
RMB directors that granting a quota to an independent mill, thereby improving competition, might enhance the board’s ‘honest broker’ role, justifying its existence.

All eyes turned to the October election: which way would growers vote? The REA offer of a stable ‘floor price’ was certainly tempting. Co-operation had been tried before by the MIR Co-operative and found wanting. That was precisely why RMB had been formed. Now, ironically, RMB’s future as a powerful industry player lay in co-operating with growers in the business of forming a co-operative.20

In the lead up to the October election MIARGA executives lobbied growers. Employing the waterlogging and water rights issues, they rallied 400 farmers to a meeting at Leeton in September, where Doug Mackellar repeated what the association had been saying for years: the Water Conservation Authority (WCIC) would not stop at restricting rice production on 125 MIA farms but was determined to phase out ricegrowing altogether on the MIA. If the commission could not achieve this through water rating policy it would do so by pitting grower against grower. Growers must unite to co-operate their interests. When Chad Young moved (and S J [Jack] Hinton seconded) that an equitable water rating policy be instituted, there was overwhelming support in what Irrigator described as a ‘fine co-operative spirit’. The possibility of developing a deep drainage and pumping system in association with WCIC was also discussed.21

Then attention turned to the real issue: the millers’ ‘profit share’ proposal. Bowditch, Mackellar and Bowmaker warned farmers: ‘Beware the millers’. Clarrie Bowditch described REA as a monopolistic combine, a cartel designed to control the industry and confound the legitimate interests of growers in securing a fair return for their labours. The only antidote was a growers’ co-operative, long a dream of growers interested in democratic industry self-management. The millers had organised affairs to eliminate competition and reinforce their position as buyer. The ‘three-year contract’ proposal was tantamount to acknowledging that market forces had been suspended, as if the industry was still operating under wartime conditions. REA could set unreasonable production targets and penalise growers unable to achieve them, pitting grower against grower. ‘Whose profit is it to share anyway?’, Bowditch asked. Surpluses were created by the growers’ own efforts and their capital was tied up in the fields. Surpluses belonged to growers! If there was to be ‘profit sharing’ this should come about as a function of the interaction of growers and markets, not the expectations of ‘middle men’ interceding between growers and markets:

In practice [the millers’ proposal] would put the methods of receival and the fixing of standards in the hands of the millers instead of the RMB. ... The scheme provides for a diversion of export profits above home consumption price which is fixed by the government and includes all the millers’ costs. Why should they claim any profits on sales above that amount. ... The election of the new RMB in October will give growers your one opportunity of knowing the views of the respective candidates.22

The St Peter’s Hall meeting, September 1949

In the approach to the RMB election in October MIARGA’s position was reported extensively on the Areas: growers must reject the millers’ offer; build a co-operative mill; RMB must assist; vote for a ‘growers’ board’.23

On 21 September 1949, RMB Chairman Jack Brady convened a meeting of the board, the association and Messrs Symons and Farley of REA in St Peter’s Hall, Leeton, to discuss the future of the rice industry. The chairman immediately set the tone by telling the packed assembly that he was not prepared to watch the ‘growers’ birthright be sold out’. The present board was ‘on the way out. No agreement has been entered into between RMB and REA in respect of the 1949/50 crop [despite press reports to the contrary].’ Growers should take an active role in the forthcoming RMB elections, Brady advised, and negotiate terms with the new board. Here was Jack Brady declaring that the board was not prepared to be the hapless tool of proprietary millers. As to REA controlling storage sheds, Brady added his voice to Bowditch’s:

We would look nice if we had a crop and no shed to put it in to. ... The sheds should not go out of the control of the growers. To let millers get the sheds would mean losing your safety valve.24
In reply, Symons argued that growers and millers should 'co-operate' in the proposed Rice Industry Committee to solve problems facing the industry. Ricegrowing was going to 'break out all over Australia' and there was nothing MIA growers could do to stop it. Now was the time to join with the millers in seizing new opportunities. RMB, confined by statute to New South Wales, would become anachronistic. Symons had been 'in rice' for thirty years, long before the industry even existed in Australia. What could growers possibly know about it that he did not? The industry could not have developed without the millers and RMB had functioned only because millers 'co-operated' with it. The REA-RMB system of co-ordinated negotiations was sensible and definitely not monopolistic. Millers had always 'shared the profits with growers', but now were seen as 'Ned Kelly's' and mistrusted. With rice threatening to 'break-out' everywhere:

Are you simply going to remain aloof, or remain informed and assist to guide the industry in its development elsewhere that would best promote the interests of those already established in the industry? \(^{25}\)

Decentralisation and the relocation of mills to inland centres had meant a 'massive capital write-off for millers'. It was therefore reasonable of REA to ask growers for 'some measure of security in relation to their investment'. REA was offering a guaranteed £15 per ton, a risky proposition for millers, he said, because markets were weakening. H J Gorey, who had served with RMB for nine years, supported Symons saying that growers would be 'foolish' to reject the millers' proposal. (He would pay the price for this advocacy at the October election.) \(^{26}\)

Doug Mackellar minced no words. The millers were talking about 'profit sharing'. What profit sharing? Growers were not getting what they should. 'It is excess profit sharing that the millers are getting. The growers have been caught in the machinery of price-fixing and they have got the thin end of the wedge from the beginning'. Growers should not be misled, Mackellar continued. Both RMB and the millers were keeping them in the dark. MIARGA was planning a meeting of growers 'in their own right to thrash out this matter'. Farmers would be taking the initiative and not simply waiting for events to occur. Mr Sheldrick added that price control and the millers' current 'arrangement' with RMB were:

\[\ldots\] like a boa constrictor which will squeeze the life out of the industry. The primary producer has the right to say what he will do with his own produce and what is a reasonable price. [Symons'] proposal was just another lodestone that would break growers down.

Alf Bowmaker, circumspect as ever, added that price control caused 'anomalies in markets at the expense of growers', again warning farmers to be wary of any contract with the millers. J H Marks reminded them of what Clarrie Bowditch had already intimated: the millers' guarantee of a three-year 'floor price' was tantamount to saying that markets were paralysed. 'Let the market work!', he said.

Symons was bombarded with questions about the constitutional issue of RMB jurisdiction over a mill at Echuca in Victoria and what REA really hoped to achieve by building a mill there. No clear answers were given, the threat, sufficient. \(^{27}\)

**The Memorial Hall meeting**

Next day, RMB convened a meeting in the Memorial Hall, Griffith. Clarrie Bowditch again urged growers to build a co-operative mill, which, he said, would reintroduce genuine competition into the market in the growers' interest. As a new RMB was to be elected in October, Bowditch continued, echoing Jack Brady, it was impossible anyway to finalise a deal with the millers and better for growers to wait, exercise their democratic rights in the election and build a mill. But RMB Member J O Doyle countered, saying that REA had been a 'Godsend' to growers and urged their support for the 'floor price' proposal. The alternative, he said, would be chaos. The meeting overwhelmingly supported Bowditch: no contracts would be signed with millers; the Areas were solidly opposed; growers were ready once again to unite in co-operation. \(^{28}\)

**The RMB election, 1949**

Everything hinged on the outcome of the RMB election. If growers dislodged REA supporters, or at least neutralised them, they would be in a much better position to
secure a quota for a co-operative. A tense atmosphere of expectancy built. Complaints about RMB election methods were again voiced, some growers claiming they were effectively disenfranchised because they could not direct preferences flexibly. Debate was polarised. Candidates took strong pro- and anti-REA and co-operative mill positions. MIARGA issued a manifesto arguing the case against the REA proposal, claiming it would divert more than £200,000 from growers to millers. In any event, it was legally impossible for RMB to enter contracts for crops which did not exist. A cartel of millers was virtually telling the board what they were prepared to pay. RMB in its present formation was either ignorant of market conditions or choosing to ignore them. 'Your Central Executive considers that your strongest weapon in bargaining for the sale of your rice is the freedom that exists for growers to conduct their own milling operations'.

Charlie Davidge, Clarrie Bowditch and Chad Young went to the Wakool District seeking support for the MIARGA position, and found it for the price of Wakool representation on the Central Executive. Though MIA groups had tried every ploy possible since 1944 to avoid this, ricegrowing in the Wakool District was now a fait accompli and the support of growers there essential in the struggle against millers.29

Candidates for the 1949 RMB election included from Leeton: J H Alexander, F R King, A D Malcolm, J H Marks, H L Tooth, F Walsh; and from Wade and Carrathool: S Marchinton, A O Pfafflin, J O Doyle, E K Jones. Candidates from other producing areas included: Menzies Emery and J T Gorey.30

The effectiveness of the MIARGA campaign was apparent when the election results were posted in November: J H Marks and F Walsh were returned for Leeton; J O Doyle and S Marchinton for Wade/Carrathool; and Menzies Emery for Wakool/Tullakool. Jack Brady was re-elected chairman. It was a 'growers' board!

Brady immediately stamped his mark, announcing that RMB, and RMB alone, would decide the industry's response to the REA proposal, 'pledging' improved grower consultation. Here was a board with 'backbone'. There would be no more 'sweetheart' deals with millers. Jack Brady, 'Mr Rice', was at the helm and he would not let growers down. The industry had 'turned a corner' and, once more, was ready to co-operate; needed to co-operate.31
A rice 'black market', 1950

A public backlash was building on the matter of a continuing rice shortage on local markets. The *Sydney Sun* spoke of 'The Great Rice Mystery'. The sale of rice was banned to ordinary folk, while forty city cafés had rice on their menus, *Sun* said. Rice had become a 'forbidden fruit', available only to a select few, including Asians, invalids and children. The concession to Asians had produced a remarkable proliferation of Chinese restaurants in Sydney, the newspaper observed. There were 378 ricegrowers on the MIA and 28,078 acres of paddy fields. Australia had produced almost 70,000 tons of rice the previous season. Yet only 8,000 tons had been sold in Australian markets, and not all of that had been produced in Australia. Australian rice had gone to Nauru, Papua-New Guinea, the Pacific Islands and Malaya. Rice had become '... the biggest black-market commodity and the policy of regulations forbidding the sale of rice to Australians is one of the biggest jokes.'

Other reports said that while the official price for rice was 4½d a pound, it was selling for between a shilling and one shilling-and-sixpence a pound on the black-market. Some people were paying up to four shillings a pound for rice! Rice was available 'under the counter' at 'seedy' stores in Kings Cross and Bondi. Rice, supplied on quota at 6½d a pound to Chinese, was being sold to the public in curried form at two shillings for a seven ounce carton. It was outrageous that families should be denied the nutritional values of rice while the wealthy could afford 'rice meals in city nightclubs'. One nightclub, for example, had four rice dishes — curry and rice, fried rice, risotto and stuffed tomatoes and rice, selling at the inflated price of five shillings a plate. Rice meant for shipment overseas was regularly stolen on the wharves. A whole lorry load worth £2,000 bound for Saudi Arabia had recently disappeared!

Peter Farley of the Millers' Association pointed the accusing finger at ricegrowers. They were, he said, 'making so much money they don't know what to do with it'. Before the war paddy rice had brought £11 per ton for domestic markets and less for export. Now paddy was bringing £23 per ton for export and £18 for domestic markets. 'Naturally they don't want to see the ban on local sales lifted', Farley snarled, housewives had been so long without rice they had forgotten how to cook it. The rice black-market was the worst in Australia. Most young people had never tasted rice and it was a scandal, as the press was alleging. However, he appears not to have mentioned the millers' proposal for a three-year £15 a ton floor price.

And Farley knew it was rubbish. Ricegrowers had no control over commodity exports. The Rice Marketing Board (RMB) sold paddy to the Millers' Association and Rice Equalisation Association Limited (REA) affiliates milled the paddy and sold it. Producers were not averse to receiving higher prices realisable overseas but were not to blame for domestic shortages. That responsibility lay with the Millers' Association, the REA 'arrangement' with RMB and commonwealth post-war reconstruction priorities. Millers were exporting approximately 90 per cent of the New South Wales crop in the form of table rice as prices overseas soared from between £30 to £40 a ton in 1948 to between £40 and £50 a ton in 1950 (by 1951, table rice was selling at between £50 and £75 a ton overseas!) Miller profits were astronomical but they did not want everyone to know this. Ricegrowers knew.²

In August 1950, with the MIA Rice Growers' Association (MIARGA) quietly planning construction of a co-operative mill, RMB announced that 10,000 tons of rice would be made available for domestic markets in the current season and that bans on rice sales would be lifted near the end of the year. A frantic bout of buying and hoarding followed, which saw restrictions quickly reintroduced. This time *Daily Telegraph* openly accused the Millers' Association of engineering markets by withholding supplies to drive up prices. The millers vehemently denied this, arguing that it was simply regulating supply in the interests of 'fairness'. Anyone who knew anything about the industry was not convinced but the federal government was not fazed so long as its international commitments were being met. The New South Wales
government, on the other hand, resolving to improve competition in the industry, as if there were water to burn, directed WCIC to open more land for rice cultivation.  

MIARGA was obliged to act quickly. Not only was the Millers' Association reaping windfall profits at grower expense while blaming growers for shortages, but the possibility of a rice production 'break out' was more real than ever. If a co-operative mill were ever going to exist, it would need to happen now. The choice was between retaining an unacceptable status quo (REA profiteering) or applying an unsuitable solution to the problem (a profit-share deal with the millers), while watching incomes and farm values decline as ricegrowing spread elsewhere. Each seemed equally repugnant. The only answer was self-help through co-operation.

Re-formation of the MIA Rice Growers' Association

On 14 March 1950, in St Peter's Hall, Leeton, Doug Mackellar proposed a new constitution for MIARGA, allowing better representation for growers from the Benerembah–Tabbita, Whitten and Wakool–Tullakool producing regions. Since the war, Wakool growers had been pressing for inclusion in the RGA Central Executive meeting overt and covert resistance from northern growers using all manner of excuses to keep the executive in the MIA, specifically Leeton. But now with southern support vital in the contest with the REA cartel, their inclusion was unavoidable.

There was lively debate. Mackellar proposed that the Executive be composed of five each from the Yanco and Mirrool Areas and two from Wakool. The pro-miller RMB member, J O Doyle, wanted that number doubled. Others said this would be unwieldy. Yanco Branch Secretary Noel Hogan, from Whitten, who would go on to make a major contribution to the industry, called for an extraordinary general meeting of members to decide the matter. This was done and, by August, membership was resolved along the lines of the original Mackellar proposal. The reconstituted Central Executive of the 'Rice Growers' Association' (hereafter, RGA) comprised:

- A D (Doug) Mackellar (president)
- A E (Alf) Bowmaker (senior vice president)
- C (Clarrie) Bowditch (Griffith, vice president)
- C A (Charles) Davidge (secretary, Mirrool)
- W N (Noel) Hogan (secretary, Whitten)
- J (Jack) Woodside (Benerembah)
- J H Reilly (Mirrool)
- S J (Sidney Jack) Hinton (Leeton)
- R (Reginald) St Chad Young (Leeton)
- R (Ron) Lodge (Wakool)
- T (Tom) Holden (Wakool)
- Charles Sharam (Yenda)
- E C (Ted) Tweedie (secretary).

Understanding that RMB's institutional support could be lost if enough growers supported the millers' 'profit share' proposal, the RGA Central Executive stoutly supported the board, resolving to fight tooth and nail to ensure its continued full control of paddy receival and storage. In return RGA urged the board to expand storage capacity and construct sheds at Burraboi, a weighbridge at the Wakool siding and other sheds as the need arose. RMB agreed. Again, the central executive urged RMB to construct a mill, allowing growers to achieve equity in this, gradually. The board was still not interested; financial risks and the threat of miller retaliation were simply too great. If growers were to have a mill, they would need to finance and build it themselves.

The decision to form a co-operative

The RGA Central Executive, with Clarrie Bowditch to the fore, now called upon growers to honour assurances they had given to support a co-operative if one ever eventuated. The millers' cartel had a stranglehold on the industry, Bowditch said, growers were being cheated. The only solution was a co-operative mill owned and controlled by growers, eliminating 'middle men'. Other sections of primary industry had successful co-operatives; why not the rice industry? Farmers who quoted the failure of the old MIR Co-operative as a reason for caution were missing the point, he said: the very same millers who had destroyed that co-operative with their procrastination and boycotts still controlled the industry! Growers were in the current
predicament precisely because millers had destroyed their co-operative! When Australian markets were opened and post-war regulatory controls returned to normal levels, Bowditch continued, many growers would 'go to the wall'. The only way to guarantee survival was to improve returns and the only way to do that was by co-operating. He reminded growers of Peter Farley's push for 'decentralisation' of the rice industry; to have rice produced elsewhere in New South Wales and Australia. The Millers' Association was enjoying huge profits while exercising massive power over the industry. Growers could achieve control if they acted now. The alternative was to give the Millers' Association even more power and be 'picked off' one by one.\textsuperscript{7}

Debate on the 'pros' and 'cons' of co-operation and co-operatives followed. Rochdale co-operative principles based on democratic ownership and control on a one-person-one-vote basis were widely accepted in primary industry, as noted earlier. The dairy, wheat and grain, fruit and vine, sugar, poultry, fertiliser and farm requisite industries, for example, were already operating on a strong co-operative footing in many states. The Rochdale patronage principle, whereby producer-suppliers shared dividends commensurate with their use of a co-operative's services, was well established. Many ricegrowers were already associated with co-operatives in other fields.\textsuperscript{8}

While most farmers saw co-operatives simply as vehicles to achieve greater wealth, some believed that co-operation was a significant social achievement in itself. J E Little, for example, a Hanwood grower and keen co-operator, described the 'co-operative system as a middle course between capitalism and communism', pointing to highly successful co-operative movements built on Rochdale principles in Western Australia and Britain linked through the Australian Producers Wholesale Co-operative Federation (APWCF) to Overseas Farmers with access to huge British and European markets. He spoke of strong efforts to create a dynamic co-operative movement in Australia joining all types of co-operatives in every state in a national federation and how co-operation might be extended to all sections of the rice industry: handling, aeration, storage, transport, research and marketing. Why not try it?\textsuperscript{9}

Regardless of their disposition towards co-operatives, ricegrowers shared a common interest: a desire for improved returns and general contempt for the Millers' Association, which had pushed matters too far. John Kellock believes that if REA had not been so greedy there would not have been such widespread talk of a co-operative mill. On the other hand, many ricegrowers had been advocating co-operation since long before the war, but circumstances were not as propitious then.\textsuperscript{10}

A pressing question remained: would Mirrool growers support a co-operative? They had rejected the REA 'profit-share' deal, but would they make the necessary investments of time, skills and money to build a successful co-operative? Some saw Griffith as a 'millers' town, its fortunes tied to the Millers' Association which operated a mill and associated industries there. Indeed, some large area farmers were not averse to the status quo. Clarrie Bowditch and Charles Davidge had to work very hard in the Mirrool Area drumming up support for a co-operative.

The crunch came at a meeting in the Area Hotel, Griffith, on 16 June 1950. A large assembly of ricegrowers heard Doug Mackellar move that a co-operative be formed. The idea had been incubating for over twenty years, he said, ever since the demise of MIR Co-operative and the formation of MIARGA. Growers should not fool themselves, however: bitter resistance from the the Millers' Association was inevitable if they decided to form a co-operative. What did growers want to do?\textsuperscript{11}

There was unanimous support for a co-operative! Mirrool growers were sick of coping the blame for everything wrong in the industry, of being everyone's 'bunny', while seeing little of the profits. At subsequent meetings in July, RGA organisers offered shares in a co-operative mill at £100. Those able to afford it offered ten times that amount. Others offered to lend money to growers who did not have it. Chad Young helped many growers in this way, saying that it was imperative for growers to act now because millers would surely retaliate! Chad Young, Bowmaker and Mackellar conducted 'secret' negotiations to obtain land in Leeton for the proposed mill, securing two adjoining blocks of five acres in their own names. It is reported that Chad Young quietly issued the engineering and machinery firm, Thomas Robinsons, a £50,000 personal guarantee for the design and construction of a mill.\textsuperscript{12}
Deputy Registrar of the Registry of Co-operative Societies R G Bovis came up from Sydney to guide the formative steps. His assistance was indispensable, for the business of registering a co-operative had become quite complicated and legalistic since passage of The Co-operation Act in 1923. Bovis steered them through the steps, supplying the necessary forms and helpful literature. RGA and RMB then called a joint meeting of growers at Whitton to consider a motion that a co-operative be formed.13

The Whitton Meeting: Ricegrowers’ Co-operative Mills, July 1950

On 21 July 1950, 120 growers from all rice producing areas, jammed into the RSL Hall at Whitton to form a co-operative society. Vera Davidge remembers hundreds unable to enter the building, growers and their families, spilling out on to the streets. A D Mackellar chaired the meeting. R G Bovis was there representing Minister for Co-operative Societies Clive Evatt who was unable to attend. Bovis fielded many questions, assuaging doubts about co-operatives and bolstering the audience’s confidence.14

There are reports that A E Symons of the Millers’ Association addressed the Whitton meeting, repeating REA’s ‘three-year floor price’ proposal, which was dismissed unanimously by growers. No evidence corroborating this has been found. Certainly, growers rejected the millers’ proposal at Whitton, unanimously voting to form a co-operative society: the Ricegrowers’ Co-operative Mills Limited.15

Twenty years after the demise of MIR Co-operative, co-operation had returned to the rice industry. A provisional directorate of seven was elected en-bloc from the RGA Central Executive, authorised to proceed with the necessary steps of formation and construction. Provisional directors were subsequently confirmed as the original Board of Ricegrowers’ Co-operative Mills Limited (hereafter, RCM), comprising:

- R (Reginald) St C Young (chairman)
- A D (Doug) Mackellar (deputy chairman)
- A E (Alf) Bowmaker
- W N (Noel) Hogan
- S J (Sidney Jack) Hinton
- C (Clarrie) Bowditch
- C A (Charles) Davidge

E C (Ted) Tweedie, the former secretary of the defunct MIR Co-operative Society, who had regrouped co-operators as they filed dispirited from the Kurrajong Hall in 1930, calling upon them to form a ‘protective association’, was appointed secretary. An executive committee of Chad Young, Doug Mackellar and Alf Bowmaker was appointed, charged with responsibility for convening weekly meetings, gathering share capital, acquiring a mill site, ordering building materials and machinery, overseeing construction and installation and locating suitable business premises.

Here was a remarkable group of men. We have already considered Chad Young, Mackellar and Bowmaker. Chad Young, the self-confident, inventive, technical-minded septuagenarian with an appetite for leadership; Doug Mackellar, the big chap with a short fuse and the ability to lead; and Alf Bowmaker the sharp-eyed auditor of the board room, the fastidious ‘detail’ man, stealthy as an ibis.

The others were equally as remarkable. John Kellock describes S J (Sidney Jack) Hinton as a ‘well bred British immigrant [initially] with the seat out of his pants’. A Londoner and Military Cross winner in World War I, Hinton arrived in Leeton around 1921 becoming involved in WCIC canal construction and building the electric power line to Griffith. He entered farming in 1923. Following the MIA farm re-design exercise of 1929, Hinton moved to Gogeldrie where he took up ricegrowing and mixed farming. Hinton was a ‘smoother outer’, a ‘compromise man’, sensible and down to earth. Kellock recalls an occasion when Hinton grabbed Chad Young and Mackellar by the coat-tails to stop them storming off in separate directions on the corner of a busy Sydney street where crucial co-operative business required urgent attention.16

Clarrie Bowditch’s important role in the co-operative’s formation will already be apparent to the reader. Kellock remembers him as a ‘mean-minded, flinty school teacher capable of making money’. Ian Davidge recalls him as a tough dealer, a hard
and astute businessman, an expression of that Victorian adage, 'If you look after the pennies the pounds will look after themselves'. Bowditch had made money sub-dividing land around Temora while teaching. He took up ricegrowing in the Mirrool Area, still teaching, and at one stage was the largest producer of rice in Australia, producing 1,200 tons of rice in a season. A meticulous bookkeeper with sound business and administrative knowledge, Bowditch demonstrated an entrepreneurial flair by successfully marketing canned mutton shanks for a company in the meat industry which had fallen upon hard times. Such skills were indispensable to a new co-operative.\(^\text{17}\)

Bowditch's great friend and confidant, C A (Charles) Davidge, was a 'people person', universally respected by growers, employees and the community. His wife, Vera, remembers Charlie as:

> A super optimist who didn't have an enemy in the world. He was liked by everyone. He had a wonderful, natural gift; he could be with the ten top men of the district and he could bring the best out of the man in the gutter. All he wanted out of life was enough money to live comfortably and pay his way and leave the boys with a farm each. And that he did.

His son, Ian Davidge, remembers Charles as a pivotal person in the Central Executive, keeping 'personalities' in check, patching up disagreements and smoothing things out:

> He would walk down the street and talk interminably with everyone and everyone would unload their troubles. He had a strong personal following and was influential in this way. He was never a hard businessman, but open and outgoing. Not an "astute dealer", neither an administrator nor a tactician, he was amiable and likeable. He believed that the rice industry depended upon being managed by 'good blokes'. Everything had to be done to support the growers' position. He viewed the Millers' Association with contempt because it was exploitative. He saw the RMB as venal.

> My father suffered ill health. ... For the last ten years of his life he was almost crippled with arthritis, with hands and arms affected. But he was always cheerful, a mediator, a good communicator. Very useful in making an organisation work and in bringing back gossip from the fields.

John Kellock remembers Charles Davidge as, '"... the ultimate optimist. Everything was right. If Charlie's head was coming up from a pile of excrement he would be looking around and observing, "What a nice day it is"'.\(^\text{18}\)

W N (Noel) Hogan, the youngest of the group, was a stocky man of alert eye, exuding confidence. An outspoken, tough operator of boundless energy, an obdurate 'committee man' and 'backroom' tactician, fiercely competitive and committed to winning, Hogan had a loyal following among Whitton growers, who rightly saw him as a first-rate farmer and a fearless defender of their interests. A fierce opponent of anyone or anything detracting from the welfare of ricegrowers or the ricegrowing industry, Hogan's candour could cut through the the most obdurate obfuscation.\(^\text{19}\)

None of the original RCM board, strictly speaking, emerged from a farming background; all were of British stock; each, with the exception of Hogan, was middle-aged or older; all had migrated to the MIA; none was poor; some were wealthy; each had prospered through hard work and business acumen and; all were driven by the combined motives of economic self-interest and filial concern for fellow growers. Their dual goal, and the co-operative's primary objective, was democratic self-management of the rice industry and returns commensurate with the labour and other investments grower shareholders themselves put into the industry.

A co-operative board benefiting from such abundant talents and strong personalities was a formidable one indeed: the wayward genius of Chad Young; the raw aggression of Mackellar; the prudence of Bowmaker; the dour pragmatism of Bowditch; the affability of Davidge; the prescience of Hinton and the bold energy of Hogan. All of this strength, depth and character would be required when the Millers' Association found out and rounded upon the co-operative.
The millers respond

The Millers' Association was not idle as RCM formed, Peter Farley rallying his ranks for the fight ahead. The REA cartel then consisted of: Clifford Love and Company, Parsons Brothers, Robert Harper and Company, Waters Trading, James McKenzie, Murrami Rice Mills, Stratton and Sons and ARI (sometimes 'Associated Rural Industries'/Australian Rice Industries'/Australia Rice Limited', but hereafter, 'ARI'). The Millers' Association Board included Messrs: Symons, M E Farley, Fyson, Hudspeth, Love, Hutton (Senior), Hutton (Junior), Henham, Sutherland, Villiers and Burrell. The Rice Equalisation Association (REA) Limited Board comprised: A E Symons (Chairman), M E Farley, W R Hudspeth, H E Meyer, W H Larcombe and A Hunt. C J King represented the Department of Agriculture. The REA dubbed itself 'the Association' so that it is not always clear from the sources whether 'Millers' Association', 'RGA' or 'REA' is meant, complicating the growers' and the researcher's task. ARI directors included: M E Farley (president), S R Bell, T R Larkin and W E Oatway-Middleton. The ARI group had clawed its way into the rice cartel before World War II when a small milling business in the Sydney suburb of Newtown (Solomons), was given an RMB quota to counter criticism that the board had drawn 'too close' to the Millers' Association. ARI's auditors were Farley, Meyer and Company. Farley, Meyer and Company acted as auditors for the New South Wales Labor Party and the Australian Workers Union (AWU), sharing premises in Cathcart House, Sydney, with Labor Papers Limited, of which Meyer was secretary, working with AWU Secretary Tom Dougherty. Rice Cartage Proprietary Limited, various insurance companies associated with the rice industry, the REA Secretariat and, later, Echuca Rice Milling Proprietary Limited, were housed in the same building. Against this tight-knit 'club' of largely city-based interlocking rice industry interests the co-operative set its course.20

Brady 'stands up'

In June 1950, A E Symons of REA chaired a meeting of the 'Rice Industry Committee' (sometimes, 'Rice Association'). Representatives of RMB, the Department of Agriculture and WCIC attended. Peter Farley, described as 'secretary of the REA', told the assembly about the 'Association's' concern at moves on the MIA to form a co-operative. The REA was planning to build a mill at Echuca at the junction of the Deniliquin-Balranald railway line, capturing Murray Valley rice production for Melbourne ports. Another mill at Whitton was planned. It was essential that RMB quotas for both be guaranteed, Farley said. A growers' mill was 'superfluous'. REA was lobbying the commonwealth government to 'fix rice prices' and growers need not worry about 'going to the wall', the 'Association' would look after them if only they would agree to the REA's 'three-year guaranteed price'.21

No sooner had Farley finished than RMB Chairman Jack Brady stood up and stunned the miller by announcing a 15,000 ton quota for RCM in the 1950/51 season. That would be enough to keep the co-operative mill, when completed, working full time!

RMB would:

Sell paddy to RCM under a registered supply agreement, providing budgetary schedules against which milling yields, costs and markets can be reviewed. It would approve all sales of milled rice to ensure a maximum return to growers.

Moreover, RMB would erect a 6,000 ton shed at Burraboi and another at Gogeldrie. Brady also put REA on notice that the RCM quota might well be increased and that plans for further RMB storage facilities were under consideration. The board was not going to be bullied by millers. The cosy arrangement between RMB and the REA cartel was crumbling. The co-operative was 'in'!

Peter Farley instantly demanded a meeting with RMB Government Nominee M J Gleeson, instructing him to advise other board members that REA would pay whatever was necessary to drive the co-operative out of business. REA would not only proceed with the planned mill at Echuca but 'fast track' a mill at Whitton and install storage facilities at Burraboi and Griffith. The REA quota should be expanded accordingly, Gleeson was told. It was wrong to jeopardise the industry by putting paddy in the hands of unskilled and inexperienced millers. Leave it to us, he told Gleeson, the 'professionals'. RMB should not trouble itself with 'duplicative' expense because the board's political masters might ask 'curly questions'. Growers should
participate in the generous 'profit share' package proposed by REA. Farley said he 'would eat his hat' if a bunch of farmers could conduct such a complex business as milling. Vera Davidge recalls:

Peter Farley scoffed ... thought it was the greatest joke. Those people, none of them trained in business, how on earth would they ever run a mill. ... 'I'll have a whisky on that. ... Oh, I'll tell you what. If that mill rises with those people at the start of it I'll eat my hat'.

Vera said she always wanted to be the one to hand Peter his hat but the opportunity never arose.

Gleeson reported Farley's 'riding instructions' to the RMB board, eliciting a grim debate. Chairman Brady said that REA could build mills if it wished but that was no guarantee of an RMB quota. The board was an independent statutory authority and would not be bullied but act in the interests of the whole industry, not just powerful lobbies within it.

REA protested vociferously but Brady stood firm and in October 1950, RMB split. Secretary H V (Harry) King resigned after twenty-two years of service, accusing Brady of playing 'cat and mouse' with REA. Brady was:

Exceeding his duties. He is in constant touch with the Rice Growers' Association and directors of RCM. He gives me the impression that he is all out to upset the present set up between the board and the millers. The majority of growers are still not shareholders of RCM. I am not opposed to the idea of a co-operative mill, but think it will disrupt and probably wreck the board. In my opinion, the board has now lost control of the industry to the RGA and the RGA only desires the board to remain in existence because of the statutory powers under which it acts.

No sooner had King resigned 'on principle' than REA re-employed him 'to look after their interests', more or less as he had been doing for years. Charles Dalton replaced King on the board.

REA then issued ordinary shares to members and preference shares to ricegrowers and allied industries on the MIA for construction of an Echuca Mill. The float was used in discussions with the federal government as a rationale for denying political and institutional support, finance, materials and equipment to the co-operative mill, REA arguing that at a time of shortages, allowing RCM to proceed was politically irresponsible and would destabilise the whole industry. It was scare-mongering, but effective. The Menzies Federal Government appointed A E Symons to the board of the Commercial Banking Company, with which several Leeton rice industry leaders did business. The bank refused RCM's application for an overdraft. RCM long remembered this rebuff. Other arrangements were made with the Reserve Bank and the Rural Bank enabling the co-operative to proceed.

The cartel tried everything to stop RCM. It sought to corner the market for bags used in rice storage, proceeded apace with the Echuca Mill, threw together a film-set like mill at Whitton, threatened a constitutional challenge to the legality of RMB, wooed individual growers with attractive offers and issued a Review of the Rice Industry, a booklet painting a rosy picture of an industry about to be 'mucked up' by a 'socialist' co-operative.

But RMB held a trump card: storage; whoever controlled storage controlled the industry. At an RGA Central Executive meeting early in 1951, Charles Davidge moved that growers support the 'orderly marketing of rice that only the RMB could provide under the circumstances'. The alternative, he said, was an outbreak of price cutting and bribery disadvantaging the industry overall and aborting the co-operative. RMB should be responsible for storing at least 75 per cent of the harvest, not the current 30 per cent. Only when the board possessed such control could the Millers' Association and REA be prevented from holding the industry to ransom. In turn, growers should pledge to supply the board with paddy and not allow themselves to be 'picked off' by millers, as had happened with MIR Co-operative. Already REA was offering individual growers £25 per ton for paddy, making nonsense of its three-year 'floor price' proposal of £15 per ton. Why was that? It was because RCM existed and the
proprietary millers' wished to crush it. Growers should 'stick together' and co-operate for this was the only way they would prevail.27

REA Chairman Symons reacted strongly, demanding that RMB stay away from storage – that was REA's turf. Indeed, the board should sell REA such facilities as it possessed. Some growers agreed. Where was RMB going to get the money to build stores: from growers' pockets! Growers of clearer vision replied that the money was already spirited away in the form of inflated REA profits. That money should be diverted into storage with provision for grower equity, when practicable. This was the only certain way of achieving grower control of the industry.28

The Hotel Australia 'show down', February 1951

Now the significance of the Creamota 'chink' in REA's armour became apparent. Long dissatisfied with its meagre RMB paddy quota after constructing a mill at Yenda, the Victorian company threatened to 'blow the whistle' on the cartel if it did not receive better treatment. A tense 'show down' meeting was held in the Gloucester Room, Hotel Australia, Melbourne, on 28 February 1951 attended by the full board of RMB, including Jack Brady, C E Dalton, J O Doyle, Sid Marchinton and Menzies Emery. RGA was represented by Doug Mackellar and Alf Bowmaker. Chad Young and Charles Davidge represented RCM. N W Beveridge, J Beveridge and L Taylor represented Creamota. The full REA board was also in attendance.

The air was bristling as REA Chairman Symons demanded that Creamota abide by an 'agreement' with REA not to seek a greater quota. RMB had approved the REA Whitton mill and there was no room for further players, particularly as RCM was 'muscling in'. N W Beveridge was livid. Creamota had been trying for years to secure an improved quota for its Yenda mill but REA influence on RMB had ensured this would not happen. Now Creamota demanded more paddy grain in line with RMB assurances. REA was 'dishonourable', Beveridge said. He was 'affronted' and would never associate with 'such a monopoly' and neither would Creamota ever sign an agreement with REA to desist from seeking an improved quota. Jack Brady agreed with Beveridge. Peter Farley threatened legal action. Brady replied, 'Nobody will throw a scare into the board along these lines. Whatever we do, we won't be forced into anything we don't want to do by the threat of legal action'. Protracted, heated debate followed on prices and allocations for Australian markets, Symons muttering that he hoped RCM would fail to mill its quota so that paddy would revert to RMB and REA, and demanding that RMB 'survey' the co-operative's progress closely. This riled big Doug Mackellar, who exploded. 'We won't be dictated to. Progress on the REA Whitton mill is not being "surveyed" so why should RCM be singled out?' The meeting broke up in sullen, angry silence. A big fight was on.29

REA hurriedly proceeded with construction of the Whitton mill seeking to pre-empt the co-operative and seize its quota. John Kellock remembers:

... It was like a Hollywood set. They raised this mill up so fast that they had motors ... and line shafts suspended from the roof, not from wooden girders but ... bolted through the floor, such was their hurry. They put it up just so it looked good. It would have shaken to pieces. [Even] if they did get a quota for it, they would have done the whole or most of it in the Griffith mill anyhow.30

RMB was not moved, further infuriating the Millers' Association by announcing a larger RCM quota (23,000 tons) in the forthcoming season for rice grown in Leeton and Yenda. REA rage intensified further when it learned that Creamota, seeking to utilise better the Yenda mill, had agreed to mill part of the RCM quota while the co-operative brought its mill fully to operational level. The arrangement threatened to blow the cartel apart. Furious, Peter Farley again demanded that Creamota sign a deed of compliance with the Millers' Association. Creamota refused whereupon REA entered an Equity Court action against Creamota seeking an injunction. This was granted, stopping Creamota from receiving more rice from RMB than allocated to it by REA. Creamota appealed. Legal proceedings dragged on for the next two years, followed intently by RCM and RMB.31

Meanwhile, a year after the Whitton meeting at which RCM had been formed, the ARI Echuca Mill commenced operations in Victoria. The mill, costing £250,000, was reputed to be the most modern in the world, able to process 20,000 tons and fitted with the latest US driers capable of handling damp harvests. With the REA group now
possessing mills at Echuca, Griffith and Cootamundra, still insisting upon calling the Creamota Yenda mill one of its own, and the vexed question of RMB's constitutional legitimacy in respect of Section 92 (Free Trade) still unanswered and highlighted now by the Echuca cross-border installation, RMB was required to tread very cautiously. The cartel had powerful friends in federal and state parliaments. Even now growers could opt for the millers' 'profit-share' deal. The fledgling co-operative was very vulnerable, reliant upon grower confidence and united only in an abhorrence of REA exploitation.

The co-operative mill commences production, September 1951

The RCM executive committee of Chad Young, Doug Mackellar and Alf Bowmaker devoted all available time for months to get the RCM mill ready for a trial run in September 1951. This was not easy with finance and materials in short supply and complicated by REA obstruction. By mid-1951, however, 500 growers, about two-thirds of all ricegrowers, had taken shares in the co-operative, subscribing £51,700 of share capital. A site south of Leeton railway station was selected and construction of a mill by Robinsons began, most machinery coming from England and Scotland, two from Germany. Galvanised iron was brought in from Japan. Reinforcing steel and concrete were very hard to find, but the committee got some from somewhere. The Producers' Co-operative Distributive Society (PDS), the Registry of Co-operative Societies, WCIC and the Department of Agriculture were all very helpful throughout this period, the infant co-operative probably not surviving without their support.

In September the mill was ready for a trial run. Alex Middleton, formerly of Creamota, was appointed mill manager. Costing £74,000 to construct, the mill had a 25,000 ton capacity (increased to 35,000 tons within a year). On 26 September 1951, the machines started up and in the first week 500 tons of paddy was milled. By November, 2,239 tons had been processed, 900 tons for home consumption, 1,146 tons for export. The co-operative paid growers a bonus for all quota received, an immensely popular policy, returning growers up to three times what they had been receiving from REA millers! Co-operation worked!

Growers flocked to RCM. There was to be an official opening but was postponed until the following year, the official reason being inclement weather and impassable roads, but possibly the delay had something to do with cartel litigation. Big plans were under way: expanded capacity, more mills, marketing and distributing table rice throughout Australia and the world, publicity, research and development; heady days, a 'new order' of grower control was dawning in the rice industry.

But the Millers' Association was far from finished.
Chapter 19

‘The issue is control’:
The Co-operative and the Cartel, 1951–1953

‘Taking off the gloves’, 1951–1952

At yet another heated meeting in St Peter’s Hall, Leeton, in August 1951, Jack Brady invited representatives of the Rice Equalisation Association (REA), the Ricegrowers' Co-operative Mills (RCM), the Rice Growers' Association (RGA) and the Rice Marketing Board (RMB) to 'take the gloves off'. They did.

Clarrie Bowditch put it bluntly, 'The issue is control,' he said. A growers' mill was a reality and the race was now on to introduce bulk handling before the proprietary millers did, Bowditch reminding attendees that whoever controlled storage was in a powerful bargaining position, able to stabilise or throw the industry into confusion. In the event of a showdown between growers and the Millers' Association (and that seemed inevitable), storage would be the critical issue; 'the big stick'. That was why growers should support RMB construction of storage facilities. Ultimately, RMB determined the value of paddy rice, for rice was perishable, susceptible to damage and required prompt and expert housing after the harvest. Leaving storage in the hands of proprietary millers while they decided the price of paddy at the commodity's most vulnerable point was dangerous. Some, recalling what millers had done to MIR Co-operative: procrastinating and cavilling, driving prices down; said that it was 'more than just coincidence' that the price of paddy had shot from £15 to £25 in the past season. It was because RCM existed, Bowditch repeated. Control of sheds meant, '... getting control of the bargaining factor. Even a short-sighted person can see that if you have storage you are not beholden to someone to take rice off your hands'. But the insurance provided by independent storage would cost growers. Someone had to pay. Self-regulation of the growers' paddy came at a price.

Doug Mackellar told the assembly that the co-operative mill had been designed with bulk handling in mind and, when fully operational, would herald a 'new era' in the industry. 'Growers should have confidence in themselves and should not be frightened or tempted by a few quid offered to them on a plate by the millers. Let the growers get into bulk handling first'. RMB directors were 'not boneheads', the big fellow said, and RCM could handle bulk handling well. The co-operative was already experimenting with the method. 'Growers should give RMB a mandate despite the obfuscation of certain gentlemen, 'captains of industry" who have written to the papers and come to rice meetings as uninvited guests'.

Chad Young described discussions already held with overseas experts on the matter of bulk storage, detailing savings possible, further improving grower returns.

Jack Brady appealed for even-handedness across the industry, 'whether co-operative or not', but, the chairman reaffirmed, 'The millers have had too much profit, I make that statement! The proprietors were also building sheds in the 'wrong place'; the Echuca Mill, was 'provocative', the Whitton mill, was simply 'superfluous'.

Peter Farley for the Millers' Association snapped back:

The only thing I can see from this meeting is that it is a property movement on the Area. ... The present growers will not always be here. You are over-accommodated at present and I feel that there should be good consideration (a referendum) before this great expenditure is made. I don't feel that the growers have been told all the facts about the storage situation.

RMB Directro J O Doyle supported Farley, saying that as far as he was concerned, RMB was not free and was 'working under a caucus of the RGA and RCM'. Chad Young and Jack Brady denied this vehemently. Frank Walsh of RMB said, 'What Mr Doyle is saying has nothing to do with the policy of the board. I am on the board'. To which Doyle responded, 'It is a pity you are on anything!' Walsh returned, 'The same to you. You won't be on it next time'. (Walsh was right: Doyle was subsequently voted off the board.)
Ricegrowers unanimously supported the RGA position: RMB should own at least 75 per cent of storage for this was the only way of guaranteeing immunity against cartel attacks. There was talk of an equity redemption scheme, involving the paying back of grower investments in storage made by the board on their behalf, with interest. (This would eventuate, but not for several years.)

John Kellock remembers:

It was turbulent ... real Wild West stuff. The small landholders, the settlers, versus big city interests. Even to the extent that in this normally placid town ... once they did start the mill they had twenty-four hour surveillance, a night watchman to make sure ... because it was absolutely crucial that they get off the ground.

REA tried another ploy, sending envoys to Canberra seeking a ban on RCM exports. They found a sympathetic ear in Jack Taylor, president of the 'Rice Association of Australia', the self-appointed proprietary millers' mouth-piece but still generally regarded in federal parliament as the national rice industry voice. Taylor argued that, in the light of continuing rice shortages, RCM should be confined to the (less lucrative) home market. The Menzies Government accepted his advice, denying RCM an export licence until 50 per cent of the co-operative's products were released on to local markets. In exchange, the 'Rice Association of Australia' undertook to guarantee supplies of rice to the New Hebrides, New Guinea, Papua, and Borneo and to workers in Saudi Arabia where British and other petroleum interests were bringing oil fields back into production.

RCM protested vehemently. Mackellar, Bowmaker and Bowditch went to Canberra telling the government that the 'Rice Association of Australia' was not the voice of growers; the legitimate voice was the Rice Growers' Association (RGA), of which Mackellar had been president for twenty-one years. The minister should be talking to RGA. The REA and its concocted body were vestiges of wartime conditions which no longer reflected the position in the industry. In addition, Chad Young demanded that the domestic price of rice, currently set at sixpence-halfpenny a pound, be increased if RCM were to be confined to local markets.

On 14 November 1951, the federal government called another Rice Conference in Melbourne to try to resolve the 'sticky rice' problem. REA, RCM, RMB, Creamota, Messrs Webb and Start of Thomas Robinsons and representatives of the Department of Commerce and Agriculture attended. Chad Young spoke for RCM, Jack Brady for RMB. Both men were well prepared. Chad Young undertook to release RCM product on to local markets if prices were reasonably above production costs. He described the REA Whitten mill, due to open in February 1952, and to which RMB had allocated rice grown in the Whitton Area, as simply a 'front' to pre-empt the co-operative mill. The Échuca Mill was not living up to expectations and crops were going bad due to excessive moisture. Therefore, REA should not talk of RCM 'inexperience'. Brady spoke authoritatively on quotas, storage, bulk handling and future prospects. For his part, the Creamota representative undertook to place product on local markets in exchange for a reasonable quota, something denied it by the REA arrangement, which was 'unsatisfactory and ineffective'. He also said that the federal government should replace the 'Millers' Association' with a more genuinely representative body.

The government listened and in due course a Rice Millers' Control Committee was formed to regulate rice rationing. RMB Manager Charles Dalton was appointed chairman of a board which included RCM representation. All parties undertook to place more rice in domestic markets, especially in Western Australia and Queensland. Rationing was relaxed accordingly, precipitating another spate of panic buying. Long queues of (particularly) Italians, Chinese and Greeks were observed buying fifty-six pound bags of rice at nine pence a pound. Adults were entitled to twelve pounds a month; children aged four to twelve were entitled to six pounds a month and infants, three pounds a month. An alien registration card or birth certificate was required before rice would be released. In the light of this distorted market, RCM's export licence was restored. Accordingly, RMB allocated approximately 24 per cent of the 1951/52 harvest to the co-operative, setting a price of £32 per ton for all paddy milled for export and £18 per ton for domestic markets.
REA immediately responded with a round of price cutting, flooding all markets with cheaper products in an attempt to drive out the co-operative. The cartel also intensified its 'decentralisation' campaign, seeking to co-opt Murray Valley producers while courting American investments in ricegrowing ventures at Humpty Doo and Marraki in the Northern Territory. By mid-1952 thirty tons of tropical rice seed from Louisiana was embarked for Australia for trials by REA and American interests in the Fitzroy area of the Kimberleys. Peter Farley was hinting at massive REA rice production in Queensland or Papua–New Guinea, anything, it seemed, to unsettle New South Wales growers and make them more amenable.\(^8\)

Meanwhile, in April 1952, with an REA injunction lodged in the Equity Court restraining Creamota in respect of a paddy quota, the Victorian company offered to sell its Yenda Mill to RCM for £95,000. Chad Young leapt at the opportunity, presenting the purchase to RCM board virtually as a {	extit{fait accompli}}, causing some consternation because of the strain this might place on the co-operative's capital position. But the wily engineer said that RCM membership was still growing, accelerated by an RMB announcement that the marketing board was now unwilling to grant quotas to 'collective organisations', a broad hint, her said, that the cartel was no longer in favour. Then, dazzling directors with figures and projections, Chad Young persuaded them to enter the Creamota Yenda Mill arrangement. RCM's membership stood at 700, he said. The co-op's RMB quota was 31,000 tons and it was paying £30 per ton for paddy plus a bonus on all milled rice sold. Members stood to share £1.5 million in the forthcoming season. The 'chink' in REA armoury was widening.\(^9\)

The ARI Whitton Mill was declared open in February 1952. Bemused residents noted that it was receiving paddy but not actually operating. Whitton rice was still going to Leeton or Yenda. Local workers and business interests complained. {	extit{Area News}} (an ARI investment along with Griffith Radio Station, 2RG) asked: 'Why all the 'hush hush' battles in the rice industry?'\(^10\) Peter Farley (described as 'President of Associated Rural Industries (ARI)') spoke of a need to develop a 'co-operative mill' in Griffith, that is, one aligned with ARI. Local growers and businessmen were justified, he said, in voicing concern about rice and employment exports to Leeton and Yenda. Before RCM's advent, Farley argued, ARI had paid Griffith workers £35,000 per annum (in total). Now this was down to £20,000. The Griffith mill quota had dropped dramatically, considerable over-capacity existed and contraction was inevitable. Mill by-products were worth about £150,000 to Griffith. Now all that was at risk and the co-operative was to blame. Griffith should fight to retrieve its RMB quota. Talk of selling the Griffith mill to RCM was preposterous because that would give the co-operative a 'monopoly'. Farley spoke of:

> The impatience I have felt [which] is now inclined towards a feeling of resentment. The rice industry was developed at the expense of the tax payer. Its development was aided by millers who built up markets. We worked together in a true spirit of mutual co-operation and assisted the MIA to become one of the most prosperous areas in the commonwealth. ... But since the formation of the Leeton co-operative and following its very dubious liaison with the RMB, there has been nothing but recrimination, quarrelling, unpleasantness and difficulty. ... If growers had accepted the REA offer they would have been receiving £32.11.0d. a ton now, more than RCM is paying.

But farmers understood that the co-operative had bid up that price by paying growers a bonus on top of a flat price. Farley's lament continued:

> The RMB and the Co-operative are in collusion. It is not in the interests of the Area to sit idly on the sidelines while control of the industry is being organised by those who would adopt such tactics. The move to control the industry from Leeton is a serious threat to the people at this end of the Area.

> The RMB refused our request for an adequate quota. The canvassing of growers in order to persuade them to delay delivery of their paddy so that the co-operative mill would get it and not the equalisation millers could work out to the great detriment of the growers' interests. The period of spectacular price rises is now over. We have come to a time when the industry would not be able to allow pettiness of self-seeking to obstruct its efficiency.\(^11\)
In attempting to drive a wedge between the Leeton and Griffith communities, Farley failed to mention his refusal of an RCM offer to lease ARI storage in Griffith.

'Craving the indulgence' of the editor of Area News Alf Bowmaker responded to Farley's diatribe ‘… so voluminously reported as criticism in this journalistic seesaw'. It was true, he said, that much of the crop was going to the Yenda Mill but Yenda was in the Griffith region, so what was Farley complaining about? Moreover, 70 per cent of all Griffith growers were co-operative members and their money was staying in the area, not going to the 'moguls of Darling Point Road' (an exclusive part of Sydney's eastern suburbs). The Griffith mill was now processing 25,000 tons of paddy rice at £10 a ton extra, meaning that an additional £250,000 a year was being retained in the local economy instead of being poured 'into the coffers of eight or nine firms in Sydney or Melbourne'. Farley had offered £15 per ton whereas the co-operative had shown the real price to be £25 and he should 'accept the inevitable graciously': RMB and growers had a common interest, which was to obtain the best price for paddy. It was strange that Farley should so suddenly be a convert to 'co-operation', and ridiculous to allege that RCM could become a 'monopoly': how could growers ever contrive a monopoly against themselves? 'Men paddling about in the mud harvesting their crops surely must have more say in the disposal of their paddy than financiers comfortably seated in their offices'.

A furious Farley responded:

Clear evidence that a number of people were endeavouring to concentrate the rice milling industry into mills that were associated with themselves, ... These people are not all active rice farmers; they employ share farmers to do the work for them. ... They employ their spare time to disorganising and disrupting an industry that has helped build up the prosperity of an entire area.

Farley's obvious intention was to undermine confidence in the co-operative knowing full well that co-operatives stand or fall on the confidence of members and prospective members. In a particularly nasty swipe, the REA boss alleged that an RCM director had approached him seeking to keep the price for paddy at £31, although Farley was prepared to pay more, offering to swear a statutory declaration on oath naming him and hinting at possible legal action. No evidence supporting Farley's claim was ever proffered, nor has any subsequently come to hand. The truth was, REA was being outmanœuvred by a 'bunch of farmers'.

Death of Jack Brady, 1952

The strain was awful. RCM was flourishing but the RMB chairman was dying. In 1952, Jack Brady was hospitalised for some weeks. Feeling a little better, he asked to go home. There was a sudden relapse. Soon after, he died. Brady, 'Mr Rice', the man who had done so much to develop the rice industry and help growers take control, had left the stage.

The Central Executive of RGA (now representing 80 per cent of all ricegrowers) assembled to honour him. Doug Mackellar described Brady as the 'greatest friend the ricegrowers ever had'. The assembly stood silently for several minutes and then uttered together, 'Lest We Forget'. John Kellock believes that RCM owed its existence to Brady because of his understanding and determination to see things from the growers' point of view. Without Brady's stand as RMB chairman the co-operative might easily have been toppled in the vulnerable early days. Some believe that the strain of dealing with proprietary miller resistance to RCM's existence contributed to his death. Brady's (then) daughter-in-law, Gertrude (Kay) Delany (née Harvey), confirms this:

He fought for them all the way along ... to get the mill. He worked for it all his life. It was his life. 'Pop' [John Brady] saw that if growers built their own mill on the MIA they'd be better off. The more pressure he had [in the RMB] the more he went. He was a fighter. 'Pop' was a man that wouldn't take 'No' for an answer. If he wanted a thing done he got it done. He stuck [to the rice industry] right 'til he died.
Within weeks of Brady’s death, on 22 August 1952, the Ricegrowers' Co-operative Mills was officially opened at Leeton. There were:

Stirring scenes and eloquent addresses. ... A vast and representative assemblage gathered from far and near. Stirring scenes of enthusiasm were witnessed when the living and the dead were honoured at the ceremony. ... A long procession of cars converged from all points in brilliant sunshine that streamed down from a cloudless sky.\(^\text{16}\)

New South Wales Minister for Agriculture E H Graham unveiled a plaque at the entrance to the mill to commemorate the late RMB chairman’s contribution to the rice industry and the Riverina community. A respectful silence fell as Graham spoke:

… to pay a tribute of respect to a great Australian for the splendid work he has done in the pioneering of an industry. Whatever the history of rice is, I am sure that throughout the history of Australia the name of John Brady will be connected with it. ... May this tablet revere his memory for ever and ever.\(^\text{17}\)

The homage drew loud applause.

A G Enticknap (MLA, Labor Murrumbidgee), unveiling a second commemorative plaque at the mill entrance to Chad Young, spoke of RCM as part of a great MIA tradition of co-operative enterprise, describing how Chad Young had ‘pestered’ him to get the co-operative going and how he admired the drive and energy of the man. ‘Once he gets in the door you have got to give him what he wants or he will not go out’. There was laughter. Chad Young told how helpful the Registry of Co-operative Societies, the Producers’ Distributive Society (PDS), WCIC, the Department of Agriculture, the Railway Department, the Rural Bank and George Enticknap had all been, especially commending the work of Robinsons, who had built the mill. Noting Farley in the audience, Chad Young fixed him with a steely blue-eyed stare and thanked him for applying ‘the necessary spur to form the co-operative — so ungrudgingly’. There was more laughter. Then Alf Bowmaker led visitors on an inspection tour of the mill, escorting them later to an afternoon tea in the Dormitory Hall, that Leeton landmark from ‘frontier’ days.

Two blemishes marred a perfect day. Tragically, Jack Brady’s son, Hubert, was killed in a road accident in Sydney the following day. Also, local councillors and RMB board members ‘felt strong hurt’ because of the failure to mention them in the accolades. Apologies were in order.\(^\text{18}\)

Frank Walsh: RMB Chairman

In the RMB election of November 1952, Frank Walsh, a farmer from Murrami, was elected chairman. Tom Holden, from the Murray Valley, joined the board along with R S Twigg and J Marks. M J Gleeson and AWU Secretary Tom Dougherty were appointed government nominees.\(^\text{19}\)

Walsh retained the general direction of Brady’s RMB policies, but under very different market conditions. Price control was lifted in 1953 (except in Queensland). Although 82 per cent of the rice crop was still being exported, the margin between overseas and domestic prices was narrowing with local prices creeping up to £25 per ton and overseas prices steadying at £34. The new board immediately negotiated a good bags deal with Alex Colquhoun and Sons, appointed a full-time board supervisor in the Murray Valley (Alex Macauley) and accelerated construction of storage facilities there. Most importantly for the co-operative, RMB allocated 63 per cent of the total MIA harvest (after yield) to RCM, 31 per cent to Australia Rice Proprietary Limited, Harpers, Waters, Parsons, Clifford Love and McKenzie, and the remainder to Stratton and Son and Murrami Rice Mills. RCM had made a mighty dint in REA’s position on the MIA but still the cartel’s control of Murray Valley paddy was virtually absolute through the Echuca Mill.\(^\text{20}\)

That was soon to change. Early in 1953, REA matched RCM’s bonus in a last-ditch stand to split grower ranks and regain control. It did not work. By now 93 per cent of growers on the MIA were members of the co-operative, only a few refusing to join, rejecting co-operation as ‘socialistic’ and seeing their future linked to private-profit enterprise, refusing to join.
The Creamota decision, 1953

The REA cartel's death knell was sounded on 20 October 1953, when the High Court overturned a New South Wales' Equity Court injunction preventing Creamota from acting independently in milling in respect of a portion of its RMB quota. John Kellock believes that this was a definitive moment in the history of the industry, ‘... from that date,’ he says, ‘the dominant hold of private enterprise millers was broken and the co-operative … was an emerging force’.21

Chad Young: RCM Managing Director

On 6 November 1953, Chad Young was appointed sole RCM managing director in recognition of services rendered and his indispensable technical skills at a time when the co-operative was preparing to move into bulk handling and storage. Some RCM directors, however, Mackellar, Bowmaker and Bowditch, for example, while recognising Chad Young's undoubted abilities, were concerned about his tendency to dominate, quietly casting about for a professional manager with current marketing experience able to sheet home advantages, which the co-operative had gained.22

Moreover, the struggle with REA millers was far from over, proprietors busily importing rice from cheaper sources, promoting rice industry 'decentralisation' and preparing for big ricegrowing projects in northern Australia.23
Chapter 20

Of Quotas and Markets:
The Co-operative Takes the Lead, 1954–1960

A manager for the times: John Kellock

Ricegrowers had made a co-operative mill. The task now was to obtain as much quota as possible from the Rice Marketing Board (RMB) and optimise such opportunities as existed in the contest with the millers’ cartel. This was neither possible nor desirable in the absence of markets and capital for growth. A marketing man with a financial plan must be found; a lateral thinker, not a rehearsed plodder; one imaginative and bold, capable of making a strategic decisions in uncharted waters. Ricegrowers' Co-operative Mills (RCM) was fortunate in identifying such a manager: John Kellock. ¹

Kellock, the son of a former Director of Posts and Telegraphs of Australia S F (Fred) Kellock (later chairman of Overseas Telecommunications), was educated at Scotch College, Melbourne. He joined the AIF achieving the rank of captain and after the war qualified as an accountant. Kellock believes that a 'magnificent accident under a Calvinistic God' led him to the RCM appointment. It so happened, that RCM Director S J (Jack) Hinton visited Tasmania where John and Joan Kellock were living in 1951. Joan (née Young unrelated to Chad Young), a Scot, had lived in Leeton for several years and had relatives and social contacts there. Hinton, calling in to see them, told the Kellocks about the formation of the co-operative and plans to 'take on' the cartel. John listened, not dreaming he would soon be at the helm.

After the Kellocks returned to the mainland, John took employment in Sydney, a management position with little challenge. In 1953, Kellock noticed an advertisement for the position of manager of RCM. Footloose, the idea of doing a 'city slicker job' in the bush appealed to Kellock, who saw himself as a perpetual 'passer through'. A sojourn at Leeton might be interesting. He knew about co-operatives, having dealt with Victorian dairy co-operatives when he was involved in the transport industry and did not have a particularly good view of them, seeing most as mean-minded and old-fashioned, fettered by doctrinal rigidity and ponderous laws. But he knew there were exceptions. Perhaps the RCM was one.

Joan Kellock used to tell John outrageous stories about Chad Young, this 'weird and wonderful old bloke', who, when not amazing everyone with his energy and inventiveness, was confronting them with domineering ways. Recently appointed sole managing director of RCM, she knew Chad would not take kindly to another manager being brought in. She was right.

Kellock was flown to Leeton for an interview. A taxi waited at the airport. Kellock looked out at Leeton from the taxi window, noticing elements of a 'battlers' town', different from typical country towns, a totally planned concept making effective use of infrastructures. But he noticed also that the place seemed 'land locked' by the regulated grid of irrigated fields encircling it.

He was taken to RCM offices in the Wade Building, Palm Avenue and sat there pondering his future. No one came for a long while until he was eventually advised that a board meeting had been planned for that day. Kellock waited. What to do? Alf Bowmaker happened to walk in on some other business and saw Kellock sitting there, immediately sizing up the situation: certain information had not been communicated. Bowmaker whisked Kellock around to the Leeton Hospital where Mackellar was laid up and an interview proceeded in which there was a clear, unspoken understanding of what came to be known as the 'Chad Factor'. Kellock recalls the circumstances:

If I hadn't known about Chad's character, I would not have lived through that first eighteen months. I was put in by Mackellar and Bowmaker to "ride herd" on Chad. The last thing Chad needed was someone in my position. I was brought in to handle the "un-handle-able". I wouldn't have withstood the deviousness of an old gentleman who didn't want to have any sort of administrative control. But he had to take somebody and because of my connections and because I was a little, smiling, happy sort of a bloke he figured he could manipulate, I got the job. So I
got the job for my shortcomings. But he didn't realise that he was taking on someone innately more devious than himself.

Kellock weighed up the situation. Here was a 'city slicker' dealing with farmers. His father had worked in the postal department in the bush and had plenty of anecdotes about farmers. 'When the “b’s” are noisy, put up with them,' he told the young Kellock, 'But when they are quiet and sullen — be careful'. The 'slicker' carefully remained 'low key' in the first passages of his new position, endeavouring to be 'egalitarian, doing nothing to draw attention to myself', notwithstanding an irrepressible flamboyance in style, a clue to the brilliant imagination enlivening it, which was not always appreciated by farmers.

Kellock commenced duties with a staff of three, later expanded to four — a secretary, an accountant and two clerks. In his mid-thirties, Kellock was considerably younger than the predominantly World I generation of directors he was to work with, with the exception of Noel Hogan, still in his forties. He was not fazed, fully appreciating the 'Byzantine' conflicts running beneath the board room table, Mackellar and Bowmaker making sure of this.

These blokes, although they had never run a business between them before, had the rough edges of each other rubbed off and they understood "horses for courses". And you had this creative tension, particularly between Mackellar and Chad Young. More than that, unlike most co-operatives that barely get enough capital, they had heaps of it. [Most] co-operatives get mean-minded and concentrate on cutting costs rather than spending to make a quid. That was my concept of what would be a co-operative. ... But in this one the money poured in. ... They [the growers] had confidence. I [was able] to establish a position where they had confidence in me. They were prepared to spend a quid if it [could be] seen that in the long view it [would] make a quid. They'd take half-an-hour to buy a rice mill, but one and a half hours to decide to buy a Holden utility because they knew about utilities.

There were key personnel changes in the industry around the time Kellock joined RCM in early 1954. Jack Woodside and Charles Sharam had recently joined the RCM board and were still finding their feet. John (Jack) Woodside was a tall, big-framed man born in Myrtleford, Victoria, of Northern Irish Presbyterian parents. Born into a landholding family and educated at Scotch College, Melbourne, Woodside was one of the wealthiest men in the rice industry. He had gone to the MIA originally to grow tobacco, but in 1939 purchased 7,000 acres of freehold grazing land, part of the old Benerembah Station, near Griffith. The property was not irrigated, but Woodside saw the possibility of this and the opportunities it represented. When the commonwealth extended ricegrowing into Benerembah during the war, Woodside became a ricegrower. After the war, local political pressure ensured that ricegrowing continued in the District. Woodside sold half of his holding to the Closer Settlement Board for soldier settlement, realising well on the deal. He made more money investing in stocks and shares. He was chairman of directors of Area Brickworks Proprietary Limited, which owned three brickworks on the MIA. Essentially private enterprise in orientation, Woodside understood the value of co-operation in farming believing that 'in any crop the people who do the best job are those who have a direct interest in the product'.

Although Charles Sharam had little formal education, he was an astute businessman. Beginning his rice industry career as a contract farmer, Sharam was one of the first to convert to American self-propelled headers and bulk handling. He made money through the war operating a small planter's mill dubbed the 'Nutcracker Suite', selling table rice into Victorian markets. Sharam also made money in post-war sub-division.

E C (Ted) Tweedie, the general secretary of RGA, died in 1954 ending a link with the industry going back to the 1920s. He was replaced by his son, Louis (sometimes 'Lewis'). M J Gleeson, the RMB government nominee, also died. Additionally, farmers in the Berriquin, Tullakool and Deniliquin growing areas were jostling for better representation on the RGA Central Executive and the RCM board. But perhaps the most significant change affecting Kellock's position was the deposition of Chad Young as managing director in June 1955.
A great deal of caucusing had been going on. On 20 June, Clarrie Bowditch put it to Chad that the board intended to elect a chairman by secret ballot. Chad was strongly opposed but the vote proceeded. Jack Hinton, a 'compromise man', took the chair. Fellow directors consoled Chad by telling him he was now free to concentrate his enormous talents on the conversion to bulk handling and aeration; a free rein. But, Kellock recalls, Chad Young still made his presence felt in the board room:

We were all struggling to find our way in business in those days. A lot of superfluous, extraneous material was presented to the board, often consuming a great deal of time and often just a rehash of management stuff. Chad could manipulate this, introducing an interminable range of subjects over the heads of most people.

Chad Young had a stutter which he would sometimes affect to obfuscate or frustrate discussion. Sometimes he would nod off and have everyone wondering which way he would vote upon regaining consciousness. Often he would awake and launch into a stuttering soliloquy apparently unrelated to anything anyone had been saying. It was maddening. Occasionally he would fold paper into intricate shapes and stare with glassy-eyed indifference out the window, distracting and often disarming speakers struggling to make a point or sway debate. Nevertheless, Chad's engineering expertise was invaluable in the conversion to bulk handling, an essential step in the battle with proprietors for quota and he continued to play an important role in the co-operative's development until his retirement in 1966 at the age of eighty-eight.

As for the opposition, Kellock weighed them up:

So much money was coming into [the REA proprietary millers] that they were squandering it on other activities. There was no effective management. A reasonable bit was left at the bottom to keep the "peasants" happy. There were a number of "playthings" of the executive and management and ... a great cash flow. [But] the money was so easy that they weren't managing the show. ... This was the commercial atmosphere. ... Money was coming out of their ears [so that] when we in effect built a dam up stream from their cash flow, they were "stuffed". ... Just like any empire, the rulers down the line were just not good enough. It wasn't how clever we were, it was how inept they had become. The millers had had it too good. They sowed the seeds of their own destruction.

'Not a supine activity': marketing overseas

Kellock's 'main game' was to obtain as much quota as possible from RMB. The stratagem was elliptical: the co-operative must attract members, mill and market efficiently, justify the need for a greater quota, satisfy member demand and attract new members. In order to achieve this, it was necessary to cultivate markets quickly, both overseas and at home in a context where capital for infrastructure and efficiency measures needed to be located within the organisation's democratic co-operative structure as defined by The Co-operation Act. Kellock approached the task with characteristic élan.

The marketing of grain could not be a supine activity. We had to get out there so that we could claim that we were selling every grain that we were getting and hope that we could claim that we were in a bind — we can't get the rice of our shareholders to sell, therefore give us a larger quota. My mind was focused on getting hold of as much quota as possible and getting rid of the mill products. But we were the small interloper into the cartel system; mean, poor, "shanty" types.

Kellock believes that good working relations between RCM and the long established Producers' Distributive Society Co-operative Limited (PDS), which had an extensive network of outlets for primary produce, was important to the success of the co-operative in those early days:

Growers needed instant expertise to get the product on to the market. Any failure to move the milled product would be seized upon by the millers to justify to the RMB that the co-op wasn't reasonably entitled to the quota. [PDS] did a good job of moving product. They had a good sales distribution structure. It was easy to sell rice [at first]. Quotas and shortages meant that people were still "thrilled" to get a pound of rice.
But markets were changing rapidly. Although prices overseas were still climbing, no one expected it to last. Other producer nations were returning to markets and production was climbing steeply, including in Australia where now about 850 farmers, many involved in post-war soldier settlement and closer settlement schemes, were growing rice. There were rumblings also from a major importer, Papua-New Guinea (PNG), whose administration objected strongly to continued high prices for Australian rice and threatened to break the Australian ‘monopoly’. The administrator happened to be the Australian government.

Kellock realised that the post-war rice 'honeymoon' would soon end. One of his first acts, therefore, was to supplement the PDS arrangement with an independent RCM Export Department. ‘We had to manage our own business such was our need to move stuff’. Kellock retained the services of PDS for domestic distribution, also tapping into the FH Stephens storage and distribution network. Before the appointment of the co-operative's first sales manager, Eric Fordham, Kellock lived 'on adrenalin and railway lines' for about six weeks, commuting between Sydney and Leeton, organising the export department. He would jump on a sleeper at Narrandera at about 7.00 p.m. on a Monday evening and take breakfast in Sydney. He would conduct RCM business in a tiny basement made available by A Abrahams and Sons, the bag suppliers. On Friday he would catch the 9.00 p.m. train back to Narrandera, spending most of the weekend and Monday in RCM's Leeton offices before leaping on a train back to Sydney. Joan was not amused. Aided by George Enticknap (MLA, Murrumbidgee), Kellock obtained space from the Potato Board at the Rozelle railway terminal and later space vacated by Thomas National Transport (TNT).

Sales Manager Eric Fordham's experience in the Pacific Islands proved invaluable and by 1955, RCM was placing product in Japanese markets. In 1956, 4,482 tons of RCM table rice left for mainland Japan. Kellock, who visited Japan in the first half of 1956, reported the transaction as a 'very difficult but promising market'. In the following year RCM consigned 5,400 tons of rice from the MIA to Japan. A further 1,600 tons from Wakool was consigned. By 1957, Japan was seeking more rice than Australia could supply and Japanese diplomats were touring the MIA seeking consignments. A rice purchasing delegation from Okinawa toured in 1958, received as honoured guests at the Leeton 'Irigana' Festival. The mission leader, (possibly J S Nakagawa, an interpreter with Williams International [USA], Okinawa), told RMB and RCM officials that the Japanese liked MIA rice and the Australian system of government which possessed 'a little bit of socialisation but not too much'. The Japanese consumed over 200 pounds of rice per person each year, he said, and the Okinawa market could take 9,000 tons in the current year and more in future (and this was the sticking point) if reciprocal trade could be identified. It could not. Nevertheless, although markets in mainland Japan faded, significant exports to Okinawa proceeded over the next few years.

RCM was also exporting rice to Lebanon, Jordan and Iraq at this time and by 1959, good markets had also been established for RCM products in the Pacific, New Zealand, the Netherlands and Canada.3

The great leap forward: 'Sunwhite'

Anticipating falling prices and greater competition on overseas markets, RMB launched a major rice promotion encouraging domestic consumption. 'Eat More Rice' was the brilliant slogan. RMB Chairman Frank Walsh described rice as a 'forgotten commodity', saying that most Australians had 'given up' on rice after ten years of quotas and shortages. A film dealing with the rice industry was made, press releases issued, thousands of rice recipes circulated and numerous radio broadcasts were organised.4

In November 1955 while in hospital, recovering from a bout of the 'staph' contracted in an appendix operation, the quixotic manager's feverish mind, as ever, racing and tumbling, the phone melting by his bedside, John Kellock had a brainwave. He was thinking about marketing, looking for that special 'differentiation angle', seeking 'an edge' when the flash came: a glistening new brand name on cellophane wrapping — 'Sunwhite'! It was the birth of a label synonymous with RCM products, providing the co-operative with an indelible corporate image.
Following his release from hospital, Kellock proposed a launch for 'Sunwhite' products in the Hunter Valley region of New South Wales, where a network of Rochdale co-operative stores existed and 'co-operative' was not a 'dirty word'. An agency was invited to a big meeting at the Leeton Cannery where an advertising and radio strategy was decided and a promotion image created: 'Susan Lee Whyte' (a play on 'Sunwhite' and 'Leeton').

The launch occurred in 1956, just before the introduction of television into Australia. Kellock recalls that almost everyone from RCM went up to the Hunter Valley for the event.

We were anxious to promote the "convenience" of rice and quick cooking methods, but we had to be careful not to give the impression that housewives did not know how to cook rice (which they didn't). Most rice was still poorly prepared.

The grocery distribution system was still very old fashioned. Most grocery wholesalers were very much in the charge of spice traders and the Millers' Association, which had a network of commercial travellers who spent their lives riding trains way out in the countryside. Robert Harper, the quintessential member of the cartel, had an extensive network of travellers. They would board a train on Monday morning and head off to the bush. They met clients in the "Commercial Rooms" of little hotels all over the country. They were good at telling jokes. They would call on independent groceries and build up friendships, guaranteeing finance to get their products moving. There was a network of friendship and a general attitude against co-operatives. On Friday they would catch the train back to Sydney and hand in their orders. This was the network through which rice had to be distributed and the REA cartel controlled it. They were extraordinarily powerful. They would provide grocers with selected information [and encourage] antipathy in the mind of ordinary grocers for the word "co-operative". RCM was facing this environment. Ricegrowers had no idea of the magnitude of the problem they were confronting in contemplating independence. The very word "co-operative" was a red rag to people giving orders. This was the great obstacle in front of RCM — this strong distributive network in the hands of people who with their "other hat on" were the proprietary millers. They were the people I had to get past. I consciously saw it as a "Howitzer Operation". I had to put the projectiles up in the air and land them across the other side. And how was I going to do it? The only way was packet rice. Everybody in the Australian industry had cellophane packets and rice brands but none of the proprietary millers had any incentive to push packets. Hessian bags and paper bags were still in the ascendancy. The day of cellophane was about to arrive. With cash and carry supermarkets on the way, counter service was on the way out.

But it was hard to convince retailers that you could sell "Sunwhite" at one shilling and threepence a pound in cellophane packets against rice in sugar bags and paper bags at one shilling a pound. Retailers were obsessed with the idea that filling paper bags cost them nothing. They forgot the costs of labour.

We installed a Simplex-O-Matic machine for packing "Sunwhite" in cellophane bags [and] went not only to the purchasing people of the chains but also direct to the stores themselves. We sold carton rice on the basis of thirteen to the dozen. About this time increases in wages and salaries made it impossible for the opposition to support a big team of travellers. Television was knocking out cinema in the bush and many old cinemas were becoming available as self-service stores in a changing grocery scene. It was a fortunate break, meaning that we were in the right position at the right time. "Sunwhite" was seen as something brand new, something beautiful, something different.

Kellock wanted quota and that meant shareholders. It also meant investment. The industry was expanding rapidly in the Murray Valley and Kellock wanted those growers in the co-operative, but he had to step carefully:

We wanted the (Murray Valley growers) in, but it was a problem because their rice went to the proprietary mill at Echuca. There were problems with this for a co-operative under The Taxation Act. Once we started to get shareholders down
there whose grain was not coming into our MIA mills we were in a bind, because [to qualify as a co-operative] we needed to receive 90 per cent of the product from 90 per cent of the shareholders. We were locked in with thirty-four growers in the Murray Valley. We didn't want to get rid of shareholders but we sure as hell did not want to recruit any more.

Kellock understood the strategic importance of securing the Echuca Mill and getting southern growers 'on side', pre-empting any possible REA (or RMB) plot to divide the industry into 'co-operative' and 'proprietary' sectors, ostensibly in the interests of competition but actually to bolster a need for their existence. Circumstances presented in 1956 and 1957, making it possible for RCM to purchase not only the Echuca Mill but also ARI's Griffith Mill.

Sid Twigg: RMB Chairman

The purchases were made possible after changes in RMB personnel. Chairman Frank Walsh became ill and Sid Twigg was elected chairman, Walsh staying on as a board member. Noel Hogan, Menzies Emery and Tom Holden were elected or re-elected to the board late in 1955. M E (Peter) Farley of ARI was appointed government nominee in 1956 when Tom Dougherty resigned. The new board hatched an arrangement whereby Wakool paddy was allocated to RCM which resold it to Echuca Milling Proprietary Limited as RMB's agent. In return, Farley undertook to match the RCM bonus to suppliers who were not shareholders of the co-operative. At the same time, RMB allocated to RCM all MIA paddy rice on the understanding that the co-operative would redistribute 25 per cent of this as determined by RMB. RMB then began receiving paddy from the Deniboota region. The 'new deal' provided RCM with greater volumes of rice to mill with beneficial effects on capital inputs. The net effect, however, was that as production climbed in the Murray Valley and ricegrowing expanded into other areas, the RCM quota share, while expanding volumetrically, would actually fall in proportion to the overall crop. Coincidentally, RMB had cemented a pivotal position in the industry.5

Kellock summed up the 'new deal'. First, it was imperative that RCM secure the Echuca Mill. Second, the Millers' Association had grown top-heavy and would not be prepared to absorb the capital costs of following RCM into bulk handling. Indeed, by 1956 building on foundations set by the Jack Brady board, RMB had become the major provider of storage, insulating the co-operative from attack on that front. Third, the proprietary millers were involved with a whole raft of other commodities and products; RCM dealt only with rice. Fourth, the canny co-operative manager reasoned, it was important not to embarrass RMB by reducing its customer list to just one: RCM; for the board must not feel threatened. Fifth, it was essential to secure Murray Valley tonnage quickly to complete REA's denouement:

I didn't think we could trust the Marketing Board to allocate the [Murray Valley paddy] to us. ... The RMB thought its raison d'être was to pontificate on how much crop should go to whatever mill, so if there were only one mill, the RMB would have to own up to its own redundancy. It would have been damaging to force the issue given that in Victoria we had a Section 92 [constitutional] situation. We had a problem with a pair of farmers ... who grew a crop of rice on the Victorian side of the Murray and it had elements of great danger for us. So it was better to avoid the whole issue. But the move into bulk storage was a key strategic move. It pushed the issue of the capital requirements of the industry. The millers had many products; we had only one. Therefore, "bulk" meant that they could not follow us.

RCM eclipses the cartel: The Echuca and Griffith mills, 1957–1959

Mother Nature resolved the issue. Floods in 1956 and 1957 badly damaged paddy and installations at the Echuca Mill and ARI decided to sell. On April Fool's Day 1957, RCM purchased the Echuca Mill and the proprietors' Murray Valley storage sheds for £120,000. Assuaging RMB doubts about the financial implications, the co-operative agreed to provide and supervise any further storage in the southern areas, an arrangement formalised in June 1957. Aided by Registrar of Co-operative Societies A Crosky, who described RCM as the 'show piece of post-war co-operative development', The Marketing of Primary Products Act was amended (Section 33[a]) allowing RMB to act as a selling agent for both growers and RCM. The effect was to
permit RCM to direct RMB to consign paddy to millers of its nomination. Sid Twigg, Noel Hogan and Menzies Emery were the architects of this reform giving RCM greater flexibility and market leverage and signifying the co-operative's new pre-eminence in the industry.6

RCM steamed ahead. In 1957, the co-operative developed an engineering department, headed by DJ Rogers. The Leeton, Yenda and Echuca Mills were renovated and enlarged. Storage facilities at Echuca and Burramine were extended and planning began for new stores at Caldwell, Deniliquin, Niemur and Tantonan. Sheds at Yenda, Griffith and Leeton were extensively refurbished.

ARI and other interests, meanwhile, were developing rice production in the Northern Territory, Western Australia and Queensland. Therefore, from RCM’s point of view, the strategic advantage of having Murray Valley growers unequivocally united behind MIA growers in defence of the New South Wales industry was crucial.

RCM’s rout of the cartel continued. Early in 1959, the co-operative purchased the Griffith Mill and sheds from ARI for £130,000. With RMB’s full blessing, the co-operative agreed to provide ARI, now strapped for cash following a failed attempt to grow rice in the Northern Territory, with a five-year guaranteed supply of paddy rice ’ ... to enable them to hold their place in the industry’. This was not mere altruism the gesture avoiding, or at least postponing, the prospect of RMB finding itself with only one customer: the co-operative; raising doubts about its need to exist. Doug Mackellar must have enjoyed congratulating ARI for its 'co-operation' and telling Peter Farley, now a government nominee on a gelded board, that he looked forward to ARI serving as a ' ... valuable selling agent ... helping to reduce production costs and therefore increase returns to growers while maintaining healthy competition'.7

**On capital and equity**

How did RCM manage to finance such spectacular expansion through the 1950s? Apart from general market buoyancy and a voluminous cash flow generated by this, the co-operative benefited from a taxation 'holiday' and a Kellock-inspired debenture certificate scheme. With sublime insouciance, and in the full knowledge of the Australian Taxation Office, Kellock encouraged directors to take operating capital from operating costs by directing capital to reserves without paying taxation.

> Acting on professional advice from RCM's auditors and with a face as bold as brass, we alleged that under *The Taxation Act* that monies paid to a government instrumentality (the Rural Bank) in reduction of a debt to the government by a co-operative was tax deductable from the otherwise net reserves of a co-operative society.

In those critical expansionary years, Kellock was able to put aside between £200,000 and £500,000 annually from operating costs while disclosing everything to the Taxation Commissioner. Finally the practice percolated through to the Taxation Office's upper echelons, who, acknowledging that RCM had disclosed all relevant details at all times, 'quarantined' the outstanding taxation liability on the understanding that it be frozen as 'fixed reserves'. At time of writing, this 'useful piece of fat' still appeared on RCM's balance sheet.

A debenture certificate scheme devised by Kellock also allowed the manager to borrow from bonuses paid by RCM to growers. The scheme, taking the form of cash and debenture certificates returning 6.5 per cent interest over a maturity period meant that the co-operative, in effect, was borrowing from members to pay back bank loans enabling RCM to capitalise development on a logical basis and respond flexibly to change. It was also popular, not only because growers were receiving better returns but because they were obtaining a stake, with interest, in the industry itself. Through participation, growers were gradually becoming owners of the industry.

A similar equity principle was adopted by RMB. As early as 1957 RMB member and RCM director Noel Hogan had proposed the establishment of a holding company for ricegrowers' assets in the RMB ' ... so that growers could have a share of the equity in the store sheds and drying plants'. He proposed a ten shilling per ton levy over five years with concessions for growers who had supplied the board with paddy for ten or more years, calculating that this would generate £120,000 for further development and equity. Hogan argued that growers currently had no equity in RMB assets and no
guarantee that they would not be sequestered by a government, although it was
grower money that was constructing them. In line with this, the RCM board decided
in 1960 that:

In order that posterity might bear some proportion of the financial load which
would result from the Society's expenditure program, two methods of meeting
financial commitments will be constituted:

• a revolving fund for the installation of bulk aeration met by contributions of
members to a fund which will revolve over a five-year period; and

• a capitalisation scheme for the development of milling operations
under Section 47(a) of The Co-operation Act by which shares will be issued,
paid for by deductions from the annual bonuses to be distributed to
members out of trading surpluses.8

Both schemes were approved by the Registry of Co-operative Societies and were
widely seen as ‘master-strokes’, the envy of other primary industries and an
inspiration for co-operatives in general.
Chapter 21

‘The dilemma is only beginning’:

Land, Water and Production Pressures, 1951-1960

Introduction

As jockeying for position in the rice industry between RCM, RGA, RMB and the Millers’ Association continued through the 1950s, a contest between individual farmers, and between farmers in general and governments, for access to land and water resources and ricegrowing permits was intensifying. The fundamental questions were: how much rice to produce; who should produce it; and where? Rice was profitable, but water was precious — and scarce. Irrigation systems were productive, but expensive and prone to environmental problems. Markets certainly existed, but were fickle. In this scenario, tensions mounted in the rice industry focused on that vital nexus linking land and water, acreage and tenure, production and price.

Old disagreements between horticulturalists and rice farmers continued unabated through this expansionary period along with other lines of division between: large-area and small-area rice farmers; different rice producing areas on the MIA and beyond; and growers and WCIC in respect of water pricing and delivery policies. With farmers flocking to the industry and new ricegrowing areas opening up, an urgent need for sensible industry co-ordination existed. Where rational planning for the general good collided with individualistic self-interest, however, conflict was inevitable. And always lurking in the background, those perennial fears: would the industry ‘break out’ in uncontrollable production and self-destruct; and would waterlogging and salination steal everything away by stealth?

Land and water pressures, 1950–1952

The rice industry attracted some trenchant criticism in the early 1950s. H Willington of Yenda, for example, arguing the horticulturalist’s case, attacked the industry for ‘using too much water’. Rice production had used 47 per cent of all MIA water in the past five years, Willington said, while the rice industry had produced only 20 per cent of total MIA produce. He quoted statistics suggesting that taxpayers had been subsidising water to ricegrowers at about three shillings per acre foot. The average MIA ricegrower, Willington continued, used 612 acre feet of water while an average ton of rice consumed 4,000 tons of water in production. One acre foot of water used in vegetable production yielded £100 in value whereas for rice the same volume yielded £2.10.0d. All this while crammed cargoes left for overseas and Australians could not buy rice! RMB was ‘useless’ because one of its government nominees, was ‘hand in glove’ with the growers and the other was a ricegrower. 1

There were allegations also that rice farmers were engaging in land speculation. Indeed some established growers were making money from land sales and sub-division and, on the proceeds, moving to large-area farms or new districts and demanding water rights for ricegrowing. But rice farmers were not alone in this. Labor Minister for Lands J B Renshaw found it distasteful that large-area holders, in particular, should benefit from any ‘added value’ irrigation had conferred upon properties, for such improvements had occurred at public expense and the intention of The Closer Settlement Act of 1907, he said, precluded farmers in state-sponsored irrigation systems from claiming such benefits. The state intended to acquire irrigated property at prices exclusive of such added value. But a brisk trade in land continued, nonetheless, for possible use in ex-service settlement schemes, pushing up prices and inviting closer political scrutiny. 2

Friction between established farmers and new settlers was evident. For example, growers in the Benarembah District were outraged when their permissible rice acreage was reduced from 70 to 50 acres to allow for the entry into the industry of thirty-five ex-service settlers. For their part, new settlers in the Kooba Sub-Division believed that the original Benarembah settlers had had a ‘very fair go’ and should now give new settlers a chance. MIA growers grumbled that ‘temporary’ wartime rice production in the Wakool region was not only continuing, but expanding and now there was talk of a Gogeldrie Weir between Narrandera and Darlington Point on the Murrumbidgee, catering for up to 1,540 new farms, many capable of producing rice. 3
The fear of waterlogging and salination, like the problems themselves, was seldom far from the surface. In 1952, WCIC ordered further curtailment of ricegrowing around Leeton, between Leeton and Yanco in the Petersham area, in the Gilgil and Wamoon areas, along the Toorak Road and at Five Bridges, where the water table had risen dangerously close to the root zone of trees. In seeking to deflect the implications, Alf Bowmaker referred to many studies concerning the problem, including the Prescott Committee Report, which, he said, had not established conclusively a link between ricegrowing, rising water tables and salination. Chad Young produced figures going back to the 1939/40 drought and subsequent flood to cast doubt on the alleged link between rising water tables and ricegrowing, saying that 'hostile and capricious' elements in politics were determined to see an end to ricegrowing in the Yanco Area and seize production for their own electorates, or for proprietary millers. Demand for irrigation water was expanding exponentially as the contest for the resource intensified. Some irrigators were abusing the system. When WCIC discovered a few farmers deliberately flouting regulations to increase production volume, the commission decided to get tough. Aerial surveillance of ricegrowing areas commenced, the commission threatening to padlock the Detheridge Wheels of offending farmers. Three producers in the Tullakool Area were prosecuted in 1953. In 1954, several farmers were 'de-watered'. Simultaneously the commission introduced big price increases for water, ostensibly to pay for system expansion, maintenance and deep drainage, but also to fund an expanding bureaucracy as more irrigation systems were developed and water use increased.

RGA complained bitterly that water-price increases hit ricegrowers disproportionately in relation to horticulturalists, demanding the right to grow 33 per cent more rice on existing farms by way of compensation. The government was not impressed, George Enticknap (MLA, Labor, Murrumbidgee) arguing that rice farmers, particularly large-area farmers, had benefited from public assets, had much larger incomes than horticulturalists and could afford to pay the increases. 'The dilemma is only beginning', Alf Bowmaker told the RGA Central Executive: the demand for water was growing; new growers were clamouring to enter the industry; permissible rice acreages were being revised; the threat of unruly production existed; perennial waterlogging and salination questions had resurfaced; and the government seemed determined to phase out rice production on the MIA. The answer, he said, was securing a stronger voice for growers in the processes of WCIC policy formation.

The Rice Industry Co-ordination Committee (RICC), 1953

RGA, supported by RMB, argued before WCIC officials that as the commercial fundamentals of the industry had changed in respect of RCM's existence and the Creamota High Court decision, growers themselves should be given a greater say in the process of commission policy development. The government agreed. A new Rice Industry Advisory Council, a 'central parliament', was constructed to advise the commission in respect of production levels and rice areas in relation to available water; the Rice Industry Co-ordination Committee (RICC). This committee, emerging from the wartime Rice Production Committee, of which Jack Brady had been chairman, consisted of four (later, five) representatives from RGA and five each from RCM and RMB. RICC was designed to:

- co-ordinate overall industry policy;
- integrate approaches to and action required by industry problems and policies;
- plan acreages to be sown to rice;
- set production levels;
- liaise with WCIC and the minister responsible in respect of the above; and
- recommend the allocation of industry research funds.

WCIC and other government bodies undertook to recognise RICC as the supreme industry voice in matters relating to acreages and production. The committee and WCIC were to meet annually and advise the Minister for Conservation on desirable acreage and production levels for rice. Ultimately, however, the minister retained wide-ranging discretionary powers in respect of the volume of water necessary to produce a given output of rice. WCIC retained control over the overall area put to rice and the size of individual farms exercised through its authority to issue ricegrowing permits. Farmers were to apply for a permit complying with an agreed production
level set by RICC. A permit would be issued only if all conditions were satisfied. Assisted financially by RMB, WCIC was empowered to inspect rice fields and ensure that no abuse of production quotas was occurring. There would be a tolerance threshold (of about 5 per cent) without penalty. Any farmer exceeding his quota was required either to destroy the excess or accept a reduction in the following year of twice the amount of the over-planting. RICC, essentially a liaison conduit with no staff and its chair (initially) rotated through constituent members, was nevertheless an immensely powerful peak body exercising great influence in shaping the industry — so long as the minister heeded its advice. Most growers, particularly smallholders and those new to the industry, accepted RICC as a sensible step, but some large-area farmers saw it as just another restraining device being used by 'blockies' and the MIA ‘push’ to curb their freedom.  

Mounting uncertainty, 1954–1956

New uncertainty entered the industry between 1954 and 1956 as concern over acreage restrictions, land pressures, water pricing policies and competition for water resources intensified. Strong lobby groups manoeuvred for position, the Returned Servicemen’s League (RSL), for example, pushing for further land settlement linked to irrigation. Water Users’ Associations proliferated along the Murray and Murrumbidgee rivers. Land speculation was rife in anticipation of completion of the Hume Weir on the Murray and of the Snowy River Scheme, which would divert alpine water into the Murrumbidgee. Calls to halve rice acreages from 100 to 50 acres and double the number of growers were being voiced more strongly by Murray River representatives in parliament. Talk again arose of amendments to legislation governing land tenure in irrigated areas to prevent conversion to freehold, precipitating a rush for freehold land. In this context, slowly, dimly, the realisation dawned that limits to the water resource available from the great rivers were already being approached.

Ricegrowing in the Deniboota Irrigation District

Not surprisingly, these developments generated friction in the rice industry. When a motion was passed at the Griffith RSL, for example, calling for new rice farms and the spelling of old, established farmers vehemently protested. 'Latecomers' were seen as simply 'muscling in' on a successful industry built by others; they must wait their turn. Letters to the press complained of an alleged Leeton 'clique' controlling the industry. There were mutterings about the frequency with which RCM and RGA meetings were conducted in Leeton. Far-flung RCM shareholders and RGA members demanded travelling expenses, permitting better participation. H L Tooth, a pioneer large-area ricegrower from Murrami, wrote angrily to Irrigator in September 1955:

The RGA executive have a definite tendency to strive to become the dominating force in the rice industry to the exclusion of their functions as the executive of an association. ... It so happens ... that most of the members of the Ricegrowers' Central Executive are also on the board of RCM. ... The so-called watchdogs of the members of the Association have become millers and therefore [now] cannot see the problems of growers from the same viewpoint. A director of the RCM ... who is also a member of the Ricegrowers' Central Executive is seeking election to the RMB.

That director was Noel Hogan. Tooth alleged that RCM directors sitting in on RMB business could act as 'stoof pigeons' and should be debarred from board meetings, saying that Hogan should resign from RCM and RGA if elected to RMB, (which he was in 1955).

Here was a twist: grower mistrust of a co-operative because it was a 'miller'. RCM Chairman Jack Hinton rejected these allegations out of hand:

I refute with all the power at my command the innuendo that a co-operative miller who is also a grower can't see the problems of the industry for both sides. ... By a proper co-ordination of all three bodies (RCM, RMB and the RGA), by liaison through some mutual representation, all different viewpoints can be discussed and considered beforehand and a common policy pursued. ... Let all three of the leading ricegrowers' organisations, the so-called 'Holy Trinity', work together in commonsense, unity and harmony so that the industry's right hand knows immediately what the left hand is doing and the ricegrowers, whose servants they are, will gain added strength and keep control of their industry.
The government was certainly determined to introduce more competition into the rice industry and RMB concurred with this. In the New South Wales Parliament, Joe Lawson (MLA, Murray) maintained pressure to have irrigation and rice growing extended into other regions of the Murray Valley; Deniboota, near Deniqlurin, for example. This area of 300,000 acres would bring the total irrigated area in the Wakool, Berriquin and Denimein Districts to 1,750,000 acres for an investment cost of only £5 million. Already the first rice crops from Denimein (grown by Hector Holden) were reaching RMB receival points. In 1955, Premier Cahill opened the Lawson Siphon, bringing water from the Mulwala Canal and permitting rice production in the Deniboota District. The geographic spread of the industry was rapidly expanding.9

The great wet of 1955/56 and record floods accompanying it, the worst in forty-two years, brought even more urgency to these debates. Salination increased to alarming levels in some areas. After WCIC faced legal action from farmers accusing it of contributing to the problem with inadequate or faulty drainage systems, the commission immediately slapped restrictions on rice growing in large-area farms where the water table was less than six feet from the surface. Landholders loudly protested that the capital value of their properties would plunge, that insufficient evidence linking rice production and salination existed and that they were being unfairly singled out for treatment. Others remained quiet for fear of being banned from rice growing if their properties were inspected.10

Calls for rice growing in other areas

Still pressure for rice growing permits in new areas built. The commonwealth government opened up more land in the old Kooba Station, near Whitton, as part of a War Services Land Settlement Scheme and, it was rumoured, for rice. Plans for a vast new irrigation scheme on the south bank of the Murrumbidgee (the Coleambally Irrigation Area) were well advanced. Rice production trials were being planned, or under way, in Western Australia, the Northern Territory and Queensland. Clearly, rice growing would spread to other localities. RGA and RCM had made great strides in securing grower control on the MIA and associated Districts and had posted some success in the Murray Valley, but this geographic spread presented new logistical problems.11

As promised, the New South Wales government introduced an Irrigation Amendment Act in May 1956, re-introducing a perpetual lease system, which prevented new irrigation farmers from converting to freehold. Only leaseholders possessing leases before passage of the act were exempted, except in the Hay region. The stated aim of the legislation was to prevent mistakes of the past in granting irrigation rights, particularly in respect of waterlogging. The act introduced strict guidelines in respect of soil classification and land use, emphasising environmental principles in the determination and gave WCIC sharp new teeth in policing regulations. Historically speaking, The Irrigation Amendment Act marked the neap tide in the commission’s regulatory powers.12

Abandon the ‘Gentlemen’s Agreement’

Attempts to grow rice in other parts of Australia continued. In federal parliament, politicians asked why Australians could not buy rice easily while boat loads of the grain left for overseas and why rice production was confined to New South Wales, where irrigation water was finite and expensive, and banned in the Northern Territory and Queensland, where rain fell copiously. The Farmers and Settlers Association (FSA) called upon the federal government to amend the constitution allowing the marketing of rice to become a federal matter, supported in this by many large-area farmers; Yenda FSA President Ron Carlon, for example. There was talk of creating a national RMB and extending WCIC expertise in irrigation to rice growing in other states. Newspaper reports spoke of rice growing wild in Northern Queensland, along Bailey’s Creek on Cape Tribulation. A settlement of six families had been growing rice there without irrigation for some years. In 1950, the Mason brothers yielded six tons of rice with a harvester brought in by sea from Cairns.13 J Woodside, of Wandoan, Queensland, called upon the federal government to abandon the ‘gentlemen’s agreement’ confining rice production to New South Wales and decentralise the industry. There was a rice ‘famine’ and the health of the nation was deteriorating owing to a shortage of essential vitamins found only in the grain, Woodside said. ‘Many young Australians do not know the taste of rice. We Queenslanders are far too
prone to accept whatever the southern states care to send us'. The 'hordes of Asia' were turning longing eyes towards the empty lands of Northern Australia, Woodside argued. It was essential that the north be populated and rice could make that happen.14

In 1951, the eminent plant breeder, Walter Poggendorff, who had done so much to develop the industry on the MIA, now chief of the Division of Plant Industry in the New South Wales Department of Agriculture, toured possible ricegrowing areas in Queensland. Knowing that both upland and swamp varieties had been grown successfully there in the past, Poggendorff was particularly interested in the Daly River area of Northern Queensland where hundreds of acres of rice had been cultivated early in the century, using European labour and machinery. Only inaccessibility to markets had stopped that project. But Poggendorff was equally concerned at the possibility of disease from tropical rice entering disease-free MIA fields, still the best yielding fields in the world and free from most pests and fungi.15

Meanwhile, ARI's Peter Farley continued to promote rice industry 'decentralisation' vigorously, attracting the interest of Mainguard, an Australian entrepreneurial company associated with Grocery and General Merchants Limited (whose G and G Stores were subsequently absorbed into the Franklins' grocery chain). With Mainguard, ARI formed Territory Rice Limited, taking a lease on the Adelaide River and planned to develop rice fields at Humpity Doo, forty miles south-east of Darwin. In early 1956, Territory Rice Limited announced that a £7,500,000 rice industry was to be developed at Humpity Doo within three to four years. *Mandang White*, a long-grain rice much favoured in Asia, was to be grown using aerial sowing techniques, broad acre harvesting and bulk handling methods. Paddy was to be shipped direct from fields to Asian and Pacific Island markets. Two crops a year were anticipated under monsoonal conditions. A town of 20,000 was planned. Reg Fallon of Griffith was appointed manager. The commonwealth government was delighted, particularly at Farley's success in attracting overseas investment and enthusiastically assisted the Territory Rice Scheme. Arthur Hoffman, an American associated with Mainguard, flew in from the United States in his personal aeroplane accompanied by an entourage of fifty, including several 'world rice experts'. The *Daily Telegraph* told readers that Hoffman had 'tamed the Venezuelan jungle and the Mexican desert and had cleared jungles in Peru and Brazil'. Now he was going to harness 250 acres of the Northern Territory for rice in a rotation of legumes, beans and cattle fodder. 'The land we have to work on has never been touched by mortal hand,' Hoffman boasted, bestowing in sublimes ignorance immortality on the indigenous population inhabiting the region for millennia. Hoffman visited Griffith, escorted by Peter Farley, and dignitaries fussed and fawned but hard-pressed farmers, particularly those struggling to get established in the Murray Valley, wondered how Humpity Doo rice might affect their businesses. Tropical production might erode prices and lead to a loss of vital Papua–New Guinean markets where much of the New South Wales crop was placed? 'It would be better if the federal government were assisting the Australian industry', Alf Bowmaker complained.16

A party of twenty-four New South Wales ricegrowers led by R L Black and including RCM Chairman Jack Hinton and directors Noel Hogan and Jack Woodside, toured the rice fields of Northern Queensland and the Northern Territory in June 1956, covering 7000 miles in twenty-five days. The party returned to the MIA 'astounded', reporting rice growing three feet high without irrigation, huge machinery and large and very powerful tractors in the fields. A vast mill was being planned. A major new rice industry appeared likely in the north within three to four years.

A shudder passed through the southern rice-producing areas. Pointing to northern developments, Black urged WCIC to relax acreage policy and allow all rice farmers (on the MIA), large or small, to grow up to 25 per cent more than currently permitted in order to prepare for the approaching crunch. RCM was capable of handling twice the present crop, Black argued, so, let it proceed; the alternative was the possible destruction of the New South Wales rice industry and WCIC with it. The commission was sympathetic, permitting a 25 per cent increase in rice acreages for the following two seasons. Where was the water to come from to sustain this rearguard action?17

On 19 September 1957, RCM Chairman Jack Hinton died of cancer. Doug Mackellar, who replaced him, was not a young man and talk immediately turned to his successor.
There were a number of contenders; all worthy. Noel Hogan was one. However, when A (Fred) Bock of Tullakool, a power-broker from the southern region, was elected to the RCM board in 1959, thinking shifted to the probability of a future chairman coming from the Murray Valley as this was perceived by the RGA Central Executive as a strategically prudent step in 'sewing up' southern production.

The expected Humpty Doo 'crunch' did not come. In 1959, an RMB delegation including Noel Hogan, R Twigg, Tom Holden, C E (Charles) Dalton, S J King and A E (Bert) Farley, a government nominee on RMB (no relation to M E (Peter) Farley), visited Humpty Doo. The great enterprise was failing. Hoffman had tamed deserts and jungles overseas but in Northern Australia 'the duck', (actually the Maned Goose and Magpie Goose) had beaten him. Machine guns, wailing sirens and glaring search lights had all proven ineffective against the ricegrowers' avian bane. Studies showed that some individual birds had flown all the way from Griffith to feast on *Mandang White*. For instance, a grey teal duck tagged fourteen miles south of Griffith was found at Humpty Doo, 2,200 miles to the north, a fortnight later. One MIA wag conjectured that the duck must have flown up on the same plane as the RMB delegation! But there was little humour in the thought that ducks with a belly full of diseased tropical paddy might wing their way back to southern New South Wales. RMB officials shot off a panic report to the federal government: 500 tons of diseased northern rice was on its way to Hong Kong to be milled by 'cheap labour'; 170 tons of it was on sale in Sydney; the entire New South Wales industry was at risk; do something!\(^{18}\)

Indeed, Fusarium disease had hit Humpty Doo crops, discolouring the grain and emptying heads. By late 1959, the Humpty Doo scheme had been abandoned as an expensive failure, placing Territory Rice Limited and ARI in serious financial difficulties.

Meanwhile, attempts to grow rice in Western Australia continued in the Kimberley Region. Northern Development Proprietary Limited and rice merchants, including Peter Farley, announced plans for 20,000 acres of rice. A New South Wales contingent, led by Jack Woodside and including Herb Gorey, Tom Henham of Murrami Rice Mills and Dr Sol Golburg, of Sydney, inspected the site, offering technical advice. This scheme also failed within a short period.\(^{19}\)

For the time being, New South Wales ricegrowers were safe from interstate competition. But attempts to grow rice elsewhere continued, especially in Queensland, eventually producing positive results (discussed in Chapter 33).

**The Coleambally Irrigation Area (CIA)**

With more rice fields being developed on the MIA and adjacent Districts and in the Murray Valley, work proceeded through the mid- to late-1950s on the Coleambally Irrigation Area (CIA) on the southern bank of the Murrumbidgee River, where it was generally believed that ricegrowing would be permitted, at least in initially, to help settlers get ‘on their feet’.

The thorough planning and systematic (early) development of the CIA scheme was in stark contrast to the topsy-turvy development of the MIA. WCIC commenced extensive land surveys in what was known as the Billabidgee area, near the confluence of Billabong Creek and the Murrumbidgee River. This grand landscape of immense skies and gently undulating Riverine Plain is characterised by timbered depressions of box eucalypts and scattered Cyprus pine on sand-ridge belts formed by ancient wind-borne action and prior streams. The area contains numerous burial sites of the original inhabitants, the Baraparpa Aborigines. Soil surveys conducted co-operatively by WCIC, CSIRO and the Department of Agriculture indicated that the heavier grey soils were well suited for irrigation. Accordingly, in 1956, a CSIRO report recommended irrigation of the region linked to the Blowering Dam, to be built on the Tumut River to hold water from the Snowy Mountains diverted via the planned Eucumbene–Tumut tunnel, to be completed in the mid-1960s. A supplementary statement issued by CSIRO in October 1957 recommended development south and north of Spiller's Creek and the dredging of Coleambally Creek. The government decided to divert Murrumbidgee waters to irrigate initially 162,000 hectares (reduced to 95,000 hectares) for a scheme consisting of 370 large mixed farms of between 200 and 320 hectares capable of producing rice, fat lambs, fodder and cereals, and 100 horticultural farms of 40 hectares producing grapes, fruit and vegetables. The Gogeldrie Weir was to be
constructed on the Murrumbidgee, twenty-six kilometres upstream from Darlington Point to hold water from Blowering Dam for release into the CIA.\textsuperscript{20}

The CIA project progressed systematically with scientists, engineers, surveyors, draughtsmen, sub-contractors, workers and local farming and business communities co-operating in the planning and investigation of each stage. Huge 'Bucyrus' draglines, imported into Australia in the mid-1930s, were used in construction of the main canal, forty-seven kilometres long, twenty metres wide at the widest point and three metres deep. More than 430 kilometres of supply channels to farm boundaries were constructed, with virtually the entire system working by gravitation. A settlement plan envisaged gradual resumption, conversion and occupation at the rate of approximately twenty to fifty farms per annum until the mid-1960s, when completion was anticipated.

On a glorious day in July 1959, 3,000 people gathered on the northern bank of Gogeldrie Weir craned for a view of Labor Premier Cahill and Minister for Conservation George Enticknap as water storage works and the first stage of the CIA Main Canal were opened. The regulator wheels turned, water rushed out and the crowd cheered. The happiness was reminiscent of May Day at the Yanco Regulator, forty-seven years earlier, when the MIA opened. Another irrigation system was under way. As expected, WCIC announced an intention to grant temporary rice growing rights to CIA settlers for six years to help them get established, the situation to be reviewed in relation to subsequent production needs.\textsuperscript{21}

Shirley Muntz recalls

Shirley Muntz, an original CIA settler, recalls in her short story, 'A Little Bit of Dirt', the hardship of those early days when the CIA was a 1960s 'frontier'. Shirley's husband, Ken, and his friend Joe, won CIA farms in a ballot. Their 'marbles' came up in a room full of anxious adults and screaming children. They first saw the land on a frosty, foggy morning, 'flat as a board and rough as guts'. Shirley first noticed a 'line of evil looking water-starved box trees'. She would later come to love those strugglers as beautiful companions in the vastness. Ken and Joe set up tents. They hauled in bore water in buckets. It was freezing cold at nights and 'a fair bit of whisky, rum, beer and "plonk" was consumed in those days'. Then Ken and Joe built a shed and it was 'like living in heaven after the tent'.

The land was prepared for rice. There was quite a bit of swearing but it seemed to help things along. Shirley recalls the first crop, 'I was amazed to see rice coming up. It looked like a little sick thin white grub with its head just out of the ground. ... When the permanent water went on ... it was a beautiful sight'. One morning, Joe woke up with a big brown snake in his bed. Not liking this, 'his legs went before his body and in one bound he was out'. It was 'hot as hell'. The mosquitoes and flies were unbearable. The dust was so bad at times that it blotted out the sun. At night a frenzy of insects pummelled the corrugated tin walls of the shed. In the morning their stunned and broken bodies would be heaped in an entomological graveyard, feelers and legs still waving pathetically. The second season was wet and it was 'murder'. The third crop was hit by hail as 'big as golf balls', wiping out two bays of rice. But the families persisted and Shirley Muntz came to love that 'bit of dirt ... the beautiful rice and wheat crops, the sheep and fat lambs, the lovely lush pasture'.\textsuperscript{22}

A 1959 'show down': production limits?

The 1959/60 season saw an all time record (to that time) for water delivery in New South Wales, the availability of water from the Hume Weir and Snowy River Scheme triggering a rash of additional water claims. Rice production soared to a record high of 125,000 tons. In this context, RICC came into its own. Seeking to maintain a sensible balance between production and markets (and with the blessing of the RGA Central Executive), the committee had recommended in 1958 that prosecutions proceed against growers who persisted in planting more than their allocations. Some growers were planting up to twenty-four acres more. Over 600 unauthorised acres were under rice, mainly in the Mirrool Area. Acting on RICC advice, WCIC threatened to de-water offenders and RMB refused to receive illegal crops. Large-area farmers, in particular, were outraged and organised protests but WCIC was resolute and RGA agreed — play the game by RICC rules or be penalised.\textsuperscript{23}
Then, after the first water rights were granted to CIA ricegrowers in 1960 and, acting on RICC advice, WCIC limited large-area farms to 80 acres (a 10 per cent cut), a 'Rice Vigilance Committee' was formed at Griffith, including Clarrie Bowditch, Herb Gorey, H A (Hedley) Mallaby, A G (Alf) Kubank and J London. An August meeting of the committee, attended by about 160 mainly large-area growers, heard Yenda FSA President Ron Carlon allege that large-area farmers had been 'stabbed in the back' by RGA and WCIC, who had brought on the cuts with no warning. RMB was simply 'self-promoting' by threatening to boycott excess production and was exceeding its authority.  

We need more production, more consumption. The futility of a policy of restrictions on production ... is no more than a negative marketing policy in face of expansion. If the present production cannot be disposed of, area restriction becomes a policy of despair which will snowball as further areas are planted elsewhere. ... A more vigorous policy should be pursued by the executive. ... Insufficient opportunity was given to rank and file members ... to state their opinion in open Branch meetings on the formation of the industry's production policies. ... The sudden and unpublicised restrictions have made many feel that they have been stabbed in the back.

Alf Bowmaker replied that production had to be matched with profitable markets. Not to do so was a threat to the entire industry. There had been a marked increase in the number of growers. Yields were up as well as total acreage. There were now large world stocks of rice and a drop in world parity prices. Some producer nations were engaging in 'dumping'. There was also the danger of a large carry-over. A lack of storage had seen 4,000 tons on the MIA and 8,000 tons in the Murray Valley held in the open air last season. Everyone was demanding better storage but the industry could not afford to satisfy everyone. Temporary' wartime production areas had turned out to be not temporary at all. People had been abusing permits for years and WCIC had been tolerant. Other approaches had been thoroughly explored, for example, a separate pool for export grain governed by a different pricing structure, but this could be inequitable insofar as not every grower would be able to participate in more lucrative foreign markets unless some sort of averaging of prices occurred which in itself could create inequities. There was no alternative but to reduce individual acres and prosecute offenders. The interests of all growers had to be taken into account, not just the priorities of a vocal few.

A sniping match ensued. One delegate, Dr W J Dalton (possibly the brother of RMB manager, Charles Dalton) accused Bowmaker and the 'Leeton clique', of withholding information, of keeping growers 'in the dark'. Bowmaker, as chairman of the RGA Central Executive, he said, had used his casting vote to decide the issue of reduced acreage for rice. Bowmaker, as chairman of the RGA Central Executive, he said, had used his casting vote to decide the issue of reduced acreage for rice. Bowmaker confided a few years previous, Dalton alleged, that if ricegrowing areas were to be expanded:

... he [Bowmaker] would do his utmost to see that if he and the others did not get the extra area, no one would. ... It is things like this that should make all ricegrowers sit up and realise that if they want to protect themselves in the future, they will have to drastically alter the present personnel representing them.

RMB called a meeting at Whitton in September 1959 to ventilate the issue. It was a fiery one. Large-area farmer, Alf Kubank, argued that the policy of production limits was 'short sighted'. New markets must be found and RCM and RMB should be pursuing them vigorously. RMB Chairman Sid Twigg replied that the rice industry was a controlled industry and would not have grown as soundly as it had if the government had allowed 'indiscriminate growing up and down the river'. Control of production was just one aspect of maintaining an economically viable industry, Twigg continued, so as to avoid problems of overproduction afflicting the dairy and sugar-cane industries. WCIC wanted a profitable rice industry, obviously, because if the industry were not profitable, growers would not buy water. Kubank snarled back, 'You use your numbers to bring us down'. Humpty Doo was producing rice, he said, and the Kimberley Region would be soon. Meanwhile the MIA kept cutting back as a result of RICC recommendations. 'Say what you intend to do. This stabbing in the back is un-Australian.' Frank Walsh of the RMB and RICC, told Carlon that RICC only made recommendations: WCIC decided policy.
An angry voice shouted, 'No!' Walsh repeated himself in measured tones. Sid Twigg said that three-quarters of the industry’s growers; 600 growers; grew sixty acres or less of rice. These small growers were fundamental to the industry and it was necessary to consider the majority; the core of the industry. It was all very well to say 'go out and get markets', but they were not there, even at £16 per ton. Large-area farmers should be a 'bit charitable'. RCM Chairman Doug Mackellar boomed, 'We spent weeks trying to evolve an equitable scheme. We explored every possibly avenue'. RICC nursed no animosity towards big growers, Mackellar continued, but international markets were changing rapidly; freight costs were climbing exponentially; there was little scope for reciprocal trade with the Japanese; overseas producers were subsidised and 'We have only the tariff'. Mackellar told the critics to stop trying to divide the industry between the FSA and RGA. When some delegates insisted upon FSA representation on RICC, Mr Herman shot in, 'The FSA has got nothing to do with the rice industry!' Noel Hogan agreed. Nell Hayes-Williams, who had been running a rice farm assisted by share farmers since the death of her husband in 1935, questioned the good sense of allowing new growers into the industry if markets did not exist to absorb even present production levels. Sid Twigg added that WCIC was aware of the problem of over-production and had no intention of ruining the industry. One delegate said there was an impression in Sydney that ricegrowers were 'millionaires' and that he had been 'abused from one end of Sydney to the other as one of those wealthy ricegrowers who were exploiting the public', yet he received only eight pence per pound for paddy, while some polished rice was selling for one shilling and threepence per pound. Where was the margin going? Were retailers profiteering? What was RCM doing about it? An extra penny a pound would mean £400,000 in growers' pockets. The Griffith Chamber of Commerce reckoned that the acreage cuts recommended by RICC would cost the community £200,000. Where was the sense in this?

WCIC remained resolute, conscious of the weighty burden of administering one of the nation's most valuable natural resource in the public interest: water. Commissioners dismissed the notion that 'rice licences' existed. There were only 'water rights' with conditions attached:

> It has previously been stated and it is reiterated that the area for which water will be supplied for ricegrowing will be progressively reduced when owing to the incidence of closer settlement the demand for water supplied in pursuance of water rights will be increased.

RICC and WCIC had agreed upon water restrictions to ricegrowers, commission officials continued, because of market conditions and a large carry-over from the previous crop:

> [WCIC] is not prepared to approve of supplies of water for ricegrowing on further holdings created by sub-division which have taken place within the Riverina Districts since (28 July 1959). ... Ricegrowing in the Riverina Districts is not on a permanent basis and the area to be sown is determined each year by the WCIC. ... Landholders are again warned that there is no such thing as a "rice licence" and that the purchaser of a "rice farm" will not automatically receive a permit to grow rice.

**RGA expands: a Deniliquin branch**

As storm clouds gathered in relations between large-area farmers and smallholders, darkening the rice industry’s relationship with the commission, RGA briskly organised support in the south. There were then 105 growers in the Deniboota and Denimein Districts delivering paddy to RMB’s Deniliquin depot. In June 1958, Alf Bowmaker chaired a meeting of these farmers, calling for the formation of a Deniliquin branch of the association. J D Fuks moved, and Clive Holden seconded, a motion that a branch be constituted. A E Lowing was elected president and forty members joined immediately. The RGA’s Central Executive now comprised four delegates each from the Yanco and Mirrool branches and two each from the Wakool and Deniliquin branches. If recalcitrant large-area farmers were to have their way on production, they would need to convince new growers in the south that this was in their interests and, with CIA rice production about to come on stream, this seemed unlikely.
Changing markets, changing tastes

In this tricky political atmosphere, RCM Manager John Kellock and RMB Manager C E (Charles) Dalton left to study markets and producer systems overseas. Upon his return, Kellock warned of dramatically altered international circumstances and the need for radical change at home. Overseas markets were rapidly returning to normal, while domestic consumption of rice, following more than a decade of shortages, had fallen from about six pound per head per year to three pound per head per year. Despite an expensive RMB rice promotion campaign going back to 1954, domestic consumption had only increased by a quarter of a pound per head! Rice had actually lost popularity and was now seen as plebeian and unfashionable. Tastes were changing. Long-grain rice, not short- or medium-grain varieties, such as those grown on the MIA, were popular in many overseas markets. There was an 'electric frypan revolution' going on. Fried rice was all the rage in the United States. Pressure cookers were changing the nature of food preparation. Consumers wanted convenience food. Rice, taking only a minute to prepare, should be packaged brilliantly and marketed for its nutritional and taste values. The ethnic composition of Australia was changing and new products needed to be developed for new markets. Growers should support RCM and RMB in investigating alternatives, Kellock argued, instead of sticking with varieties for which markets were doubtful.

In a talk at a Rice Field Day at Burraboi the jaunty general manager emphasised that production alone was insufficient. On the contrary, excess production was potentially dangerous because there was no longer any guarantee that markets could be found for the surplus. Kellock held aloft a packet of 'Siamese' (Thailand) long-grain rice which he had bought at a Geelong shop some days previous, significantly cheaper than 'Sunwhite'. Unrestricted import was possible under new licensing laws. Intense new international competition was entering Australian markets and ricegrowers must be aware of this. Production costs were climbing: the wages of rural workers had increased by 20 per cent; fertilisers and fuel were more expensive; road haulage rates were up 5 per cent; not to mention water costs. Two years earlier production had been 80,000 tons and easy to place. Now it was 125,000 tons and an entirely different proposition. A further fall in prices was imminent. Hard as production restrictions were to accept, they were necessary. Growers simply had to face up to the new situation. The alternative to democratic self-regulation through co-operation was external control imposed by governments or powerful corporations. The picture Kellock painted was sombre, but realistic.

Not everyone agreed, however, and splits appeared within the co-operative itself. Clarrie Bowditch, for example, a 'Rice Vigilance Committee' member, described the idea of reducing production to a point where all markets were profitable, as nonsense. It was necessary to cultivate profitable markets by advertising aggressively, price-cutting and feeding surpluses to stock. Ricegrowers should be 'wise' and 'take more interest in the conduct of their industry'. The press should be welcomed to annual meetings of RCM shareholders. The annual ballot for directors should follow the Annual General Meeting, after vital matters had been discussed. 'The present custom is to give the verdict first and consider the evidence afterwards', Bowditch complained.

As tensions centring on production levels mounted in the Riverina, artists, designers and carpenters were putting the finishing touches on displays of RCM products in major Sydney department stores as part of a 'Rice Week Festival' organised by RMB and the co-operative. Immaculately groomed 'Festival Queens' were preparing to dispense 10,000 rice dishes to the public, cooing. 'Eat more rice. Eat more rice.'
Chapter 22

‘We are a team working together’:

Agronomy to 1960

Introduction

While Rice Week Festival Queens invited Sydneysiders to ‘Eat More Rice’ and governments and captains of industry manoeuvred in the complex politics of the irrigated rice industry, great changes were occurring in the paddy fields. Here was the real heart of the matter, for without the productive interaction of soil, sun, seed, water and farmer there would be no industry.

The post-war period was one of great transition in agriculture, when ancient agronomies and implements overlapped with modern techniques and technologies. The War had both propelled change and retarded it, driving change by massively expanding the demand for Australian rice while hampering it through shortages of labour, capital, materials and machinery lasting well into the 1950s. With ingenuity, improvisation, co-operation and downright hard work, however, ricegrowers seized such opportunities as existed.

That mighty companion of the rice farmer, the Clydesdale draught horse, still reigned supreme in the paddy fields, long after its replacement in other primary industries, hauling farmer, platform worker, machine and grain about as nothing else could. Not until the early 1960s did mechanisation and bulk-handling receival and storage techniques finally replace this splendid animal.

Other changes of significance in the period included:

• transfer of IREC work on rice to the Leeton Rice Research Station in 1950;
• migration of MIA ricegrowers to other producing areas;
• use of the aeroplane;
• introduction of aerial sowing and sod-seeding to complement direct-drill;
• significant progress with the suncracking problem;
• introduction of improved seed varieties;
• improved rotation methods; and
• greater reliance upon chemicals.

And lurking in the background, periodically looming to threaten ruin, were unresolved questions about waterlogging, salination and over-committing the rivers.

Clive Holden remembers

Clive Holden, then a young rice farmer originally from the Mirrool Area who had settled near Deniliquin after the war, provides indelible insights into the special qualities of the period.

In 1939, when still a lad, Clive cut his first track in a rice field using a sickle to mow a strip six feet wide around the bays to let horses in with the header so they would not trample the crop. He helped bag, cart and thresh the heads cut from those tracks. There was plenty of work for children and women cutting tracks through the labour shortages of the war. For a couple of seasons Clive cut tracks in the Mirrool Area west of Griffith, about four miles from the end of the MIA.

Then he progressed to header driver. During the harvest Clive would be up at dawn to fetch and ready the horses. His mother would prepare breakfast of oatmeal porridge, bacon and eggs and a cut lunch of home-made bread, farm-killed meat, kitchen preserves and cakes. Then it would be off to the fields. Lunch would be taken in about fifteen minutes in the paddocks and then back to work until dark. Outside harvest time it would be a tramp back to that ‘centre of the farm’, the homestead, for a hot lunch in the middle of the day.

Everything was learned from practical experience:

We learned to repair things on the farm. There was no formal training. On cold miserable wet days, Dad used to get us to help in the blacksmith shop. We would light a fire in the forge, puff the bellows and tinker around. We learnt to fashion things with a sledge hammer. We could dress the plough shares and get the
rooter point on the ripper just right. It had to be drawn and dressed just right to get the right dip on the plough and do the job right.

We learned how to repair the roller chains for the horses, how to grease the harness to stop sweat harming them. There was a "cove", a friend, who stuffed collars and saddles just right so that the horses would not get blisters. If it was too soft there was trouble. It had to fit perfectly and it required a great knack to get it right. We would watch.

Saddlers used to travel around the Area. They would call in periodically to see if there was anything needing attention. Tin Brothers used to travel around in an old 1928 "Chevy", the back cut off to make it into a utility. The tractors were coming in but still a lot of farmers were using horses and there were nearly always three Clydesdales up in front of the header.

Clive's father had no time for tractors; they would send a farmer broke! He swore by his Clydesdales; you could depend on them. He might use a tractor for pumping but that was about all: they 'frightened the horses'. But the first thing Clive and brother Bill did when they went into ricegrowing after the war was buy a tractor. It was of 1937 manufacture and not particularly reliable, but the Holden brothers could hang a kerosene lamp up front and work through the night if they wished. You could not do that with horses.

There was a queer assortment of tractors about at that time. Old pre-war models, strange 'bits-ers', and new-fangled and expensive American models like "Twin City" and 'International'. They even had generators and lights on them! "McCormack–Deering" was a popular make and "John Deere". Bank managers liked the British "Fordson". There were other English makes: the "Field Marshal" and the "Yeoman of England" manufactured by Nuffield–Turner. There was a most peculiar Czechoslovakian make; the HSCS, with a single cylinder engine of dubious value. There was even a German model so soon after the war, but it had a British name: "Bulldog". A few "Ronaldson–Tippett" tractors of Australian pre-war manufacture were still running about.

Spare parts were hard to come by but people improvised and made do. If a part was unobtainable you made one. A tooth on a gear might go. You would take it into town and have a brazed tooth inserted. It took half a day, but it was worth it. The chap who did it was not really a blacksmith, but his father might have been one. He was something between a blacksmith and a mechanic. There was a "cove" named Chandler, and "Ham Bros" in Griffith: they could fix anything in metal.

Cultivating the fields was still rough after the war and change was slow until the introduction of hydraulics on tractors. Rice farmers were still using a delver to build banks which were largely constructed by hand, to allow delivery of water to the highest point in the paddock. It would be a fourteen hour day. The single furrow plough was a 'dreadful machine' particularly behind an old tractor where the 'driver didn't care what the ploughman looked like [and] didn't feel what the ploughman was feeling'. Controlling those two handles of the plough was a 'gut-busting' job but there was no other way. It was a rough bumpy ride for the tractor driver too, on the steel wheels of a 15/30 McCormack tractor:

We would stop about every hour for a cup of cold black tea. Sometimes we would use lemon, but never sugar. Just cold water would make you feel ill; dreadful; probably loss of salt.

It would take about a month to prepare a field of sixty to eighty acres ready for sowing in early October. Rice seed was still drilled direct into the ground. It was 'hit and miss'. If you put it in too deep it would not germinate. If you planted too shallow the galahs would clean it up. You would feed the seed into the box and drive horses around the paddock. It was a slow, tedious job, but one or two men could get it in in about two days. Even if it rained you went ahead because it was essential that you got that rice in as early in October as you could. Then you would flood it as quickly as possible to prevent birds getting the lot. With lighter, loamy types of soil you could get away with just one watering to get a shoot coming through, but in heavier country you sometimes needed to water four
times so that a shoot could get through a crusty surface. It all depended on the temperature.

People were migrating. Many children of MIA ricegrowers moved to other areas and set up rice farms, wherever irrigated water was available. Several families went to the Murray Valley. In 1954, Clive and his brother joined the exodus, moving to Deniliquin. Money was scarce in those days. Clive did share farming, contracting, anything that would make a bit of money. A newer tractor and then a caterpillar model were purchased and Clive worked them where he could. He bought an old WCIC track machine that had helped cut the rice around Tullakool: a Jack McCullough invention. Clive ran it for twelve months and then he and his brother bought one of the first self-propelled John Deere headers to be introduced, 'second-hand, naturally'. The header had been brought in from wheat country up Henty way and tried on the MIA where it had proved too cumbersome. It had no hydraulic steering, no brakes and no turning brakes. But it did have a manual speed check 'and that was a blessing'. Headers were getting better all the time. But Clive had to stay with the 'John Deere' model for several years until he could afford a better one.

Well into the second half of the 1950s rice was still bagged on a platform moving around the fields with the header and three Clydesdales hauling the whole contraption. Snigging the bags out was still a 'dreadful job':

As soon as you had twelve bags on the platform you stopped the header [and] dropped them off. Bag sewers came around and then, often with two horses and a sledge, bags were dragged out of the paddock. Still anything up to eight people would be involved in a harvest, on the tractor, bagging and snigging. Whole families of itinerants would come in for the season.

Bag sewing was an art: sixteen stitches to the bag; sixteen bags to the ton; no more no less. They had to be stacked in pyramids on sticks on the nearest roadside that would take a truck and tarped ready for delivery to RMB sheds. On a good day you could stack 250 to 300 bags. One season the carrier brought his semi-trailer up to the property and went through the bridge. It took two days to fix the b*****.

As self-propelled headers got better (those "John Deere" or "Massey-Harris" headers with augers on them that would auger out from the bulk bin on the header), it followed automatically that growers could deliver in bulk and do away with all that bag business. Pressure built in the industry to build bulk storage, but there was some resistance in the manufacturing sector. The "McKay" headers could not duplicate what the new imported machinery could do and tariffs and other regulations prevented their entry. But the local ingenuity of some "silly farmer", and Ashtons at Leeton, adapted what was available ‘by guess and by God' and the farmers got by.¹

'Ve were a team, working together'

Vera Davidge reminds us that the rice industry could not have developed without the vital support of women:

I don't think the men could have got on without them. ... They had to perform so many duties such as ... providing accommodation and food (for workers). They had to be prepared to transport them to and fro to the various sections of the work and contribute to the limited budget. ... The men who were successful here were aided and abetted by their wives who stood by them and helped them in the situations that occurred. That carried into the rice industry. The women here who went out and milked cows and who made all the things they could make out of the things produced on the farm. They reared poultry for eggs and made their own butter from cows they milked. They did their own cooking, ... there was no running to the corner store. ... Well, the women went on doing that sort of thing while the rice was being established. They were taking care of the part that they had of the household and the farm, taking the children to school and attending to the various meetings. Neighbours were neighbours and those who had what the other didn't have, there was this general idea of exchanging things and helping one another.
I cooked for the men. You'd have quarters, a hut, an extra room. I'd cook them their breakfast; porridge, eggs, ... meat from the farm; on a wood stove with "kero" lighting. That is one thing I have learnt from the land — time has to fit into when the men come home, because you can't always "knock-off" at the last minute. I have learned to "steady" a meal, a word I coined for myself. You'd have a meal ready the minute they were washed and ready. ... You were prepared to keep it from spoiling perhaps for an indefinite period ... it might be four or five hours. ... If I didn't have time to cut their lunches before they left, I would take them to the paddocks. If they were anywhere within walking distance they would come home. Or perhaps, if they were bogged all day, they'd come home and have their lunch. We'd "work it in". We were a team, working together. We didn't have any hard and fast rules. I learned early in my married life that it didn't work, because its not like office hours. If you've got a certain amount of work to finish on a farm you can't exactly put it to the minute. ... The "forty-hour week" didn't make much difference to me. What did I work? Fourteen hours a day? Seven days a week? What's that? Ninety-eight hours? ... I had never been brought up to it as a girl, but that was the way it was and that's what you did.

You had to fit in recreation and social activities as best you could. There were the usual money-raising things that you "had to go to" if you belonged to the district. You always made the effort. ... You went to the meetings and you belonged to various things — the Red Cross, the Parents and Citizens Association, the Country Women's Association, the church. You just automatically belonged to them. And there was the local show and the race meetings, dances to raise funds for Christmas trees in the school. I wouldn't have missed it for the world. It was the outcome of a lot of hoping and working to get to a stage where we had something really established.

The ubiquitous 'duck'

Wet seasons meant ducks. In April 1950, a record flow of water came thundering over the walls of the Burrinjuck Dam causing serious flooding downstream and a frantic building of levy banks. Winds saw waves 'like Bondi' crashing up against the Main Canal bank. Sheets of water covered large tracts of the Areas. Near the Leeton Aerodrome rabbits 'rode the backs of sheep and climbed trees'. But a good growing season followed and an excellent harvest came in. The following season was also wet. Dull foggy days saw poor germination, heads fail to dry out and cold vicious winds dry off bays too quickly causing much shedding of grain. The Clydesdales were kept busy in both seasons dragging headers at a slow, even speed of about one mile per hour across boggy fields where tractors simply could not go. Mosquitos were thick in the air across the MIA both day and night and grasshoppers, crickets, crayfish, water rats, cockatoos and galahs were busy burrowing bays and stripping crops. But the bane of rice farmers in wet weather was always the 'duck'.

The 'duck' was actually a variety of birds; the Black Duck, the Grey Teal, the Chestnut Teal, the Wood Duck (*Chenonetta Jugabat*, or 'Maned' Goose), the Hard-Head or White-Eyed Duck, and the Freckled Duck. Several varieties bred as far away as the Northern Territory, producing two broods annually, each ten in number.

In 1950, the Leeton branch of RGA declared 'war' on ducks. 'Let every man get a shotgun and protect his property,' Doug Mackellar said. Ducks to the rice farmer were like rabbits and grasshoppers to the dry-land farmer. Mackellar wanted an open season declared for growers between September and December with a bounty on ducks killed.

A lively press debate ensued. City folk and animal conservationists protested the proposed 'carnage'. The United States Wild Life Service had solved the problem by planting wild rice in back waters and swamps and providing the birds with an alternative food source. Why could not the same be done in New South Wales, one correspondent asked? A farmer replied that the risk of disease spread by ducks and wild rice was simply too great. In the United States they were heavily dependant upon chemicals to counteract disease; the MIA was still virtually disease free. Moreover, in the United States they used machine guns and combat aircraft to fight ducks. Could anyone imagine this in Australia?
Other correspondents recommended scarecrows resembling humans with small coloured windmills on them. Some said flashers would do the job; revolving lamps attached to a bike wheel and positioned to flash off reflectors placed on fence posts. The Leeton Fruitgrowers' Co-operative demonstrated a 'cannon' which made a loud piercing noise and cost five pence a day to run. It had worked for horticulturalists. Some wag suggested that 'four men walking abreast waving red flags' was a very effective method of keeping ducks at bay. Budding bards, who might have better confined their talents to ricegrowing, dashed off poems:

**THE BROKEN RICEGROWERS**

Oh! Mary, this ricegrowing is a wonderful sight,
With the farmers all working by day and by night;
But they don't grow potatoes, but some barley and wheat,
And most were just starting to get on their feet.
At least when I ask them that I was told,
So I just took a hand at this growing for gold;
But for all that I made here I might as well be,
Back in old Leeton and out on a spree.
For the ducks they came in their thousands at night,
And ate up my rice in the bright moonlight;
I kept chasing about like a darn merry-go-round,
For as soon as I let up they were all down on the ground.
We asked for permission to shoot them on sight,
But the Chief Secretary said, "No, No, that is not right,
Just keep up your chasing and they'll go away!"
But I swear they're all here to this very day.

To which the 'duck', clearly a superior poet, replied:

**THE WAKOOL DUCK'S STORY**

From country droughty and windblown,
in the dim distance north we have flown,
to seek a rural area of a better brand,
in the famous Wakool irrigation land.
When our twenty divisions make a raid,
to cure hunger, to eat every blade,
the angry ricegrowers rage and swear,
gnash their teeth and tear their hair.
We blush and hang our heads in shame,
when lurid language bursts into flame,
that lights up the surrounding earth,
casting a reflection on some one's birth.
On the rice fields we wander around
and fertilise every inch of ground,
to provide a good crop when we come back,
Ho! Ha Ha! Ha! Quack! Quack! Quack!

The damage ducks caused was no joke, however. Between 3,000 to 4,000 acres of paddy fields were abandoned altogether in the Tullakool–Wakool–Barham growing areas in 1951/52, representing a loss of £200,000. Angry, and in many cases, desperate soldier settlers, demanded compensation from WCIC for 11,000 acres ruined by ducks. There were at least 25,000 ducks on the rampage, they said, reducing fields to a 'morass of muddy, churned up puddles'. At Moulamein, more than 20 acres of paddy had been cleaned out in one night. It looked as if a stripper had been through the crop. Deliveries to the Echuca Mill were down by 65 per cent in 1952, the overall harvest less than half the previous year. Indeed, ducks were blamed for the dearth of rice on Australian markets.

The experts were brought in. Samples were taken. There was no rice in any of the ducks' bellies, the experts said. What were farmers complaining about? The experts had gone out at dusk, exasperated farmers replied. They should have taken samples at dawn when ducks were full of rice. WCIC officials told farmers they were simply 'whingeing' and should concentrate on better water management and keeping the
cumbungi bulrush under control. Cumbungi was a perfect habitat for all water-loving birds.3

**The Eastern Swamp Hen**

Ducks would always be a problem for rice farmers, neither able to leave the other alone. Another avian frequenter of paddy fields was first observed in large numbers in 1954: the Eastern Swamp Hen, or Bald Coot. The Coot found the succulent stalks of rice irresistible and paddy fields a perfect nesting site. In 1956, Coots caused great damage in the Wakool District. The experts were brought in again. They set up a high-pitched sound device, like an air-raid siren. It was set going:

Flocks of birds rose … a mob of cattle a quarter of a mile away took off at full gallop. We were elated … [but] rice farmers pointed out there wasn't a Bald Coot among them. The Coots were still in the rice.

The boffins then introduced an ultra-sonic sound device inaudible to the human ear. It was set off. No sound. No action. The Coots stalked on, mesmerised, tails flicking tantalizingly. An exasperated and reckless farmer took the law into his own hands and set fire to a swathe of cumbungi bulrushes choking kilometres of the Mirrool Creek. The fire blazed. Emus, swans, pelicans, ducks and wild pigs panicked in all directions but not one Coot could be seen. Coots crouched as conflagration closed. Then they burst in thousands from the inferno and, poor fliers that they are, many fell back into the flames and were consumed.

**Bloodworms**

In that same 1956/57 season, ricegrowers were alarmed to discover a new parasite; bloodworms (*chronomus tepperi*), the larval stage of a midge; feeding on the root systems of plants. Warm, dry conditions at the end of 1956 had seen good sowing and excellent germination. Although strong gusty winds and wave action had damaged some banks, the season seemed promising. Slime was a problem and some farmers applied copper-sulphate to counteract this. The nights were cool and days warm. But the young plants did not look well. Whole patches of the crop started to thin out. Doug Mackellar observed plants virtually withering before his eyes. The big chap plunged his fist into the bog, tore out a few plants and was horrified by what he saw: roots covered with masses of tiny red worms!

District Agronomist Don Wallin conducted an investigation. Up to 30 per cent of the Leeton crop was infected with bloodworms. He noted that areas with organic matter worked into the soil during land preparation seemed particularly affected. The agronomist observed one block where arable rotation techniques involving no pasture phase in the cycle had no worms, right next door to a worm-infested paddy field where pasture had been worked in. Wallin suggested a possible link between bloodworm infestation and the coolness of the evenings. He recommended control by draining but also suggested use of Dieldrin, a powerful insecticide.

**Aerial sowing**

Doug Mackellar wasted no time, organising a re-sowing of his bloodworm-infested fields by air, using seed treated with Dieldrin.

From six a.m. to eight a.m. the aeroplane made runs over the rice bays sowing the seed (and Dieldrin) from the air. Each bag contained 140 pounds of seed and the rate of sowing was a bag to every two chains. After sowing one bay, the plane returned to the landing strip to pick up another bag, the point-to-point time being five minutes. Markers with white sheets stood at selected points and waives. A team of fire-fighters watched in case spark plugs from the plane’s exhaust caused fire. Men mixed seed and Dieldrin in a concrete mixer. As the plane flew low … the seed poured out from under the plane’s fuselage in a broad steady stream. The crop will be watched with interest. If the treatment of seed with Dieldrin proves successful it … might revolutionise ricewrowing methods on the MIA.5

It did. Mackellar's air-sown planting was monitored closely. The crop matured in 143 days; a normal period was 170 days; and had an 85 per cent success rate. The Department of Agriculture had been trying to encourage greater use of planes in the rice industry since 1952 when Bert Quodling had made his farm, two miles from
Leeton, available for tests. A field was prepared and flooded. Captain Joel of 'Air-Griculture' took his Tiger Moth into the air. It was a gusty day. The plane bumped about and disappeared into cloud. Farmers around the bay squinted at the sky and waved towels frantically. Where was Joel? Suddenly the growling Moth swooped over the wind-raked bay and seed fell like rain. There was laughter and some fruity language from farmer cynics waving their little white towels.

Clive Holden recalls his early days in aerial sowing. Like many farmers he had been impressed by Doug Mackellar's success.

An old 'cove' on the plains went half costs with us and we had a go at aerial sowing. We had no idea what to do. The rice had to be "shot" first, but we had no idea how long. When we first tried we had a shoot about two inches long. In fact it was growing out of the bag. It was too long. It happened quickly. It might take a fortnight to get germination in the ground, but only forty-eight hours with this treatment. It took us two years to learn.

The first two years were total failures. The pilot didn't know any more about it than we did. The seed just dropped out through a hole in the bottom. Next morning you'd come back and all the rice was down one end of the bay. The seed feeds on itself and after it grows so long there are "no guts" left in the grain. So it floats or a shoot breaks off or is damaged and it won't grow.

We learnt at what stage to release "shot" seed from the plane. If the weather was cold we would take the seed and slow it down in a freezer. When the weather was right we would add warm water and away it went.

The planes got better. A "Cal-Air" plane was brought in from the United States. It looked like nothing on earth, but it gave a better spread. Still some crops were uneven with thick and thin parts. And if ducks got in you still went around and dispersed germinated seed by hand.6

Certainly, aerial sowing was a controversial issue: more than anything it symbolised a departure from traditional methods of rice cultivation and the espousal of chemical dependent systems. Clive Holden's brothers, Tom and Bill, told a growers' meeting that as far as they were concerned, Clive had 'lost his marbles' in thinking and advocating the method.

Debate about the merits of aerial sowing continued for years: the method was more costly but saved time, making land available for other purposes for longer periods; aerial sowing conserved water, about an acre foot to the acre, and that was important, especially in the Murray Valley; and it was more reliable than direct drilling in some areas. Growers at Deniliquin, for example, had tried everything to make the land friable but it kept crustimg over causing poor germination and requiring several waterings to get the rice 'going'. It was logical for farmers there to go into aerial sowing, particularly as the Department of Agriculture had demonstrated its soil-enriching potential by sowing grasses into drained bays before the harvest. Germination was excellent in that humid micro-environment of rice stubble. Farmers were impressed too by the generally heavier heads of grain produced by aerially-sown seed.

On the other hand, many farmers considered aerial sowing environmentally less sound than traditional methods. Indeed planes were being used to introduce increasing volumes of nitrogen fertiliser, herbicides, pesticides and other chemicals designed to speed growth, promote earlier harvesting, increase yields and eliminate pests. There was no doubting the capacity of aerial methods to achieve all of these things, but what of the environmental impact, some farmers wanted to know?

**The shift to bulk handling and storage**

Until 1956, virtually all paddy rice was bagged in the field and stored in bags in storage sheds. It was imperative that moisture content of 16.5 per cent or below was maintained or mould and heating could destroy grain. Bags were an expensive item. In the 1950/51 season for instance, they cost farmers £300,000. Such costs, compounding with generally mounting production costs, persuaded RMB to conduct a feasibility study in 1951 into the possibility of bulk handling and storage. The United States rice industry had already converted to bulk handling and storage and it was
well established in the Australian wheat industry and most other grain industries. Against this had to be put the huge expense of converting to bulk handling of the fickle paddy seed: at least ten bulk storage facilities would be needed for a 70,000 ton plus harvest and each facility would cost £70,000.

The introduction of improved auto-header harvesting machines in the 1950s accelerated the push toward bulk handling. The 'Allis Chalmers All Crop Harvester', the 'Case Combine Header' and the 'John Deere Twelve Foot Cut Header', complete with the latest bulk-handling equipment, were attracting great interest at the time when average yields were rising annually, almost doubling in the decade.

In 1954, Charles Sharam, Ken Prior and A D (Alan) Malcolm made important progress in the shift to bulk, Sharam and Prior demonstrating significant labour savings and Malcolm reporting on aerial sowing and bulk handling methods used in the United States. The following year Malcolm arranged for a demonstration of the 'Cockshutt Rice Header' on his farm. So impressed was Irrigator that it declared:

[A] new era in the rice industry has begun. [There is] unmatched efficiency and field-proven big capacity in the heart of the "Cockshutt Drive-o-Matic Combine". The combined action of the spike, teeth or peg-drawn cylinders passing over the concave gives thousands of strokes each minute and positively threshes the crop from the seeds. The machine includes power steering, hydraulic header lift, foot pedal speed control, hydraulic brakes for steering, a giant separation area and a big six cylinder engine driving the spike-toothed cylinder.7

Import restrictions protecting local manufacturers, however, slowed the introduction of such machines but pressure to introduce them proved irresistible. Meanwhile, local ingenuity found ways of adapting available machinery to suit.

The sun-cracking problem

Sun-cracking was becoming a real problem in the milling process. In some areas up to 16 per cent of the crop was being lost to broken grain and up to 30 per cent on individual farms. In the 1954/55 season total industry losses from suncracking amounted to £500,000.

Agronomist Don Wallin speculated in 1953 that suncracking was caused by rapid changes in humidity and temperature fluctuations during the ripening stage. (Don McDonald, using IREC funds, later demonstrated this conclusively.) Fertiliser levels were also suspected of being a contributing factor. Wallin demonstrated that paddy allowed to dry down to 16.5 per cent or below in the field was prone to cracking, or faults in the kernel of the grain. Grain so affected tended to break in the milling operation, reducing the 'mill out', that is the percentage of paddy entering the mill relative to whole grain in the final milled product. Clearly paddy with a high 'mill out' had more value than paddy with a low 'mill out', a matter of considerable concern to the fledgling Ricegrowers' Co-operative Mills (RCM), keen to be fair, but sensible.

On the other hand, paddy stored at moisture levels above 16 per cent was prone to spoiling through mould and heating. Studies by Tom Lawler (a rice agronomist at Yanco Experiment Farm until 1957), Jim Jessup, a district agronomist in Leeton, and E W Hicks of CSIRO, who performed the drying experiments, showed that paddy supplied with moisture of between 20 to 24 per cent and then dried artificially was much more resistant to suncracking. Hicks had been corresponding with RMB on the technical aspects of drying rice using unheated air for some time and had published on the subject. But the harvest period when such moisture levels existed lasted only three to four days and the handling of crops in such a short period was clearly impracticable while bags were in use. Though a clear link between suncracking, artificial drying and bulk handling and storage had been established, suncracking remained a controversial issue particularly as conversion to bulk was so expensive and technically intricate. Chad Young had the relevant technical knowledge and was eager to proceed, but most RCM board members counselled caution; a premature over-commitment by the infant co-operative could be financially disastrous.8

In his capacity as 'consulting engineer to the RCM', Chad Young made two trips to the United States and one to Britain to inspect developments there. Supported by Bert Farley of RMB and Tom Henham of Murrami Mills, Chad Young proposed through the Rice Industry Co-ordination Committee (RICC) that RMB develop a pilot bulk
storage installation capable of receiving high moisture content paddy, estimated to cost £15,000. Mackellar and Bowmaker were opposed, arguing that small growers would lose control over quality differentials if crops were pooled, overall returns would be lowered, and the supply of paddy of variable moisture levels would complicate the milling process. Nevertheless, in August 1955, growers authorised RMB to develop a pilot bulk storage installation. After considerable inter-town rivalry it was decided that this should be located at Leeton. The sources are unclear but it appears that Farley and Henham, aided by Chad Young, also developed a bulk storage facility in a shed at Yenda.  

In October 1955, the RCM board requested the Irrigation Research and Extension Committee (IREC) to conduct a comprehensive study of the suncracking problem, giving consideration to:

- soil types;
- previous cropping history;
- the place of pasture in rotation;
- variety of seed;
- fertilisers;
- methods of cultivation and preparation;
- date of sowing;
- date of the first application of water;
- period of permanent watering;
- cessation of watering;
- condition of drains;
- date of draining; and
- the condition of grain at different stages of development.

An IREC Rice Investigation Sub-Committee (Suncracking) formed, seeking industry funds for research and the conduct of intensive studies on fifteen farms in the Yanco Area and five in the Mirrool Area. Alf Bowmaker and Doug Mackellar were involved, working with Walter Poggendorff, then chief of the Department of Agriculture's Division of Plant Industry, to develop a moisture testing service enabling growers to begin harvesting at up to 27 per cent moisture level and capable of monitoring paddy of varying moisture levels through the complicated bulk handling and drying processes. RMB proceeded with development of the pilot bulk storage installation in an existing shed at Leeton, using an aeration system designed by Chad Young. Responding to complaints that this was being touted as a 'RCM project', RMB Chairman Frank Walsh issued a press statement in June 1956 declaring that the trial was originally an IREC idea supervised by the Department of Agriculture, occurring on RMB land adjoining RCM and using equipment bought by the board. Clearly, some of the old rivalry persisted.

By August 1956, both the RMB pilot facility at Leeton and the RCM installation at Yenda were operating. At Leeton:

... with a roar like the jet engines of a plane warming up the six big fans of the bulk drying plant of the RMB's storage shed ... were exhausting turbulent currents of air into the open, that whistled past the ears like a gale of wind. ... It was a wonderful sight to see the huge shed stacked from floor to roof for almost its entire length with the bulk paddy rice and still the lorries from the farms laden with paddy kept coming in.

... In close proximity to this great shed, almost bursting with its precious gain from the fertile fields of the MIA, was the Co-operative Rice Mill, literally humming like some gigantic bee as the wheels of industry spun within and the intricate machinery went about the work of processing the paddy into ... the "Sunwhite" brand so well known throughout the commonwealth (and) overseas countries.

A new era in the rice industry had begun. Farmers could now harvest earlier and with some insurance against suncracking. But significant marketing and technical problems remained, as Bowmaker and Mackellar had predicted. Good quality paddy was being mixed with poor, lowering the overall price. Paddy ranging in moisture from 16 per cent to 25 per cent was being mixed. The low moisture content grain was hard to mill and there were discrepancies in weight: clearly moist paddy weighed more than dry
paddy. How was grain of such heterogeneity to be valued? In the 1956/57 season, RCM was forced to return to RMB 4,000 tons of paddy from the Murray Valley because it was too wet to mill. The whole industry shared the loss and relations between the co-operative and RMB were strained by the episode.

Moreover, Chad Young's aeration system, based on an unheated system, had been shown to be unsuitable under certain conditions. RCM therefore installed instead a large hot-air drier based on research conducted at the University of California. Supervised by the newly established RCM Engineering Department, the drier permitted under-floor aeration in the conveying system, setting the shape of the modern rice bulk storage system.

Growers were converting to bulk faster than infrastructures could be built to handle deliveries and, with production continuing to climb at about 6 per cent per annum, considerable pressure built upon RMB and RCM to capitalise growth. Nevertheless, by 1960 conversion to bulk was virtually complete.

The Rice Seed Scheme

The Pure Seed Scheme, interrupted by the war, was revived after a six-year interval. In 1950 IREC transferred responsibility for this program to RMB. In the following season, Clarrie Bowditch and Sons on Farm 1390 achieved yields of more than 3 tons to the acre on old lucerne land using no artificial fertiliser. Some farmers achieved yields of 4 tons to the acre when the average was only 1.75 tons. By 1954 yields of between 2 to 3 tons were common. In the 1954/55 season five growers at Yenda, Benerembah and Widgelli averaged over 4 tons per acre, one farmer at Yenda achieving 4 tons per acre from 61 acres. Rice yields in New South Wales were the highest in the world for comparable conditions and the Department of Agriculture's plant breeding program and the RMB Pure Seed Scheme were seen as major contributors to this.

In 1948 Calrose, a mid-season maturing variety was introduced in the United States. A cross of Caloro and Calady crossed back to Caloro, Calrose was a strong-stemmed plant less prone to falling over (lodging) in aerial sowing, more resistant to suncracking, produced a slightly longer and harder grain than Caloro, and milled better. Growers were slow to adopt Calrose after its commercial release in New South Wales in 1956, however, because it yielded less than established varieties and Caloro 2 remained the main variety in use well into the 1950s. Encouraging growers to convert to Calrose, Noel Hogan and Alf Bowmaker grew some of the grain in 1956/57, Hogan taking a prize at the Leeton Show for his crop. Thereafter Calrose gained greater acceptance as aerial sowing became more commonplace but, nevertheless, about 95 per cent of growers stayed with the heavier yielding Caloro 2 and conversion to Calrose and other varieties was slow.

Improved rotation methods

Soon after the war, IREC commenced a detailed investigation of irrigated pasture crops and fat lamb and beef production as an alternative to, or supplement of, rice, vegetable or horticulture production, as the case might be. In 1950 IREC transferred responsibility for the rice program to the Rice Research Station near Yanco.

In 1951 Yanco Experiment Farm Agronomist Des Keely began a twenty-five year experiment in rotation cycles. Keely planned five rotations, replicated five times, involving five distinct rotations of rice, wheat and pasture. Meanwhile, Noel Hogan, impressed by the results a neighbour who ran sheep as part of his rotation cycle had achieved, bought 250 sheep. There was no immediate return but in later years Hogan noticed improved soil fertility and rice yields. By 1958, this livestock 'side-line' was worth £3 million to the rice industry and 250,000 sheep, 1,000 cattle and 6,000 pigs were passing through MIA sale yards annually.

Sod seeding

In 1956-57 the Department of Agriculture began a three-year experiment with direct sod seeding, sowing rice seed direct into a pasture sward grazed right up to the time of sowing. Agronomists used an American sod seeder known as the 'Grassland Drill', which cut a track through the sod and stubble, fertilised the bed, deposited the seed, covered it and deposited grass seed on top, if required. Results were favourable. By 1959, therefore, farmers had a choice of three sowing techniques: direct drill, sod
seeding or aerial sowing, although the last was not a commercially accepted option until well into the 1960s with unresolved questions about uneven seed distribution from aircraft still not answered.\textsuperscript{14}

**Increased use of chemicals**

A small blue and orange beetle attacked some crops in the 1957/58 season when the grain was in the 'milky-dough to chalky' stage. Chief Entomologist of the Department of Agriculture S Allman recommended the application of DDT at the rate of one pound to the acre in an emulsion applied by plane, commenting:

No knowledge is available of previous spraying at the flowering stage with DDT and in order to determine whether spraying has any adverse effect on the crop, the department is commencing trials immediately.\textsuperscript{15}

In the following season, a top dressing of nitrogen was popular as growers sought to improve yields further, though no one was fully sure of the affect. After a cool December many crops started to yellow. Slime was a problem. Don Wallin was uncertain about the cause: it was either an excess of nitrogen inducing excessive leaf and stem growth, or a deficiency of nitrogen. The agronomist noted, however, that in many cases it had been gusty when aerial dressing had occurred, resulting in an uneven distribution of nitrogen.\textsuperscript{16}

In the 1959/60 season, army worms attacked crops, the first time since the 1930s. Department of Agriculture Entomologist E L Jonnies recommended the application of DDT in a 20 per cent emulsion applied by air or knapsack. Over 300 tons of sulphate of ammonia was also applied that year, double the previous year and three times the rate of the year before that. Indeed, the demand for fertilisers out-stripped supply.\textsuperscript{17}

**Waterlogging and salination**

The 1955/56 season was one of the wettest on record. Old timers on the MIA said it was the wettest they had ever known. Over 27 inches of rain fell; the average was 15.7 inches. More than two inches fell in one week at the end of July 1955. Floods were widespread. For drainage into the Barren Box Swamp, WCIC employed the Mirrool Creek resulting in widespread inundation of some low-lying parts. Affected growers threatened the commission with legal action. Many areas, particularly in the Wakool District, were not sown that year because of floods. A cool summer followed with a cold snap between Christmas and January. Crops were 'falling over', mould was everywhere, roads were impassable, the ground 'super-saturated' and the harvest near impossible in some districts. Waterlogging, seepage and salinity again presented as threats to the continued existence of the MIA.

There were huge tree losses on the Areas that season: 45 per cent of peach trees; 46 per cent of apricot; and 7 per cent of citrus trees were lost. Many farmers abandoned crops. In the three years following, shallow water tables, in some areas less than six inches, were a feature of many horticulture and rice farms. RMB and RCM organised a joint conference to confront the crisis. 'Every hill in the District is weeping. There is water everywhere,' delegates were told. WCIC was urged to extend its deep-well pumping program, begun in 1953, and further improve drainage. In turn, WCIC instructed farmers in improved channel and drainage management techniques.

Some prayed for drought to 'dry out' the MIA. Indeed, a big dry did come in 1959/1960, but this saw a marked expansion of patchy, salty areas into large concentrations. Solutions to the problems of waterlogging and salination needed to be found quickly — but improvements in the situation were still more than a decade away. In the meantime, stop-gap methods continued.\textsuperscript{18}

**A progress report**

The rice industry posted strong growth through the 1950s. In 1950 there had been some 368 ricegrowers on the MIA. By 1955, there were 591 MIA growers and 310 growers in the Murray Valley. Numbers flattened after that, falling to around 800 by 1960, but average acreages and overall rice acreages continued to grow, almost doubling in the decade, to 50,000 acres.

The crop increased steadily through the period, with only one significant set-back in 1951/52 due to the wet. The 1957/8 harvest topped the 100,000 ton mark for the first
time. As noted earlier, yields improved until about 1956-57 when another wet year and sour, mouldy conditions saw yields drop to the lowest levels in seven years.

The annual return from rice topped the £1 million mark in 1951 and climbed steadily thereafter, along with farm values. By 1952-53 rice was contributing about one-third of the total MIA production. It was calculated that New South Wales government investment on the Areas since 1922 in resumption of land, construction of Burrinjuck Dam and Berembed Weir, installation and running of the irrigation system, had cost $14 million and had grossed £70 million. The rice industry alone was valued at £3.5 million in 1955. By 1959, total MIA production stood at £8.56 million, of which rice contributed £2.5 million directly and a further £2.5 million through associated livestock activity. Total MIA production since World War II was £85 million, rice accounting for more than a quarter of this.

A 1957 report compiled by IREC Chairman V C Williams indicated that:

• one quarter of all MIA revenue was located in the rice industry;
• rice had allowed the rational use of large-area farms;
• the capital value of the Area had been improved significantly as a result of the rice industry;
• the horticulture industry employed more people than the rice industry, but the latter made a greater overall contribution to the economy;
• rice was a heavy user of water, but profits per acre were unrivalled by any other crop; and
• rice farm incomes had multiplied more than five times since 1928.

CSIRO pointed to the rice industry as a 'shining example of co-operation between scientist, extension worker, farmer and citizen'. There was growing overseas interest in the New South Wales rice industry, and not for the first time. As early as 1945 an Indian delegation had toured the MIA, introducing valuable ideas about organic methods and rice cultivation. A visitor from Ceylon in the same year left behind the idea of 'shooting' seed in bags before planting. By 1955, 'turbans were becoming a familiar sight among the rice crops'. In 1956, fifteen Indian farmers studied rice farming on the MIA. More than 200 visitors from Borneo, Pakistan, Ceylon and other Asian countries visited in later years under the Colombo Plan and United Nations programs, impressed by a crop that 'touches no man's hand' and fascinated by the Detheridge Wheel. A contingent from the Californian rice industry in 1959 commended the superior yields of New South Wales, the sophisticated system of rotation and the 'progressive and prosperous' rural communities which had developed around the rice industry.19

The New South Wales rice industry had made impressive progress since the uncertain days of Farm 106 and the Yanco Experiment Farm. The industry had not only helped 'save' the MIA but now underpinned the economies of other rural communities in the Murray Valley and, soon, Coleambally. In late March 1958, opening impressive new RMB headquarters in Kurrajong Avenue, Leeton, RMB Chairman Sid Twigg said:

... only those who experienced the great financial advantage brought about by the introduction of ricegrowing to this area can fully appreciate the service that Mr Brady did for this area, and not only for this area but the whole of the area in general.

Alf Bowmaker added, 'John Brady's name will live as long as the rice industry in this area'. Following prolonged applause, Jack Brady's widow, E J Brady, and their daughter, Bessie Rutherford, addressed the crowd. 'It is a proud day', they said. Then Mrs Brady declared the new offices open, dedicating them to the services of ricegrowers and the industry.20

There was no hint on that happy, proud day of the prospect that waterlogging and salination, corrupted markets and an incipient struggle between the co-operative and the statutory marketing authority for ascendancy in the industry might arise to threaten to tear the industry apart.
PART IV

THE HOGAN ERA
CHAPTER 23

THE CHAIRMAN'S REPORT:

Introduction

Noel Hogan was a champion ricegrower and a champion of ricegrowers. Frank Whelan, a ricegrower for more than three decades, considers Hogan to be the ‘first leader who could see what the rice industry was really capable of taking opportunities — not just programmed development — where markets could be found’. Stan Lanham, a close friend of Noel's for many years, describes him as a ‘visionary’, a brilliant man, sharp and quick with figures and a very retentive mind'.

The following seventeen chapters, comprising Part IV, consider that turbulent period in the rice industry between 1961 and 1977 when Noel Hogan chaired the Rice Marketing Board (RMB) and the face of the modern industry was set.

An extraordinary man: Noel Hogan

Noel Hogan was born in August 1910, in a private hospital owned by his aunt at Condobolin, New South Wales. His mother was from Condobolin. His father worked in the copper mines at Cobar. After leaving the mines, Noel's father opened a bakery at Mount Hope. When this failed a casualty of drought and depressed conditions, his father went into saw-milling for a few years in the (then) vast pine forests north of Condobolin. Noel's earliest memories were of a ‘… bag shanty with a tin roof where most of the cooking was done outside … in a camp oven and at night time hearing the dingoes howling around the camp, quite a fearful sound’. The family moved to Condobolin, where Noel's father took employment at the Government Demonstration Farm. Noel attended school in Condobolin for a few years, and in 1916 the family shifted out to the Farm. In 1923, Hogan won a government bursary for secondary schooling at St Patrick's College, Goulburn. He studied at St Patrick's, where he was a top Rugby Union player, until 1928. In the interim, his father tried wheat, west of Condobolin but by 1927 it was apparent this would not work and so the family decided to move to Noel's uncle's farm, a soldier settlement block, at Murrami:

In the Christmas of 1927, my father decided it was too dry at Condobolin and an uncle had drawn a soldier settlers' block at Murrami in the Irrigation Areas. So we packed up lock stock and barrel to come over to Murrami. The neighbour had a … truck and we loaded as much of our furniture on that as it would carry, set out one bright morning in early January, got as far as some friends on the road between Tullibigeal and Lake Cargelligo, stayed there the night, and then set off again for Murrami. I remember we came through Beckom and Mirrool — nobody knew where Murrami was, had never heard of it. Some of them knew that the Irrigation Area was to the south, and as the sun was not far from going down — the old Chev only went about twelve to fifteen miles an hour — the father decided we'd camp on the bank of the Mirrool Creek that night. He said, "Oh well, we'll get lost if we don't." So we spent a pleasant night camping out in the open on the bank of the Mirrool Creek just where the Newell Highway almost comes on to the Mirrool Creek between Ardlethan and Beckom. The next day we got up bright and early and eventually found our way to Murrami.

Noel won a scholarship to Sydney University and Sydney Teachers' College in 1928, but decided to stay with his father on the land. His first contact with rice would probably have been the 1928 harvest, when he helped his father and uncle harvest a rice crop on the Murrami property and two share-farm crops elsewhere. Around 1932, the family:

... shifted our enterprises and we went on to a farm, share-farming, where the new Yenda farms had been sub-divided. These farms were on the side of the hill out at Yenda … and fell down to the big main channel in the north, and a lot of them very heavily timbered and they had to be cleared and, of course, very good soil. We were very fortunate and grew a very good crop of rice out there the next year on Sandy Crowe's place. I remember we went out and we started to camp in style in these days. We had a humpy that we used to put up with a tin roof and
hessian walls, sub-divided into two sections. One section we cooked and the other one ... we slept, and we had a wooden floor in the one we slept in, just enough to hold three beds — my brother, my father and myself, with only about six inches between the beds. But we got a comfortable sleep anyway. We all used to read with a hurricane lamp of a night for a couple of hours before the lights went out, and you'd be laying there reading ... and you could hear the snakes slithering amongst the papers on the wooden floor. Nobody seemed to very concerned about it because we knew they'd all be gone in the morning anyway.

After some years share-farming, Hogan's father and uncle split up and his father took a farm on his own. Later, Noel took up a 200 acre farm in Stanbridge and an adjoining 200 acre property which was incorporated through the reclassification process. In 1933, Hogan joined the Yanco Branch of the (then) Rice Growers' Association, becoming its secretary and, later, president and delegate to the Central Executive. In 1935, Noel married Lilian (known as 'Jean') McIntyre originally from Broken Hill. They had one son, Terry, and three daughters, Marie, Barbara and Frances. By 1939, following years of hard work, Noel Hogan had established a solid, productive rotation of rice, wheat and oats.

A foundation director of RCM in 1951, Noel became an RMB member in 1955. Hogan recalls those days:

There was quite a bit of ill-feeling between the Board and the Mill especially on [the] quota of paddy basis and I said to Alf Bowmaker, "Do you think it would be a good idea if I had a go for the Rice Marketing Board, and I might be able to iron out the differences between the board and the mill and things might go more smoothly?" [Bowmaker said] "Oh well, this has never been done before of course and you would be in the unique position of being on the Central Executive, a member of the Rice Marketing Board and a director of the Ricegrowers' Co-operative Mills. You would have to be very careful how you manage yourself Noel, but I think it would be worthwhile having a go."¹

Barely six years later, Hogan occupied the RMB chair and a new phase in rice industry politics began. Hogan remembers:

When Sid [Twigg, chairman of RMB] eventually passed on ... I was elected chairman of the board. ... I knew that some people were against me being on both boards and knowing that I would have to have the full support of the Rice Marketing Board as their chairman, I gave each of the board members plus [RMB Manager] Charles Dalton a piece of paper to say "Yes" or "No" whether I would stay on the Ricegrowers' Co-operative Mills Directorate. And the "No's" beat the "Yeses" by one and I immediately sent my resignation into the Ricegrowers' Co-operative Mills and retired from that board after being on [it] for, I think, eleven years.³

A heavily-built, powerful man in every sense, Hogan exuded self-confidence. A personally engaging, charming man, a laughing fellow able to communicate easily, farmers saw Noel as one of their 'own', a 'good bloke', unflinchingly and fearlessly dedicated to their well-being. A man of boundless energy who liked to involve himself in as many spheres of influence as possible, Hogan was a tireless worker for primary industries and the community.²

At various times Hogan served in executive roles on the Department of Agriculture District Council of Extension Groups (Farmer Efficiency), was a founding member of the Irrigation Research Extension Committee (IREC) and chairman of the Rice Investigation Committee (RICC) and Wheat Sub-Committee for several years. He became vice-chairman of IREC for some years after 1966. He was also a member of the Rice Soil Testing Committee and chairman of the Rice Industry Pure Seed Committee.

In the critical area of water policy, Hogan was at different times a member of the WCIC Winter Watering Advisory Council, chairman of the Deep Drainage Committee, the Northern Water Users' Committee, the Murrumbidgee River Irrigators Advisory Council (South-West Region), the Yanco Irrigation Area's Water Users' Association (Fruit and Vegetable) and was also a member of the Water Development Association of Eastern Australia and a delegate to the Joint Committee of Murrumbidgee and Murray Water Users' Association.
In rural politics Hogan was rice industry delegate to the National Farmers' Union (1961–1968) and vice president of the New South Wales Branch (1967–1968). In 1971 he became chairman of the Australian Farmers' Federation (AFF), after it was formed in 1969. In local politics and community affairs, Hogan served as shire councillor in Leeton for twenty-four years and was shire president in 1968. He was also widely regarded as responsible for funding innovations making the Murrumbidgee County Council one of the most efficient in New South Wales, particularly with regard to borrowing requirements and electricity tariffs. A prominent Freemason and Rotarian, Hogan was also founding chairman of the Leeton Salvation Army Advisory Council, a member of the Leeton Agricultural Show Council for forty years and, in 1971, he became involved in the Local Government Electricity Association. Hogan represented Australia on numerous occasions at the United Nations Food and Agricultural Organisation (FAO) Rice Sub-Committee between 1961 and 1976, rising to deputy chair in 1967 and chairman in 1968. In 1970 he represented Australia at the World Standards Conference in Moscow. Hogan was awarded an MBE for services to primary industry in 1972, when he unsuccessfully contested pre-selection for the National (Country) Party in the State seat of Murrumbidgee. Two years later, Hogan was appointed associate commissioner of the Industries Assistance Commission (IAC) and contributed to a major Green Paper on Rural Policy in Australia. In 1975 Prime Minister Gough Whitlam honoured Hogan by opening new RMB headquarters in Kurrajong Street, Leeton, named after him.4

A director of the Irrigator newspaper for some years, Noel Hogan had interests through a company in five properties, two at Stanbridge, including the home property, ‘Trevail’, near Whitton, two at Coleambally and one at Yamma. A large-area farmer, Hogan developed a sophisticated eight-year rotation for rice, grazing sheep and growing wheat and barley in the cycle. He conducted studs for Poll Herefords, Polworth and Dorset sheep and ran pure line herds and flocks, winning numerous prizes for every aspect of farming activity. A foundation grower of Calrose in 1952, along with Alf Bowmaker, it is possible that all Calrose in New South Wales came originally from twenty-two tons of seed stripped from his farm. Hogan also believed that foundation seed for the medium-grain variety, Baru, came from ten tons of grain he grew on three acres of land.5


Hogan took the helm in a period of rapidly rising levels of rural production, in excess of 50 per cent above World War II levels. In RMB’s approximately thirty-three year existence since 1928, almost five million tonnes of paddy rice had passed through the system. During Hogan’s chairmanship almost as much was handled in half as many years. Rice production increased by 75 per cent in the decade to 1961 and by 100 per cent in the following eight years. There were approximately 1,100 ricegrowers in New South Wales in 1961 working 18,635 hectares of rice fields producing 118,000 tonnes of paddy. When Hogan died 'in harness' on July 28, 1977 there were twice as many growers working almost 90,000 hectares, producing 518,960 tonnes of paddy, a quadrupling of area and tonnage. Storage, milling and other infrastructures expanded commensurately through this period of dramatic growth.6

The Equity Certificate Scheme

In the first years of Hogan’s chairmanship the industry agreed that RCM should look after storage in the Murray Valley, where the co-operative had purchased sheds along with the Echuca Mill, while RMB would attend to the north. Indeed the board was still reliant upon the co-operative to assist with storage, possessing overall a bare 73 per cent bulk storage capacity at Griffith, Willbriggie, Benerembah, Warrawidgee, Murrrami and Whitton, accounting for about 160,000 tonnes. RCM possessed about 40,000 tonnes of storage, virtually all of it bulk, at Burrabo, Caldwell, Deniliquin and Echuca, together with hopper bins in mills at Griffith, Yenda and Echuca.

By 1977, when Hogan passed away, RMB possessed, or had under construction, bulk storage facilities using sophisticated aeration techniques totalling 429,000 tonnes on the MIA, the CIA and in the Murray Valley comprising:

• 173,000 tonnes on the MIA at Benerembah, Griffith, Yenda, Widgelli, Murrrami, Willbriggie, Whitton, Gogeldrie and Leeton;
• 113,000 tonnes on the CIA at Walsh, Coleambally and Emery; and
• 143,000 tonnes in the Murray Valley at Moulamein, Burraboi, Caldwell, Deniliquin, Blighty and Hogan.

At that time RCM operated seven storage facilities in the Murray Valley and a facility at Coleambally. RMB had $18.3 million invested in infrastructure and RCM $13.3 million. This was impressive expansion by any measure. Every nut and bolt was owned, or in the process of becoming owned, by growers. This extraordinary achievement came about as a result of what many describe as a Hogan ‘brain child’: the Equity Certificate Scheme (or Equity Redemption Fund); the envy of many primary industries. The Equity Certificate Scheme was basically a levy on growers by which they contributed to storage costs in relation to use. Storage was built and provided by RMB which issued equity certificates to the farm as instalments were paid over time. The total equity liability was calculated in accordance with a formula taking into account the rice area grown, the district average yield and the cost of storage construction in the year it was built. Farmers contributed on a per tonne basis at a rate set by the board.

Robert Blake, an RMB member in the 1970s, believes that Noel Hogan ‘devised the Equity Scheme, had much to do with the setting-up of the original rules and zealously guarded it from critics’.\(^8\) Hogan himself recalls:

> Finance for the conversion of the sheds had been a subject that had of course been brought up several times. … I remember very distinctly [when still a director of RCM] that when the co-operative mill started to build the mills a great deal of discussion was taken up on how the finance was going to be arranged and I very strongly advocated that some scheme be set up by which the growers would have financial interest in these new mills and storages that were being built by the Ricegrowers' Co-operative.

Half the directors supported me and we adopted that principle and instructed the management, Mr Kellock, etc., to draw up a scheme whereby the growers would have an interest in the new mills and sheds that were being built by the Co-operative. … The [RCM] board eventually decided after a lot of discussion that the equity scheme seemed to be the best idea so some fundamental principles of the scheme were laid down by myself which were presented to the Marketing Board and adopted and we took those principles to the Auditor-General. He looked at them and we also took same to the Department of Agriculture and they gave their acquiescence and so the Equity Scheme was finally set up. … The Equity Scheme … overcame the fact that in the present \(^*\)Primary Products Marketing Act\(^*\) it says that if the board is ever wound up the assets revert to the Crown. Well if we have equity certificates to show that the growers have a great stake in the capital assets of the board surely this would mean that the growers would get the value of those capital assets if anything ever happened to the board.\(^9\)

Robert Blake, however, believes that the size of a farm's contribution had more to do with the amount of money required by the board to build storage for the following harvest than with farmers' capacity to pay, a deferential way, perhaps, of saying that the scheme periodically added to farmers' financial problems. Nevertheless, once a farm had reached its ceiling, no further equity payments were deducted. Moreover, when a farmer left the industry, he or she was able to 'cash in' capital equity certificates. The rice-growers loved the scheme [and] compared [it] with ones operating in other industries such as the wheat industry and of course the rice farmer was much better off.\(^10\)

Despite its popularity the Equity Scheme required constant modification to adjust to the entry and exit of growers and varying yields and production levels. Contributions which began at $1 per tonne in 1961, for example, had climbed to $3.50 per tonne by 1967. A construction 'holiday' was then declared because growers simply could not afford more deductions until the fund re-established. Moreover, there were disagreements about the scheme's frugal interest-bearing policy and the board's tendency to unload responsibility for storage on to the co-operative whenever the former was unable to finance it. An inquiry was held and, several years after Hogan's
death, the scheme was altered to become a revolving fund operating on a seven-year cycle.\textsuperscript{11}

**The Appraisal Scheme**

Hogan used all the power of his personality and position to have a paddy appraisal scheme accepted by the industry in the early 1960s, strongly supported by RMB Government Nominee Stan Lanham. The Appraisal Scheme, designed to provide cash incentives for early delivery of good quality paddy of preferred varieties at the right moisture levels and discourage late delivery of poor quality, unsought varieties, was useful in reining in some growers who, for a price, would strip the crops of other farmers before their own, thereby slowing up the whole handling process and adding to costs. Hogan also persuaded growers that the Fair Average Quality (FAQ) basis to payments, favoured by RCM, discriminated against growers who concentrated on quality and prompt delivery. An appraisal laboratory was installed in Leeton to inspect paddy samples and the idea was gradually accepted after 1963, periodically falling foul of distrust between the board and RCM, who saw the scheme as a board device to 'second guess' their operations. Nevertheless, the Appraisal Scheme survived at time of writing and was still widely seen as an important element in achieving milling efficiency and responsiveness to changes in patterns of market demand.

**The Pure Seed Scheme**

The New South Wales rice industry's international reputation for premium quality rice was confirmed through the Hogan period, due in no small measure to the Pure Seed Scheme. As noted earlier, this had begun under the auspices of the Rice Investigation Sub-Committee (forerunner of the Irrigation Research Extension Committee [IREC]) before World War II. RMB assumed responsibility in 1950 and administered the scheme in conjunction with RGA, RCM and the Department of Agriculture, the last supporting the scheme generously through cropping research. The department made the early generation selections of all varieties and grew, or supervised, 'stud' blocks, where 'mother' seed was produced for foundation seed areas, which were grown under commercial conditions, under industry management. Noel Hogan took great pride in the Pure Seed Scheme and its sheds at Whitton and Deniliquin, affording the scheme a high profile during his chairmanship.

**Bulk purchasing and merchandising**

The Hogan Board also set up a bulk buying and merchandising service for farmers providing harvesters, fertilisers, chemicals and other farm requisites. This helped to contain costs in the 1970s recession while also providing RMB with an independent income, but met with strong resistance from competitor merchants, including MID (Dairy) Co-operative, and complaints from southern growers about preferential treatment for the service's northern customers.

**Promotion and research**

Hogan diverted significant resources to rice promotion and achieved some success in improving domestic consumption. Nevertheless, RMB's generic promotion of rice was not always appreciated by those paying for it, particularly RCM shareholders, whose co-operative produced and marketed 'Sunwhite' products in competition with other suppliers and the issue frequently generated heat in industry politics.

The RMB provided support for research during most of the Hogan era but, as ricegrowers' terms of trade worsened in the 1970s, requiring rationalisation and cost-cutting, this diminished, along with other research funding.

**Industry institutions**

Because the Hogan period is characterised by friction between industry elements, particularly at the margins of responsibilities as is consistent with a vigorous and progressive industrial democracy, it is helpful to recapitulate the function of key institutions, or at least various interpretations of them.

**The Rice Marketing Board for the State of New South Wales (RMB)**

After RMB was constituted in 1928 under The Marketing of Primary Products Act, the board’s responsibilities evolved to include *inter alia*:
• compulsory acquisition of all paddy rice produced in New South Wales;
• receipt and storage of paddy;
• arranging of finance and payment of a 'door price' to farmers;
• fixing of paddy prices to various world markets;
• sale of paddy to millers at agreed prices; and
• distribution to growers of net proceeds less RMB costs.

This evolved in the Hogan era to embrace:
• formation of NSW Rice Industry policy in rice areas, production and marketing in equal participation with other component arms of the industry;
• end responsibility to producers for the conduct of affairs under specific statutory powers vested in respect of all paddy rice produced in NSW;
• receipt, storage and disposal of the total crop on an annual crop pool basis;
• setting up paddy rice standards and operation of an appraisals laboratory;
• responsibility for the quality of paddy rice received including inspection of rice in respect of broken or immature grain, foreign material, insect infestation and moisture content;
• setting premiums for certain varieties based on equalisation of returns per hectare under a scheme approved by the minister;
• setting other premiums and subsidies for such items as appraisals, seed and cartage;
• provision of bulk storage for rice at depots situated throughout the whole of the ricegrowing areas;
• sale of paddy rice to millers under a registered supply agreement providing budgetary schedules against which milling yields, costs and markets performance are reviewed;
• approval of all sales of milled rice to ensure maximum return to ricegrowers;
• financing and distribution to growers of the net proceeds of sales in periodical advance payments;
• rice promotion and world market investigations and assessment and evaluation of world market trends, particularly through attendances at the United Nations Food and Agriculture Organisation (FAO) and other rice conferences;
• selection, grading, specialised seed treatment and issuing of all seed to growers under a pure seed scheme;
• purchase of fertilisers and other farm inputs in bulk and services from growers to ensure such costs are kept economically viable; and
• administration of an Equity Certificate Scheme which funds give farmers a financial interest in the board’s assets redeemable upon the completion of their growing rice.12

Elections for five grower RMB positions were conducted each three years (later four) and the government nominated two appointees.13

The Ricegrowers’ Co-operative Mills (RCM)

While RMB was a 'compulsory' animal at arms length from markets, other than those for paddy existing between the board and millers, RCM was a voluntary association of grower shareholders registered under The New South Wales Co-operation Act, 1923, directly involved in domestic and world markets for finished rice products and subject to fluctuations in these. The responsibility for milling and selling grower shareholder products rested with the board of directors given effect through an executive staff. RCM functions included:
• enter agency agreements with RMB for the milling of paddy;
• mill, pack and sell finished rice products on domestic and international markets;
• raise loans for seasonal and capital expenditure, debentures, share capital and reserves and debt servicing;
• return a bonus to shareholders; and
• return to RMB proceeds of sales after deducting RCM costs for distribution.  

The compulsory RMB and the voluntary co-operative shared a peculiar relationship, the former basically a 'seller' of paddy, the latter, a 'buyer', and the parties behaved accordingly: hedging, selectively dispersing information, seeking advantage for members and shareholders, who, incidentally, were the same people: ricegrowers. RMB's key instrument of control in the relationship was a rebate system by which the board paid a price for the entire paddy crop early in a season and rebated RCM at the end of a season, based on prices achieved by the co-operative. The statutory board, representing growers' interests, would seek information about volumes of table rice sold and prices, and occasionally intervene in dealings where prices were thought too low, much to the chagrin of RCM management. Nevertheless, the co-operative acquiesced since the alternative was wildly fluctuating prices. However, as a miller in competitive markets, RCM was motivated to out-perform or eliminate competition while, structurally, RMB functioned to preserve or 'improve' competition, theoretically in the interests of efficiency but, incidentally, to confirm its intermediary role in the industry as 'honest broker'.

All parties sought a rational, prosperous and sustainable rice industry, although 'pro-board' and 'pro-mill' factions occasionally disagreed on what this meant. There was a positive side to this. In the democratic hothouse of rice industry politics some of the most capable leaders and managers in all primary industry were schooled; hardened performers with razor-sharp debating, logistic and commercial skills. The whole industry benefited from the calibre of such leaders and Noel Hogan was a prime example.

The Ricegrowers Association of Australia (RGA)

The anvil on which rice industry policies were forged was the Ricegrowers' Association of Australia (RGA), specifically the Central Executive. RGA, evolving from the Rice Growers' Association to assume a federal complexion as ricegrowing developed in other states, served as the political arm of the industry, the lobbying element, the 'growers' parliament', the final democratic voice concerned with all matters of interest to growers, particularly the development and economics of the industry. Noel Hogan was a strong supporter and staunch defender of RGA but on occasions elected to ignore the association's advice or describe it as merely a 'grass roots' organisation making recommendations to the Rice Industry Co-ordination Committee (RICC) (of which Hogan was chairman for most of the period) for 'possible adoption' as industry policy. RGA expanded in the period to include six Branches: Yanco, Mirrool, Wakool, Coleambally, Deniliquin and Berriquin, the Central Executive expanding commensurately to include twenty-three delegates. Membership of the association, never quite as comprehensive as the co-operative's, improved to about 80 per cent in the period. A dissident Berriquin group hived off in 1968 but by 1970 had re-affiliated with RGA. This is discussed later.

The Rice Industry Co-ordination Committee (RICC)

For much of the period Noel Hogan chaired RMB he was also chairman of RICC. RICC was not intended to set industry policy; that was perceived by the RGA Central Executive to be its role; but this notwithstanding, Noel Hogan as RICC chairman was still able to influence WCIC and the minister in setting policies for permissible rice area, water supply and production, not always according with RGA policy. Initially the RICC chair was rotated between constituent bodies but after 1961 this was altered to an annual appointment. Under Hogan's leadership RICC's activities greatly increased in volume and importance, the committee coming to be seen as the 'clearing house' for industry problems and policies, a view gradually accepted within the industry, but not without disagreement.

Hogan recalls his election to the RICC Chair:

On one of my visits to Queensland when I was vice chairman [sic] of the RMB, I found out that they had a co-ordination committee set up in the sugar industry and so we got information about that. And on this co-ordination committee they
had a judiciary representative and a representative from the government and I thought it would be a very good idea if we set up a Rice Industry Co-ordination Committee with an independent chairman appointed by the government in New South Wales. ... I am afraid that I didn't get much help from the leaders in the industry, Doug Mackellar and Alf Bowmaker, and the main argument against any outsiders coming in on an industry committee was that they would know our business. ... Eventually it was agreed that we do set up this committee and, lo and behold they started, [sic] my keenness I'd say for independent chairman and government representative by electing me as the first chairman of the Rice Industry Co-ordination Committee. I was chairman of that committee for two or three years, but had a big argument with the mill from board level and they decided to teach me a lesson and so at the annual meeting of the Co-ordination Committee and election of officers I was kicked out, only for one year.17

Some believe Hogan's greatest contribution to the industry was achieved in his role of RICC chairman in respect of ricegrowing areas.

The Water Conservation and Irrigation Commission (WCIC)

During the Hogan era the Murrumbidgee and Murray Rivers reached full commitment in terms of human use and, in this context, WCIC (restructured in 1976 as the Water Resources Commission) functioned to:

• consider recommendations by RICC in respect of acreages, production, applications for ricegrowing and water supply;
• determine supply and pricing policies in relation to the availability of the resource, drainage, effect on soil, ground water conditions and area productivity in respect of land;
• conduct aerial surveys to ensure acreages permitted were adhered to;
• commission research into ground water and salinity problems to determine the suitability of new land for rice and appropriate design and development of new farms;
• manage, control, supply and develop the water resources of New South Wales; and
• advise irrigators on water allocation available.

The Department of Agriculture

The Department of Agriculture, which had played a crucial role in demonstrating the viability of rice on the MIA and consistently supported the agronomic development of the industry at field and research levels, functioned to:

• provide research staff for breeding improved varieties;
• conduct field experiments with new techniques;
• provide an advisory service by district agronomists in respect of land preparation, sowing, irrigation, pest control and harvesting;
• provide a soil testing (fertiliser) service;
• recommend herbicides and pesticides;
• demonstrate seeding techniques;
• conduct Rice Field Days; and
• provide foundation seed.18

The ancient trilogy

These were the major institutional players in the rice industry political drama, a talented cast performing a complex plot. The drama revolved around three foundation relationships, the ancient trilogy of all agricultural industry: environment, farmers and markets.

• the agronomic cycle of life found in the interaction of sun, soil, water, seed and farmer;
• the often abrasive interaction of farmers — wizened and rookie, established and pioneer, civilian and ex-soldier, large-area and smallholder, 'battler' and 'silvertail', northerner and southerner, Murrumbidgee Valley and Murray Valley, Area and District, moderate and militant, conservative and progressive — focused on rice
permits, permissible areas, water entitlements, infrastructure allocations and political representation; and

- the fundamental economic relationships joining industry and markets, supply and demand and investments and returns.

In the sixteen years to 1977, Noel Hogan held the reins in driving the rice industry. That it should emerge as such a democratic and progressive industry is a commendation to Hogan and other leaders.
Chapter 24

‘A very great donnybrook’:
The Rice Marketing Board and the Co-operative, 1961–1963

‘Unstitching’ a special relationship

One of the first things Noel Hogan did upon becoming chairman of the Rice Marketing Board (RMB) in 1961 was to change the name of the Annual Report to the Chairman’s Report, signifying a new order: an RMB focused upon the powerful personality of the chairman. Hogan declared a new 'independent' stance, as Jack Brady had done in 1949. RMB would be 'nobody's hand servant', doing whatever was required to uphold the growers' rights. No 'vested interest' would tell the board what to do. RMB was no longer 'prepared to be the automatic independent arm of the New South Wales rice industry'. From this time on, Robert Blake believes, real co-operation was required for the good of ricegrowers to prevail. The problem was that 'co-operation' was often thin on the ground and people had very different ideas of what it meant.¹

Through the minister RMB secured power to decline receipt of paddy under the prescribed sales and purchasing powers of The Marketing of Primary Products Act, giving the board greater leverage and independence in bargaining with millers, co-operative or otherwise. In almost inscrutable legalese, the board resolved:

… that, pursuant to the discretionary power in that regard given to it by Section 11 (4) of The Marketing of Primary Products Act … and Regulation 33A made thereunder, board exempts from the operation of S.11 of such act all those sales of rice produced up to and including the 1961 season and sold to RCM Limited by a producer who was a member of that society and in regard to which the board acts or has acted as agent to such produce in respect of such sale.²

The rationale was to encourage conditions by which the surviving proprietary millers: Associated Rural Industries (Australian Rice Proprietary Limited [ARI]) and Clifford Love and Sons Proprietary Limited; might continue to participate in the industry, theoretically improving returns by dint of enhanced competition while justifying the board’s continued existence.

This new brand of 'co-operation' did not last long. In the eighteen months to mid-1963 disagreements between the board, on the one hand, and RCM and the RGA Central Executive, on the other, erupted over several issues including the chairman’s overseas trips, the board’s intrusion into industry policy processes, its intervention in markets and its encouragement of competitors.

Noel Hogan first travelled overseas representing the rice industry while still RMB acting chairman, attending the United Nations Food and Agricultural Organisation’s (FAO) Annual Conference in Rome in 1961. He was deeply impressed by what he saw, genuinely believing that the New South Wales rice industry should participate in such meetings. Even then, approximately 70 per cent of Australian rice was exported and it was proper he argued, validly, that RMB should monitor shifts in world markets, first hand, and brief growers. But critics said the visits were unnecessary, that money spent on 'jet junkets' would be better spent on storage and other industry requirements and that the job of market research was RCM's. Nevertheless, Hogan continued to make almost annual trips to FAO conferences throughout his sixteen years as chairman.³

They had never seen anyone quite like Noel Hogan in Rome, this powerful, candid man so enthusiastic about the industry he represented. 'G'day, I'm Noel Hogan, chairman of the Rice Marketing Board for the State of New South Wales, and I'm here to tell you about our great Riverina rice industry.' So impressed were FAO officials and the Australian Agricultural Attaché in Rome that Hogan quickly assumed a prestigious role in meetings, becoming:

… the automatic leader of the Australian delegation because the Agricultural Attaché in Rome knew very little about our industry. … Australia had a very great image at the Rice Study Group because everybody knew there that we were the highest producers of rice per acre in the world; we had a Pure Seed Scheme that was the envy of the world; we produced high quality rice. And I
must say that in the first three to four years Australia's image was extremely high indeed, so high that the American delegate suggested that Australia should be elected chairman of the gathering.

Hogan was elected vice chairman of the FAO Conference in 1963, actually occupying the chair for much of the time. In 1968 he was elected chairman outright, a great personal achievement and for the New South Wales rice industry in general.

But Hogan's persistence in reviewing co-operative business on behalf of growers infuriated the RCM board and executive, in particular RCM General Manager John Kellock. The job of managing RCM was his and his executive answering to his board and members. That was how a co-operative functioned; a society was responsible to members with regard to objectives set; Hogan had ceased to be a co-operative director; he was merely a shareholder and should stick to his patch. In particular Kellock saw Hogan’s involvement in the vital Papua New Guinea (PNG) market as meddling.

Indeed, the chairman visited the Territories on at least three occasions between 1961 and 1963, listening to complaints from the Administration (the Australian Government) about the co-operative, PNG officials telling him the quality of rice supplied by RCM was 'too high' and this was reflected in prices demanded. Add more cracked rice and lower prices, Hogan was advised, or run the risk of losing the market. Kellock was amenable to the idea and prepared to be flexible, but Hogan rejected PNG advice as not in the interests of growers, causing some confusion in negotiations.

Hogan later recalled these events:

I remember very distinctly that Merrick Burrell [a director of Clifford Love and Sons, owner of Stratton's Mill at Cootamundra, and subsequently, a government appointee on the RMB] on one trip to Canberra when we were fighting for the price for New Guinea rice and Mr Kellock who recommended that we accept a much lower price than what the Board considered. I was deputy chairman in those days and Sid Twigg was the chairman, and I was fighting for the higher price for the good of growers and Mr Kellock said, "No, we have got to have a lower price only for political reasons." I remember very distinctly Merrick Burrell coming to my help at that meeting and saying that there was no reason at all why the price should fall and that carried the day and at that particular time we were sending quite a bit of paddy rice to New Guinea and we saved $4 per ton on about, I think, 50,000 tons of paddy, or $200,000 to the growers and that was mainly because Mr Burrell supported me in my assertion that we shouldn't take a reduced price from Papua–New Guinea.

The inference was that RCM was not as vitally concerned as RMB in achieving best prices for growers and, therefore, the board was justified in 'double checking' to ensure that their interests were being served; that the co-operative could not be trusted if left to its own devices and would grow lazy without competition and constant monitoring. Understandably, RCM resented this.

Another thorny issue was promotion. RMB launched a big and expensive rice promotion campaign in 1962, printing more than 96,000 rice recipe books and leaflets promoting the generic product, 'rice', from wherever it came, under whichever brand name. The co-operative believed that 'Sunwhite' was not receiving sufficient prominence even though the exercise was almost wholly funded by RCM shareholders. Nevertheless, domestic rice consumption increased from around three pounds per head to five pounds per head by 1963, which, RMB officials gleefully pointed out, was the whole point of the exercise.

The issue which most irked RCM directors and executive, however, was the board's apparent enthusiasm for assisting rivals. Miller cartel members were still quite active in the early 1960s, at which time RMB continued to give ARI a quota ranging between 15,000 tons and 27,000 tons, milled under contract by RCM.

As late as May 1963, Peter Farley, chairman of ARI and an RMB government nominee, was seeking a partner for Northern Developments (Ord River) Proprietary Limited, an ARI subsidiary, for proposed huge rice production projects on the Fitzroy River near Derby and the Ord River. Indeed, the Western Australian government was enthusiastically supporting these efforts, releasing blocks at Wyndham and Kununurra. It was anticipated that two crops could be produced annually using a new long-grain variety developed by CSIRO: Circna. But while Circna performed well
under controlled conditions, no one knew how it would perform in the field. Moreover, the economic viability of the project was highly doubtful as stem borers and ducks had ravaged early crops. Two trial crops were milled, polished in Fremantle and marketed in Perth but profitability was poor. By early 1964 it was apparent that Northern Developments Proprietary Limited was in trouble and that the project, like the earlier Humpty Doo venture, would be a costly failure. Nevertheless, RMB appeared to be going out of its way to assist ARI, persevering with a significant quota to the company and irritating RCM intensely.

Meanwhile, Clifford Love and Sons Proprietary Limited was planning an expansion of its Stratton and Son subsidiary at Cootamundra and seeking permission to construct a mill at Whitton. The Stratton’s operation was of particular interest to RMB for through it, specifically through Managing Director Merrick Burrell, the board had access to ‘milling figures’ used in bargaining with RCM. An RMB–Stratton’s committee formed to consider joint control of a Whitton mill with unspecified MIA ricegrowers. Though RCM viewed this development with alarm, the board countered that it would simply introduce ‘beneficial competition’ helping the whole industry.

‘Animated discussion’: The 1963 RGA Conference

Tensions surfaced at the 1963 RGA Annual Conference where issues discussed included:

- industry control;
- rice promotion;
- the chairman's overseas trips;
- moves to build a proprietary mill;
- acreages; and
- the location and construction of storage.

In the Presidential Address Alf Bowmaker drew attention to the activities of the RMB chairman, noting that Hogan was also chairman of RICC and reminding delegates that RICC ‘... is a useful, though not a governing body’, which WCIC had become 'accustomed to recognising as the mouthpiece of the industry'. That role, Bowmaker emphasised, was RGA’s, adding that he could not understand how RMB was able to lavish money on rice promotion and fund overseas trips while the association was unable to afford even to send a delegate to important trade and industry-related meetings in Canberra.

But most alarming of all, Bowmaker continued, was that small group of growers holding meetings at Whitton, convened by Mr Richards of Yanco, and to which the press was invited, to discuss the building of a mill. 'Derogatory and incorrect statements were being made about the RCM' while support was being canvassed for Stratton to '... occupy buildings and storage facilities built with growers' money [to build a mill] owned jointly by it and local growers'. RMB's rationale for this was that Stratton was '... even more efficient than the Co-operative Mills' and 'more competition was needed in the industry because of the allegedly low prices RCM was attracting'. This was nonsense, Bowmaker said: RCM took all grades of paddy from every region, while Stratton was selective. Valid comparisons could not be made. And who was 'leaking' such information giving rise to these false conclusions?

Lively debate followed. RCM Deputy Chairman Jack Woodside, acting for the unwell Mackellar, agreed with Bowmaker that the idea of Strattons being more efficient than RCM was nonsense. The co-operative possessed greater milling capacity than paddy supplied, but the board would not give it an improved quota.

Noel Hogan, neither denying nor supporting the 'efficiency' argument, quoted statistics suggesting that a mill at Whitton was justified since it was one of the largest rice receival points. A young man then joined the fray. His name was Ian Davidge, Charlie and Vera Davidge's son. Davidge said that more than merely a question of efficiency was at stake. What was involved was, '... the co-operative principle. Co-operation is the foundation of rice industry success. Are growers to throw over the principles of co-operating for nebulous efficiencies?' The seeds of distrust were being sown, he continued, and proprietary millers, against whom RCM had raised the growers' banner, were now being touted as the 'salvation of the rice industry'. He could not understand it. For over thirty years, Davidge would be saying much the same thing: co-operation, first and foremost.
Frank Walsh, a former RMB chairman, also spoke at the 1963 conference. He had attended one of the Whitton meetings and said that while he was an admirer of RCM there was little doubt in his mind that 'organisations with monopolies get greedy and inefficient'. Not Walsh, nor anybody at the conference, could explain how a co-operative owned and controlled by growers could possibly contrive a monopoly against themselves. Nevertheless, Walsh genuinely believed that competition between RCM, ARI and Strattons was 'good for the industry' and would make the co-operative 'realise it has got to work'.

The pioneer ricegrower, Harold Tooth, then reminded them of the old days when the cartel did what it liked with growers. He believed a mill at Whitton would be the 'thin edge of the wedge' and that private millers would have 'no mercy on growers if they got a chance'. Only months from his death, Doug Mackellar added with characteristic forthrightness:

Some people are trying to frighten you with your own strength. While we control paddy, no organisation can beat us. Your own mill can handle all you can produce. Co-operative Mills are today the most efficient in the Southern Hemisphere. It is twaddle to say private millers are more efficient than RCM. A private mill could be taken over by foreign interests and overseas buyers would use this to have Australian growers competing against each other.

Then another young man piped up, claiming that Mackellar was talking 'twaddle'. His name was Graham Blight. There was no question of giving the private millers more rice than RCM, Blight argued with conviction, it was simply a matter of cultivating healthy competition. Graham Blight, a Noel Hogan protégé from the Yanco Branch, was born in 1939 and raised on a Gogeldrie farm. An active member of Rural Youth and the Riverina Area Council, Blight won a P & O Canberra Award in 1961 allowing him to study overseas for eighteen months. A recent addition to the RGA Central Executive and a director of MID Co-operative, Blight would emerge as a major industry leader and strong advocate of farmer co-operation.

Jack Woodside said the commotion and lack of understanding saddened him. He had witnessed the great struggle between the co-operative and the cartel and knew what would happen if the latter got back in: growers would be pitted against each other; region against region; boycotts on consignments would reappear and 'middle men' would once again rule supreme. Was this what RMB meant by 'more competition'? 'Don't throw over forty years work for the industry', he told Blight and other 'Young Turks', 'Don't surrender!'

With few dissenters the conference voted to oppose the Stratton mill at Whitton, recommending that any expansion of rice milling be undertaken by RCM. It was a resounding vote of confidence in the co-operative.13

Following a motion calling for an increase in rice acreages from fifty to sixty acres on Kooba Station, Graham Blight moved that all rice farms be allowed a maximum of sixty acres of rice. Noel Hogan seconded this. Few were opposed to additional acreage at Kooba to help soldier-settler farmers, although some in adjacent Irrigation Districts were concerned at the possible impact upon water supplies. Coleambally delegates also wondered if MIA growers would ever support the Coleambally Irrigation Area (CIA) similarly. The real political issue, however, was not Kooba acreage or water entitlement, but authority to pronounce on these matters. Harold Tooth opposed the Blight amendment saying it was properly a matter to be decided by RICC and not one for an RGA conference. Noel Hogan was chairman of RICC. Mr Richards, the convenor of the Whitton meetings with Stratton, seconded Tooth's amendment, which was carried. RICC's claim to be regarded as industry 'supremo' on acreages was confirmed in a brilliant piece of gamesmanship.

After CIA delegates complained of being ignored, the conference agreed that the period of temporary ricegrowing in the Coleambally Area should be extended, at least until Blowering Dam was completed (planned for around 1968), when the situation would be reviewed. The reason for such tentative support appears to have been fear on the MIA that expansion of rice production on a scale possible on the CIA would affect MIA quotas and, therefore, farm values.14

A stormy exchange followed on the question of storage, specifically its location. Jack Woodside denounced RMB's decision to build a 7,000 ton storage at Willbriggie
(Kooba), describing this as 'bad economics' because it meant carting rice to Willbriggie and then back to the mill at Griffith. Stores should be built near the mill and cartage subsidised; that was the 'economic' way of doing things. The site was not only 'wrong' but the facility would be expensive to build. Neither would it assist new rice farms on the CIA which would be producing about 8,000 tons by 1964. RMB should improve facilities at Griffith and ship CIA and Kooba paddy to them.

The central issues were: should storage be near mills or growers?; who should pronounce on this; and who should pay for transhipment, RMB or RCM? S G (George) Kayess from the Yanco Branch, said it was 'socialism' to have storage so centralised at Griffith. Noel Hogan added that a 10,000 ton store at Griffith would cost £120,000 and it made better sense to construct a 9,000 ton store at Willbriggie and a 3,000 ton facility at Benerembah. This would better serve the CIA and was superior 'philosophy' anyway to have storage near growers, not mills. Growers, someone remarked, would have receival sheds at every farm gate if they could have their way. G Sheldrick and A Malcolm argued that the matter of storage was better left to RMB, but this time the pro-RMB forces did not get their way: 57 votes for the Griffith store, 21 were against.15

'A very great donnybrook', September 1963

RMB Chairman Hogan did not accept the RGA conference decision on the Griffith store lightly. Determined to impress upon the co-op and its allies that storage was wholly an RMB affair, he invited farmers to meet RMB board members at Whitton later in the month to 'give growers a further opportunity to vote'. More than 200 ricegrowers attended and there was 'heated debate'. RMB Deputy Chairman Menzies Emery said that the rice industry was 'in jeopardy' because it could not process its own crops and '... was becoming divided because it was not fully controlling itself'. About £250,000 was being lost to growers each year, he said, because private millers were keeping the profits and:

... the RCM is more than 50 per cent to blame for letting 27,000 of tons of rice leave the MIA each year for private millers. ... It is falling down on its job. It should have progressed much further in the last six years since the Griffith Mill was taken over. ... There has not been sufficient foresight by the Co-operative Mills. A breakaway right on our doorstep threatens our own industry.

Emery said that Mackellar was talking nonsense when saying that the co-operative was so big it was 'scared of itself'. The opposite was true, 'I would say that our co-operative is too small, that it is scared of itself.'

Mackellar would not be drawn, he was not well, and Emery was mistaken anyway: RCM was not milling all the paddy rice because RMB would not give it the paddy to mill. A sullen Mackellar said he would reply to Emery 'adequately and fully' at the RCM Annual Meeting in November, where 'such matters should be discussed'.16

But the RMB chairman got his way. The RGA resolution for a larger store at Griffith was supplemented (127 votes to 67) by one calling for a 9,000 ton shed at Willbriggie and extensions to stores at Benerembah and Warrawidgee. Bowmaker's complaint that it was 'not good economics' to have small stores scattered throughout growing areas was ignored, growers valuing convenience above economics. In a stunning victory for the board, the Whitton meeting moved that '... future sheds be built at places convenient to growers', that storage policy be decided by RMB in the forum of RICC and that RCM desist from further storage construction. Hogan recalls these events:

A certain amount of controversy took place between the Rice Marketing Board and the Co-operative Mill about the siting of new sheds. I remember a very great donnybrook took place between myself and Mr Woodside when we decided to build a shed at Willbriggie. Mr Woodside, as were the other mill directors, was of the opinion that the shed should be built at the mill at Griffith which was already cluttered up with old sheds anyway. And if it wasn't built at Griffith it should certainly be built much nearer to Griffith than Willbriggie. However, the board has always adopted the policy that the sheds should be built at a convenient distance to growers and we stuck to our guns and eventually, of course, the shed was built at Willbriggie and everybody was quite happy with the result. In the meantime, in the south, the Ricegrowers' Co-operative Mills had been building bulk storages down there because they maintained when they bought the Echuca Mill and already owned some storage that it was their prerogative to do so.17
Bowmaker and Mackellar did not wait for the RCM Annual Meeting to respond. Early in September, they wrote to *Irrigator*, describing Menzies Emery's accusations at Whitton about RCM being 'too small to control the industry' as 'poppycock'. Mackellar repeated that the four RCM mills operating possessed 180,000 tons of capacity while the crop was still only 130,000 tons. Meanwhile, RMB insisted upon giving ARI a quota of 27,000 tons, milled by the co-operative! RCM's turnover was $5 million per annum, it possessed assets of $5.35 million and had 1,348 shareholders, virtually every grower in the industry. The co-operative had persistently sought to secure a quota for all rice produced by shareholders on the MIA for its own mills:

However, the RMB has refused to give it the 20 per cent processed by Australian Rice Proprietary Limited at the expiration of its present contract. It is nonsense to propose building another mill at Whitton when the society has already more than enough milling capacity. ... If there was no RCM there would be no rice industry.18

In response, RMB revived the Whitton mill issue, seeking grower approval for the Stratton proposal.19 Hogan recalls:

One of the most interesting things to come up about that time was the suggestion by Strattons (or Clifford Love). Strattons had a rice milling complex at Cootamundra and they were suffering under a bit of hardship because they had to pay two freight rates from the Area to Cootamundra and then from Sydney to Cootamundra for the milled product and they were suffering about a £2 per ton disability. And so they came to the board with a proposition. They would start a milling operation in Whitton and they would then not have to cart their paddy to Cootamundra. Well this was supported by members of the board. In fact I supported it myself because by this time it was quite obvious that all the competition in the industry was being taken out of it because the Co-op Mills were gobbling up the private millers very fast and very quickly. And so the time would come when we might need a little competition to get greater efficiency into the industry than if it was taken over on a completely monopoly basis.

However, some members of the board didn't agree with Clifford Love setting up this milling operation in Whitton and it was finally opposed and they were told not to go ahead with it.

I think myself it was even today a wrong step because Clifford Love were the people who helped us with any costing that we ever got from any of the millers. ... Well, of course, it is past history now and our co-operative is running all the mills in the industry and sometimes I think it is good and sometimes I think it's bad. Nevertheless, we have got to put up with the situation as it is, of course, and greater co-operation between the board and the mill is always essential all the time.20

Then the 'Kooba question' again flared up after Hogan announced as a fait accompli that ricegrowers there would be granted an additional ten acres. Other farmers, he said, 'would suffer from this development by a decrease in available irrigation water', especially in the Baillie and Camarooka Districts and the Benerembah Irrigation District. Jack Woodside was a farmer in the Benerembah District. Putting aside the merits or otherwise of expanded ricegrowing at Kooba on economic or environmental grounds, the nicety remained that Hogan had made the announcement — not WCIC. The RGA Central Executive was outraged and so was WCIC. RICC 'recommended' acreage policy and WCIC decided; that was how the industry worked. What 'hat' was Hogan wearing when he made the Kooba announcement, the commission wanted to know; chairman of the board or chairman of RICC? Indeed, Hogan was obliged to publish a retraction stating that the Kooba announcement had 'embarrassed' WCIC and was simply a RICC resolution. 'The WCIC has of course complete authority in this matter and the recommendations have still to be considered by them'. In a retaliatory frame of mind, WCIC delayed confirmation of the extra acres at Kooba until the latest possible moment in the season and demanded that farmers benefiting from the bonus and extra water delivery should help finance a widening of the canal to make it possible. Certainly, the situation did nothing to improve relations between the rice industry and the commission but Kooba settlers got what they wanted and Hogan was seen to be instrumental in achieving this.21
The sniping continued. RGA Yanco branch members accused the co-operative of 'secretiveness', of holding meetings at a time 'inconvenient for growers' and of somehow being 'underhand'. Such accusations had RCM management and directors constantly 'on the back foot', creating a perception that the co-operative was 'reactive', conservative, and that RMB held the whip hand, keeping the 'miller' in line. Growers observed carefully, understanding that 'where there is smoke, there is fire'.

'Young' Ian Davidge, President of the RGA, November 1963

The strain of dealing with a revitalised RMB was telling on Alf Bowmaker. He was not well. The question of a successor arose and intensive lobbying was under way. The RGA Central Executive believed it crucial that Hogan, or one of his supporters, should not take the position. For his part, Noel Hogan understood that RGA was the real strength of the industry and that as RMB chairman and RICC chairman, he was ineligible for the position. RCM Vice Chairman Jack Woodside, already nursing the co-operative chair for the sick Mackellar, also appeared to be ineligible. Fred Bock, from Tullakool, was interested and capable, but deemed 'geographically unsuitable' for industry-specific political reasons. The incumbent vice president, Ian Davidge, clearly was capable but did he have the experience? Davidge knew rice farming; there was no problem on that front; and he possessed immense energy, intelligence and a golden tongue. Alf Bowmaker and Noel Hogan discussed the situation in a car parked outside Leeton Post Office (where much rice industry policy was planned) and the decision was made. In November 1963, Alf Bowmaker announced that he would be standing down and passing the chair to Ian Davidge.

Still in his early twenties, Ian Davidge had grown up on his family's 750 acre farm 'Bamarang' (Farm 1611), named after the south-coast town of his father's birth. Active in the Junior Farmer Movement, Davidge joined RGA in 1954 and was elected secretary of the Mirrool Branch in 1956, succeeding his father. In 1958, Davidge was elected delegate to the RGA Central Executive, serving also on the Irrigation Research Extension Committee (IREC). In 1960, after Charles' death, Ian was elected to the RCM board. Two years later, he was elected delegate to the National Farmers' Union and RICC. A highly intelligent, strategic thinker, Davidge was a gifted public speaker and had inherited the affability of his father and the organisational skills of his mother.

A primary aim of the RGA President-elect was to strengthen the association's membership in order to counter-balance RMB influence. Membership of the association was currently only about two-thirds of all growers (quite high by primary industry standards) and needed to expand. As ricegrowing extended into the CIA and throughout the Murray Valley, a fundamental shift in the industry's power-base was occurring. Davidge took the reins at precisely that moment when relations between the board and RCM were plunging to new depths, when Hogan, as chairman of RMB, finally decided that RCM Manager John Kellock was not 'supportive', indeed, was antipathetic. Recalling how 'horrified' he was by developments, Davidge said:

I really wonder how the whole thing survived. I had a very sharp learning curve. I was convinced that the future of the industry lay with the RCM and not the RMB and I was unashamedly and quite vigorously opposed to further power-grabbing by the RMB, which then under Noel Hogan was becoming quite a public and vocal organisation. Noel was continuantly in the press quoting his opinions. ... He made a number of overseas trips where he came back to be highly critical of RCM and really set himself up as the official opposition to whatever the co-operative did ... Noel would go away and talk to customers of ours and query them on all their complaints, and of course customers would complain, then he would come back and publicly air these complaints as examples of the mill's shortcomings. He would question mill expenditure. He would even go to the lengths of making public a light left burning in a store occupied by the mill as an example of the wastefulness which the mill managers and directors were guilty of. [He would draw attention] to anything he could see which could be turned into a political advantage to show the RCM were inferior operators and indeed needed to be directed in everything they did by the RMB. This became almost farcical and growers perceived it as being farcical when meetings were held and Noel got to his feet and launched into a lengthy and often very emotional outburst against the management of the co-operative.
As chairman of the RGA and director of RCM, I had to first of all keep the independence of the association fairly much straight down the line but at the same time not let the debate degenerate into a continual and unproductive diatribe against the co-operative. They were difficult days; meetings where Jack Woodside and Noel Hogan had shouting matches across the floor. … Noel used to bait him mercilessly.24

The stage was set for round two of the great RMB-RCM ‘donnybrook’.
Chapter 25

‘It is wrong to be pessimistic about production’, 1964

Rapid technological change

Acting on the storage mandate conferred by the Whitten meeting in September 1963, the Rice Marketing Board (RMB) accelerated its construction program. Board Manager Charles Dalton announced major new projects, doubling capacity. RMB was preparing to build the largest and most modern rice aeration plant in the Southern Hemisphere, at Griffith, he said, so ‘... tremendous an engineering program' that the board had employed its own engineer, Mr Campbell. The Griffith and Willbriggie installations were to proceed immediately, followed by a seed shed at Deniliquen and extensions were planned at Benerembah, Widgelli and Gogeldrie with bulk conversions soon to be completed at Whitten and Murrami. The Burraibo bulk storage would be expanded in addition to the Walsh transhipment complex on the CIA and there were also plans for weighbridges and other improvements at Yenda, Gogeldrie, Caldwell, Burraibo and Emery receival centres. RMB, Dalton said, would complete the conversion to bulk as quickly as possible and do away with hold-ups at delivery points for the convenience of growers. There was even an insinuation that past delays had been caused by RCM negligence. Growers were impressed and appreciative. Frank Whelan, then a young grower at South Whitton, recalls: 'No more bad backs, rice bags in the wet paddocks, snigging out in the rain and dark'. But Alf Bowmaker’s question remained: who shall pay?1

There were significant changes in industry personnel around this time. Bert Farley resigned from RMB and was replaced as government nominee by S G (Stan) Lanham, a close friend of Noel Hogan’s. Stan remembers the occasion of his appointment. He was following Bowmaker and Doug Mackellar up Kurrajong Avenue, the two men ignoring him, talking non-stop about how they would ‘do away with' RMB and making sure Stan could hear. It was not very encouraging for the new recruit but few knew then that Lanham held 11,000 shares in ARI.2

Death of Doug Mackellar

In late January 1964, Doug Mackellar of Farm 1714, died in Calvary Hospital, Wagga Wagga, at the relatively young age of sixty-seven. A service was held at St Peter’s Church of England, Leeton. The big chap’s favourite hymns, 'The Recessional' and 'Abide With Me', were sung. Many of the old survivors were there: Lois Grant, Alf Bowmaker, Chad Young; representatives of the cartel he helped to tame; Noel Hogan sat with RCM directors and executives; and they stood in silence as the casket, covered with the Union Jack, was carried away to a train for conveyance to the Northern Suburbs Crematorium in Sydney.3

Jack Woodside and Fred Bock

RCM Deputy Chairman John (Jack) Woodside replaced Mackellar as the co-operative’s chairman. We have already considered biographical detail of this wealthy pastoralist, ricegrower and businessman from the Boree Plain region of Benerembah District. It is important to note, however, in view of subsequent events, that Woodside believed the industry was strong because it was compact and tight and was personally opposed to rapid industry expansion. Inevitably, this would clash with RMB ambitions.

F A (Fred) Bock of Tullakool was appointed RCM deputy chairman. A Lutheran, Bock was one of the first growers in the Wakool District following the introduction of rice there in 1948. Born and raised on a farm in Birchip, Victoria (some reports say Camperdown, Victoria), Bock’s father, Bertram, was a plumber. In 1929 (some reports say 1917), Bertram, his wife Janet and the Bock children moved to Goolgowi near Griffith, purchasing a property. Fred served in the RAAF between 1942 and 1945. In 1942 he married Ann de Goolgowi. They had five children. Between 1946 and 1948 Bock share farmed at Wah Wah in the Carrathool area. In 1948, Fred drew a block in the first soldier settlement ballot for land on the Tullakool Irrigation Area in the Murray Valley: ‘Barakool'; where he was active in farm redesign for Tullakool soldier settlers, later helping resettle farmers at Whitten. He was secretary of the RGA Wakool Branch in 1952 and a member of the central executive. Bock was vice president of the association until 1958 when he was invited to fill a casual vacancy on the RCM board.
Bock's appointment as RCM deputy chairman was strategically important, helping to assuage southern doubts about the association and RCM-MIA 'cliques' within it, who allegedly regarded southerners as 'interlopers'.

**Attempts at reconciliation**

The new leaders, Ian Davidge of RGA and Jack Woodside of RCM, sought to identify issues upon which the association, the co-operative and the board agreed. There were some. For example, the continued import of American long-grain rice concerned everyone in the industry. In early 1964 RMB Chairman Noel Hogan announced that imports were worth about £100,000 annually and had to stop. The grain in question was Blue Bonnet 50, imported by Riviana Rice Mills Company of the United States and marketed, mainly in Victoria, by Neil Fuller and Sons Proprietary Limited under the 'Mahatma' brand name. Davidge and Woodside agreed with Hogan that the New South Wales industry should produce long-grain rice. Blue Bonnet was available as a stop-gap, but was a poor yielder relative to other varieties, unsuited to the Murray Valley and considerable grower resistance existed. Moreover, RCM doubted that Blue Bonnet surpluses could be exported, even to the United Kingdom, home of the 'rice pudding'. In addition, the inability of southern growers to participate in long-grain production might aggravate producers who already felt 'shut out'. A formula, offering incentives to grow long-grain while equalising returns across the industry needed to be found. The board, the association and the co-operative agreed that long-grain production should be supported by research, favourable seed supply and other incentives, including possibly a bonus and guaranteed prices. But how much should be produced, where, and who should decide? These key policy questions were not so easily answered.

In the spirit of reconciliation, Jack Woodside and Noel Hogan travelled together to Britain in June 1964, via Singapore and Italy, accompanied by RCM Export Manager Jack Rillstone. Some of the party went on to the United States. The purpose of this RCM-funded mission was market research, particularly the impact of Britain's planned entry into the EEC and a possible need to locate alternative markets. Still about 20,000 tons of Australian rice products went to Britain, but RCM's share of this was falling and, it appears, ARI was making headway in the lucrative market. So, too, was subsidised US rice.

While the mission was abroad, however, the co-operative and Clifford Love Proprietary Limited negotiated the sale of the Stratton Mill at Cootamundra and RCM's access to Love's extensive retail network. Whether Hogan heard of this while overseas is unknown, but it is clear that when he returned in late July, via California, he was ropable. RCM had effectively reduced RMB's customer list to one, the agency agreement with Love. Again, RMB's raison d'être was open to question.

Wrangling between the co-operative and the board resumed, now focused on the long-grain debate, with Woodside and Rillstone recommending caution in converting to long-grain varieties, arguing that sufficient high-priced markets did not exist in Britain to absorb surpluses and that production would require subsidisation through an incentive scheme. For his part, Hogan was saying that there would be '... no trouble at all' in disposing of the crop and that he would do whatever was necessary to promote long-grain production. Relations were further soured by false rumours that RMB, not RCM, had funded the chairman's recent trip to Europe, Asia and America. It was 'on' again.

'L' Plates for Davidge: The 1964 RGA Annual Conference

Intense 'back-room' lobbying attended preparation of the 1964 RGA Conference planned for Deniliquin at the end of August, the first outside the MIA. Ian Davidge and RCM supporters in the south, including Clive Holden, worked feverishly to enrol association members, particularly around the Deniliquin and Wakool areas, and to brief growers on association policies.

The four main issues discussed at Deniliquin were:

- improved co-operation between RMB and RCM;
- support for the association, particularly in southern areas;
- an industry position on continued ricegrowing on the CIA; and
• the relative merits of rapidly expanding acreage and production as opposed to 'orderly' planned expansion.

Someone had placed an 'L' plate next to Davidge's briefcase on the morning of the conference, almost certainly meant in good humour, but one could not be certain. The new president began by providing an overview of the industry, indicating a strong grasp of detail focused on where the growers' interest began: the farm. Davidge noted that profitability was slowing. There was evidence of a rising cost cycle, modest still, but indications were that it could accelerate because markets were changing. Caution was necessary, and the president cited examples:

• a successful Transport Workers Union campaign for improved rates;
• freight and shipping increases nullifying any benefits coming from export promotion;
• to shift a ton of Australian rice to Europe cost US$22 and from the United States to the same destination, US$10;
• US export subsidies under Public Law 480 were impacting on markets;
• American long-grain rice was cutting into 'Sunwhite' sales;
• the Americans had their eye on the important Okinawa market;
• a need to produce long-grain varieties existed, but not at the expense of Calrose, which was so important in Okinawa markets; and
• Blue Bonnet rice would probably not be acceptable in Britain.

For these reasons, Davidge argued, it was necessary to determine a sensible varietal mix for production and take a long-term view rather than go 'overboard' on long-grain varieties. He advocated a 'steady course' rather than a 'bull-at-a-gate' approach. The new president congratulated RMB for a smooth handling of receivals in the previous season and pointed to what he described as a successful overseas research trip:

This integration of efforts by the two organisations highlights a characteristic of the rice industry which makes it the envy of many other groups of primary producers. Although each of its component bodies maintains its independent line of action, at times with very forthright expression, their basic unity and mutual acceptance of each other ensures that the interests of the individual ricegrower are always kept in view.

Davidge concluded by noting the formation of a RGA District Committee at Caldwell in the south, which was '... a departure from established policy, but because of their isolation and problems restricted to that area the Committee's formation was deemed necessary by the central executive'. That was true but the Caldwell action, nevertheless, signalled mounting dissatisfaction with WCIC and RGA policies in parts of the Murray Valley.

Davidge's great intellectual gift and speaking skills were evident in his first delivery as president. But now the commotion began. Noel Hogan and other delegates, mainly from the Yanco Branch, catapulted into proceedings a series of motions directed at fundamental change to the RGA's constitution. A McCormack of the Yanco Branch moved, 'The Central Executive accept all conference motions as directed and limit the discretion of the Central Executive in the choice of association officers'. The motion was defeated. Then George Kayess, of the Yanco Branch, moved to '... have RCM directors and members of the RMB barred from the office of association president'. Ian Davidge was a director of RCM. That motion was also defeated. Kayess again moved, 'No mill director or board member should be permitted to represent the association on the Rice Industry Co-ordination Committee (RICC) or be president of the RGA'. Ross Simpson of the Mirrool Branch described the motion as '... narrow-minded, sniping and tending to divide the industry'. Chad Young said, 'It seems like petty jealousy'. M Cudmore said that if the motion succeeded, 'The RGA will lose some of its best brains'. The motion was defeated.

Woodside and Kayess then engaged in a sharp exchange following another Yanco Branch motion insinuating that RCM was not passing on all cash bonus to which growers were entitled under the RMB–RCM rebate agreement. 'Some of the money disappears', Kayess alleged. 'It is not seen by growers'. Woodside vehemently denied this. The co-operative, like any business, was required to make improvements while
providing for members' cash and debenture benefits. Conference participants strongly supported Woodside. Then Hogan moved that the 'immediate past president [Bowmaker] should be an ex-officio member of the Central Executive and a member of the "inner executive" within'. It is not clear what Hogan intended by this but it appears to have been designed to neutralise Bowmaker on the Central Executive through possibly the appointment of an RMB supporter in his stead or simply to draw attention to the idea of a Leeton ‘clique’ running everything. Certainly Hogan was keen to secure the position of RGA senior vice president and side-lining Bowmaker could help achieve this. The motion fuelled hot debate about an alleged MIA-oriented 'inner executive', allegedly opposed to permanent ricegrowing in the CIA or expanded production in the Murray Valley and was only defeated narrowly, 44 votes to 35.

Noel Hogan responded by criticising 'nervous Nellies', who preached restraint but were simply standing in the way of progress. The industry was at the cross roads, the RMB chairman said and '... it must go ahead or stagnate'. There were risks involved in expansion, certainly, but these were far outweighed by the benefits of planned growth. He was going to give the Americans a 'kick in the pants' and the way to do this was by making the Australian rice industry a '... factor in world rice trade'. Hogan wanted much more paddy production and the quick adoption of long-grain varieties, going so far as to advocate the wholesale replacement of varieties currently in use, by long-grain.

Seeking to apply the brake, the Mirrool Branch proposed a five-year review and assessment as a basis to determine policy on the expansion or otherwise of the industry in the immediate future, calling for an orderly approach to expansion which took into account all economic factors, including the industry's capacity to finance growth while retaining its democratic nature. The branch believed an over-extended industry would be vulnerable to sudden changes in market conditions, which market research suggested, was imminent. It was better to expand as the financial capacity of the industry permitted and keep things as equitable as possible and on an 'even keel'.

The issue of modest versus accelerated production was focused on the CIA where temporary ricegrowing permits were due to expire in 1966. RCM had given an undertaking to construct a mill at Coleambally in the event of WCIC granting permanent permits, but, CIA delegates wanted to know, were RCM and RGA making enough effort to support the CIA claim? There were ninety-two farms on the CIA, most struggling under extremely tough conditions. The whole project, like the MIA before it, had fallen foul of bureaucratic procrastination and complaints from dry-land farmers and academics about an alleged 'favouritism' shown by governments towards irrigators. A Coleambally Progress Association had formed to promote CIA development. Part of its strategy was to gain representation on all rice industry bodies and in line with this J McInnes demanded CIA representation on RICC. Paul Smith argued that the Central Executive should consist of one delegate for every fifty members and not be 'arbitrarily allocated' on the basis of five each for Mirrool and Yanco and two from Wakool and Deniliquin. The motion was defeated, only CIA delegates supporting it.

The industry simply could not make up its mind about permanent ricegrowing at Coleambally with many MIA and Murray Valley ricegrowers, as noted earlier, concerned at the possible impact of huge CIA production upon their own profitability, quotas and farm values. Neither was there any indication that the minister would change his mind and permit permanent ricegrowing in the Area. Indeed, most outside the CIA hoped he would not.

For their part, CIA delegates saw the Mirrool Branch's advocacy of an 'even keel' as simply a tactic to maintain a status quo favourable to established growers. Some claimed they were being treated like 'second class citizens'. Ross Simpson, for example, said it was necessary for '... older growers to make up their minds whether they welcomed the CIA or not. We can't keep turning a blind eye to the Area'. Davidge agreed that the industry was at two minds about the CIA, but there were real doubts about water supply and the lack of suitable soil types. G Barber of the Mirrool Branch reminded delegates that the industry could only grow as large as the water supply permitted. M Cudmore insisted that a sensible five-year plan was necessary. Finally the conference decided to form a committee with Noel Hogan, chair, and John Kellock, secretary, to look into the whole question of ricegrowing on the CIA. The antipathy
between these two men was by now, palpable. 'I am not sure if we can look ahead five
years, but I could make available "certain information,“ Kellock remarked,
guardedly.\textsuperscript{11}

The first RGA conference outside the MIA was a turbulent affair. Nevertheless, it did
reaffirm broad industry support, if not for all association policies, at least for the
prevailing industry structure. Closing proceedings, observing with wit an irony how
couraging it was to note ‘unambiguous support’ for RGA policies and structure, Ian
Davidge said he could now take the ‘L’ plate off his briefcase. But no one expected that
to be the end of it. The vexed questions of accelerated or steady expansion, permanent
ricegrowing on the CIA and southern dissent would not go away quickly.\textsuperscript{12}

\textbf{A customer list of one}

Soon after the Deniliquin conference, RCM officially announced that it had bought the
assets of Stratton and Son Proprietary Limited and that plant from its Cootamundra
mill would be transferred to Leeton. From November 1964, all rice grown on the MIA
would be milled in RCM’s Leeton, Griffith and Yenda mills and paddy from the
Murray Valley, as previously, would be milled at Echuca. Meanwhile not wanting to
allow ARI the opportunity to steal a march on them, RCM executives made inquiries
about land for a mill at Coleambally in the event that WCIC did decide to continue
ricegrowing there. Indeed, at this time RCM and ARI were negotiating the possibility
of the latter exchanging its (15,000 ton) quota for a ‘sales agency’ allowing ARI access
to the ‘Sunwhite’ brand and RCM access to ARI’s distribution network. Hogan was
bitterly opposed understanding that such an arrangement would do away with the
board’s remaining proprietary customer, ostensibly diminishing competition while
highlighting problems with the RMB’s \textit{raison d’être}. As negotiations with ARI
proceeded, Jack Woodside learned that representatives of that company were moving
about the CIA seeking support for an ARI mill there. It was ridiculous, Woodside said,
that millers who were selling one mill to RCM in exchange for growers’ money should
now be seeking to re-enter the industry, which represented nothing less than a threat
to the co-operative in the guise of competition. The ARI had no money in the industry
and was not entitled to a paddy quota. ARI should accept milled rice from RCM for
marketing ‘in the same way as Clifford Love’. Not surprisingly, talks between RCM
and ARI stalled. To what extent RMB personnel were involved in this, if at all, is
unknown.

The fact was the old cartel was disintegrating. In late 1964, Clifford Love Proprietary
Limited was taken over by Corn Products Company [USA]. Noting this at a Yanco
Branch meeting, Frank Walsh, a recently retired RMB member, called upon the board
to construct a mill and ‘… enter into competition with RCM if the necessity for a mill
at Coleambally becomes a reality’. Walsh said that while he admired the co-operative,
now that Clifford Love had been taken over, it was necessary to re-introduce
competition to avoid a ‘monopoly’ situation. A mill controlled by outside interests was
to be avoided, but an RMB mill ‘… would return every penny of profit back to the
growers’. The insinuation was that RCM was not already doing this.\textsuperscript{13}

Animated debate followed. Some thought the idea foolish on economic grounds;
others that it exceeded the board’s powers; still others that it was merely another
attempt to subvert the co-operative, that already sufficient democratic checks and
balances existed in the industry to avoid any possible ‘monopoly’ situation. The Walsh
motion lapsed.\textsuperscript{14}

Noel Hogan used the occasion to announce plans for massive expansion of what he
now called the ‘Australian rice industry’, a reference to ARI’s continuing efforts to
produce rice elsewhere in Australia and his personal vision of a Federal Rice
Marketing Board. The chairman drew attention with pleasure to the fact that the board
now had a member from the CIA, N W Dwyer, who would support his push for
expansion in the interests of Coleambally constituents.\textsuperscript{15}

RCM Chairman Woodside countered that expansion for expansion’s sake simply to
make the industry big enough to be a factor in world rice trading was misguided:

\begin{center}
\textit{I think one of the secrets of success of our industry has been the fact of us being a}
\textit{close-knit compact unit which we ourselves have been able to control for our}
\textit{own benefit. Expansions that have already taken place have been gradual and}
\textit{thus have been able to be absorbed. However, it is fair to say that any expansion}
\end{center}
either in the past or in the future must be at the expense of returns to the grower.\textsuperscript{16}

Woodside said that the world market outlook was ‘... not as bright as some were suggesting’ and that one would have to be a ‘Mandrake’ to predict markets with any confidence. It would be reckless to expand production to the point where low prices available overseas made the industry unprofitable, and better to move prudently on rice and diversify into other fields of production.

It was against this background that the co-operative made an expensive mistake: deciding to enter cotton production.

**RCM and cotton**

Doug Mackellar said at the 1963 RCM Annual Conference that the rice industry’s economic position could become ‘very shaky’ when production reached 150,000 tons. It was already 133,000 tons. If RCM milling capacity was unable to keep up with production, he believed RMB would use this as a pretext to manipulate quotas, benefiting competitors. Rice over-production could be avoided, he thought, if irrigators had a viable alternative, particularly when Blowering Dam opened in the late 1960s. The co-operative also had to be ready and able to respond to the granting of permanent ricegrowing rights on the CIA, otherwise ARI would be ‘... in like a flash’.

In the event of that happening, the co-operative needed a fall-back position. Safflower, soy bean and cotton production were considered. After he became RCM chairman in 1964 following Mackellar’s death, Jack Woodside retained an interest in cotton.\textsuperscript{17}

This had first been spawned in 1962, when a young English scientist, James Saunt, cultivated a one acre plot of cotton at the CSIRO Research Station at Griffith. Saunt estimated that a further five years of research was necessary before it could be concluded with any certainty that cotton could be grown commercially in the region. CSIRO, however, and the Department of Agriculture, sensitive to criticisms of ricegrowing on unsuitable soils, encouraged Riverina farmers to consider cotton as a possible alternative. That cotton had never been grown in the Riverina, or at that latitude anywhere in the world on a commercial basis, did not daunt advisers. Indeed, the perception was created that cotton could be a suitable cash crop replacement for rice and a safeguard for growers when Blowering Dam water opened up thousands of new acres suitable for rice. Cotton production used less water; two-acre feet per ton as opposed to five-acre feet per ton for rice. Already, cotton enthusiasts argued, rice production consumed 140,000 acre-feet of the 300,000 acre-feet supplied to the whole of the MIA.\textsuperscript{18}

By 1964, some MIA growers were experimenting with cotton, particularly on Kooba Station. CSIRO Director of the Irrigation Laboratory E R (Eric) Hoare was predicting that farmers would realise better returns from cotton than from rice, especially on the CIA. Noel Hogan was strongly opposed, saying cotton was ‘risky’ and ‘... not as rosy as everyone thinks’. Ian Davidge was also uncertain arguing that it was premature to invest in infrastructure when no industry existed. But after enthusiasts argued convincingly in the RCM board room that construction of a cotton gin was a prerequisite to an industry, Davidge fell into line, bound by directors’ rules to support majority opinion.\textsuperscript{19}

In October 1964, the RCM Constitution was altered to permit a Cotton Division. A finance plan was organised. Alex Middleton, an Aberdeen Scot and manager of RCM’s Griffith Store, was transferred to the project. A cotton gin valued at £130,000 was brought from Alabama and installed at Darlington Point. A further £260,000 was invested in a cotton seed plant. CSIRO Director Hoare said he was surprised by the haste of construction, adding, ‘I thought growers would wait longer to study the crop before putting their money in it’. About fifty ricegrowers took shares in RCM’s Cotton Division. It all happened very quickly. Jack Woodside described the cotton project as a ‘crash program’, predicting 10,000 to 12,000 acres of cotton by 1965 and more in the Murray Valley and ‘other southern settlements’, subsequently.\textsuperscript{20}

Prospects for cotton seemed bright enough in 1965 when a large crowd watched Minister for Conservation George Enticknap press a button to set the gin running. Investors from Narrandera had taken an interest and by now about sixty growers were involved, mostly on Kooba Station but a few on the CIA. A cotton ‘boom’ seemed likely. Growers were already realising £50 per acre from cotton!
But it was not to be. By 1966, 31,245 acres had been dedicated to cotton in ricegrowing areas including the MIA and Districts. However, crops were subject to high insect activity, disease and varietal problems, requiring expensive weekly spraying of insecticides. Moreover, rice remained profitable, weakening the incentive to convert to cotton. By 1967, when cotton acreage had fallen to 27,500 acres, the federal government decided to phase out a bounty designed to assist the industry’s development. Producers faced a ‘moment of truth’.21

By 1968 it was apparent that the RCM cotton initiative was faltering. A few growers, including Jack Woodside, persevered but only about 1,000 acres were now put to cotton and the Darlington Point gin was badly under-utilised. It was obvious, too, that the industry’s profitability was dependent upon a resumption of the lapsed bounty. Moreover, as yields declined it became apparent that varieties in use were not suitable in southern regions. By 1969, only twenty-four growers were cultivating cotton in ricegrowing regions and supply greatly exceeded demand. Finally the gin was sold to interests in Papua–New Guinea for $40,000, representing a big loss.22

The experience, which chastened RCM directors, provided the co-operative's detractors with much ammunition.
Chapter 26

‘The industry must make up its mind’:
Acreage, Production and Coleambally, 1965

Introduction
In 1964 and 1965, RMB Chairman Noel Hogan sought to expand rice production in Australia and make it a ‘factor’ in world markets. He had changed his mind about the Coleambally Irrigation Area (CIA) and now believed that permanent ricegrowing there was warranted. But RCM Chairman Jack Woodside remained opposed, arguing that expansion for expansion’s sake was not economically sensible, nor were markets as ‘bright’ as Hogan claimed. Hogan found support around Whitton, on Kooba Station, the CIA and in parts of the Murray Valley where farmers sought additional acres for rice production, improved industry representation and access to the rice industry. The key opinion in this debate, however, was not that of the board or the co-operative, but that of new Minister for Conservation Jack Beale in a newly elected Liberal–Country Party Coalition, ending almost twenty-five years of Labor rule. It was Beale who would finally decide on RICC recommendations in respect of the water resource he controlled. Big changes were imminent.

Growing misunderstanding
The year began with the now customary spirited debate on industry policy at a February meeting of the RGA Yanco Branch at Whitton where Noel Hogan presented his Chairman’s Report. The matter of overseas visits was again raised. To critics, George Kayess replied that, as RGA could not afford to send delegates, (indeed, notwithstanding Ian Davidge’s best efforts, still only about 70 per cent of growers were affiliated), it was proper that Hogan should go, no matter what ‘hat’ he was wearing. Someone had to attend those meetings and report back to growers.1

In April the chairman again left for Rome, via Beirut, to attend a meeting of the FAO Rice Consultants Sub-Committee, RMB Manager Charles Dalton describing the visit as ‘... an indication of the growing importance of one of Australia’s most efficient industries which exports 75 per cent of its production [and] particularly useful in the light of continued record harvests’. RCM also sent Export Manager J Rillstone on an independent mission investigating Spanish, American and Thai competition as it was by now clear that the important Okinawa market had definitely been targeted by US exporters.2

‘You are playing with dynamite’: the 1965 RGA Conference
The 1965 RGA conference was a huge affair. Held in Griffith in August, over 800 delegates from the Mirrool, Yanco, Deniliquin, Wakool and Coleambally Branches and other producing areas attended. Only 771 members were actually enrolled with the association: Mirrool 245, Yanco 225, CIA 154, Wakool 98, and Deniliquin 89 members. Key issues were:

• evidence of increasing costs and changing markets;
• permissible acreages;
• aggregation of farms to viable size;
• geographic spread of the industry;
• permanent ricegrowing on the CIA.3

Delivering the Presidential Address, Ian Davidge said that if the commonwealth government were serious about an export drive it should move to lower freight and shipping charges to enhance Australian competitiveness. Some were advocating subsidies to assist exports, but Davidge wanted only to ‘... retain markets and production in some form of ratio as price support’ schemes can lead to over-production'. Over-production could harm ‘prudent' industry development and the location of markets where prices justified production costs and capital expenditure. Certainly overseas markets existed at the moment, but prices were becoming increasingly unpredictable and he repeated his warning; in calling for massively increased ricegrowing acreages growers were ‘playing with dynamite’.

Many disagreed. Pressure for additional rice acres and priority in the ‘chronological list’ (a queue of farmers seeking orderly entry to the industry) was building to
bursting point. F O'Connell, of Whitton, sparked lively debate by repeating calls for an additional ten acres on a subdivision at Kooba Station, lifting the total to sixty acres. Keith Irvine moved an amendment that Denimein farms in the Murray Valley should be built up to fifty acres of rice before farms in other areas were added to. Others argued that everyone should receive an extra ten acres. Still others claimed that if anyone were to receive extra acres it should be large-area farmers for they were in a position to adopt optimum rotation cycles. Coleambally delegates demanded that the matter of permanent ricegrowing on the CIA should be settled before anything else. Noting a WCIC edict that permanent ricegrowing on the CIA would be permitted only if Irrigation Districts associated with the MIA were prepared to forego additional rice acres, George Kayess said he hoped the government would increase CIA farm sizes to a degree where they would not be reliant upon rice. Mr J G (Joe) Casserby, of Griffith, added, 'We love Coleambally but I don't think we can vote for something that is going to hit the established Districts and the MIA'. CIA delegates countered that markets existed to absorb CIA production: the RMB chairman had said so; so why not produce? Markets were not quite as 'rosy' as Hogan made out, other delegates replied, and there were doubts about the suitability of soils on the CIA for ricegrowing. If water tables rose, the whole industry would be blamed. Conference participants decided that the question of permanent ricegrowing on the CIA should be referred to the branches.4

It was messy, the RGA Central Executive straining to keep the brakes on production until the CIA question was resolved, a matter out of its hands. If the minister granted additional rice acres at Coleambally, but not on a permanent basis, the industry would be obliged to finance the necessary infrastructures in order to pre-empt any ARI move, exposing the co-operative to losses if rice were phased out, possibly for environmental reasons. On the other hand, if RGA did not appear to be positive about permanent ricegrowing on the CIA, disaffected growers might take independent action, turning to proprietary interests or some other rival. Murray Valley growers might join them. It was important therefore that the CIA be made to feel 'included'. Alf Bowmaker achieved this by successfully moving that the CIA become part of the association's 'northern zone', arguing that Coleambally had problems different from those in the Murray Valley, around Deniliquin, Wakool, Finley and Berriquin, and that these were better addressed through identification with the MIA. Indeed, many farming families on the CIA were originally from the MIA. In a further vote of confidence, RGA's Articles of Association were amended permitting three CIA delegates to enter the Central Executive.5

**WCIC and Coleambally**

Intense lobbying of the new Minister for Conservation Jack Beale began. Members of the RGA Central Executive made several trips to Sydney, briefing him on various options representing the many currents of opinion circulating the industry. Presumably, RMB officials and RICC Chairman Noel Hogan were also advising Beale.6

In November, the minister reaffirmed that ricegrowing on the CIA would be on a temporary basis and that the phase-out would commence in 1966. Permanent ricegrowing at Coleambally had never been intended, he said, since 'ricegrowing was permitted on lands which are unsuitable for permanent ricegrowing because of soil and underlying conditions'. The minister, however, agreed with RMB that markets existed in terms of volume while diplomatically conceding to the RGA Central Executive reservations about the impact of substantial production increases on average prices. Established growers could adjust to this but new growers, especially on the CIA where raw conditions existed, could be destroyed by falling prices at a critical stage in its development. Significantly, Beale also noted RGA reservations about the impact of permanent ricegrowing on the CIA in respect of water allocations elsewhere, especially the Murray Valley. Clearly, the inter-valley contest for water was intensifying.7

Nevertheless, the minister did agree to an additional ten acres for rice on 100 farms in Kooba Station, accepting a RGA Central Executive submission supported by the Primary Producers Union, the United Farmers' and Woolgrowers' Association and, in particular, George Kayess, who was 'most keen' about rice at Kooba and had made several trips to Sydney to argue the case.8
Beale also approved funds for the construction of Coleambally Town whereupon the State Planning Authority began planning for a settlement of 2,000, to be constructed on 1,000 acres released by State Forests and WCIC. This was to comprise local government buildings, two churches, a masonic lodge, a hotel, business and industry precincts, a high school (extending the existing primary school) and housing for employees and settlers. Immediately the CIA Progress Association broadcast widely RCM’s promise to build a mill on the Area in the event of permanent ricegrowing being permitted, seeking to forge a link between the town’s viability and construction of such a mill. Whilst acknowledging that RCM had given such an undertaking, Minister Beale was still reluctant to allow permanent ricegrowing there because of stiffening opposition to further irrigated water use. Moreover, the situation was politically sensitive. As for RCM, the co-operative needed to be financially ready to act swiftly in the event of the minister changing his mind so as to stay abreast of RMB’s drive for greater production.9

RCM sought to break the impasse. After CIA shareholders argued that ‘pre-Blowering Dam’ farms should continue ricegrowing at least until the dam was completed, Jack Woodside endorsed calls for permanent ricegrowing rights for 194 growers already producing paddy on the CIA, in order, he said, to meet current export demand. But, Woodside added that RCM support for permanent ricegrowing on the CIA was contingent upon government assistance with freight, transport and port costs. It was unreasonable, he said, to expect the industry to absorb these costs if this was the price for supporting Coleambally. The co-operative was already retaining as much capital from distribution as was permitted by The Co-operation Act and borrowing more, simply to fund current growth. The CIA question must be resolved quickly to end uncertainty.10

Later, the Noel Hogan led RICC recommended to WCIC that permanent ricegrowing rights be extended to established CIA growers and permission for temporary ricegrowing be issued to new settlers to help them ‘on their feet’. But the commission vacillated, sensitive to strong currents of public opinion running against irrigation and this is a good point to pause to consider this.

Attacks on irrigation

In 1963, Sydney University’s Current Affairs Bulletin attacked what it described as ‘subsidised’ public irrigation works, calling for an urgent inquiry before any further work proceed on the CIA or Blowering Dam. Academics involved included Senior Lecturer in Economics Mr Gates, Dean of the Faculty of Agricultural Science Professor J R McMillan, and Senior Lecturer in Agricultural-Economics B R (Bruce) Davidson. Obliged to respond, WCIC mourned a fact-finding exercise involving IREC Chairman V C Williams and Secretary A J (Al) Grassby. Irrigation projects were put on hold while the inquiry proceeded.11

At a public meeting in Darlington Point to discuss the criticisms of irrigation in March 1964, Al Grassby argued that while less than 1 per cent of Australia was irrigated, irrigation areas accounted for 25 per cent of all Australian primary production. Approximately £120 million had been invested in all national irrigation systems since their inception and these now produced £130 million annually. Those in academic and banking circles, who were condemning irrigation as a waste of money and arguing that rice production was better left to the ‘third world’, Grassby declared, should provide ‘… constructive, factual, documented criticism so that irrigationists could answer specific questions rather than damaging unsubstantiated comments'. Coleambally was:

The new capital of the largest land settlement scheme in Australia made possible by the additional waters for irrigation created by the Snowy Mountains Scheme. It is the frontier in the battle for western development which has been well and truly joined in the last decade. The prize for victory is the acquisition of the ... nation's newest city and added production to the Riverina valued at up to £20 million a year. ... The great push gathers momentum.12

If banks were worried about investments in irrigation, Grassby continued, they should clearly state the nature of their concerns and governments should spell out policies so that everyone could understand. Similarly, the Australian Primary Producers Union, the Graziers' Association and the United Farmers and Wool Growers should declare
their positions unequivocally, either for or against irrigation on the CIA, for it was unfair to communities, established or developing, whose livelihood depended upon irrigation, to keep carping about the water they used and the systems of delivery. Already the rice industry alone was worth £15 million annually to the Riverina and whole communities could not survive without it. 'Get behind the irrigators or declare your opposition!', the effervescent Grassby said.\textsuperscript{13}

Criticism of irrigation continued. In 1965, for example, a secondary school geography book, produced by Edgar Ford and Brock Rowe, attacked both irrigation and the rice industry, claiming that they were bad for the soil and uneconomic. Grassby (now Labor Member for the state seat of Murrumbidgee) bitterly attacked the book in parliament, demanding its withdrawal from schools. The outcome is unknown.\textsuperscript{14}

Early in 1966, during an acute water shortage, a lively press debate focused on irrigation. For example, Emil E Albert, a wheatgrower from the Barellan district claimed that Australia could not afford to grow rice, that water was too precious, and that ricegrowing lost too much water to evaporation, arguing that 10,000 acres of paddy fields represented a loss of one million acre feet to evaporation, enough to produce two million acres of wheat in dry areas west of the Lachlan River. Ricegrowers, paying £10 per acre for water, were getting it 'too cheap' and ricegrowing should be phased out in preference to wheat growing.\textsuperscript{15}

A constant critic was Sydney University Senior Lecturer Bruce Davidson, author of *The Northern Myth*. A study of the MIA, which he had conducted, indicated a 4.5 per cent return on total capital (farmers' and state) invested in the scheme, which compared with an 8 per cent return on capital invested in the Australian wheat and sheep belt. Resources used in the development of the MIA, Davidson argued, could have been ‘... used in some other section of the Australian economy and produced the same returns in the form of secondary benefits as had been obtained on the Murrumbidgee'. The academic claimed that irrigation had not prevented sheep losses on the MIA in the drought of the early 1940s and that fodder produced on the Areas was '... one of the most expensive fodders available'. WCIC had estimated that 278,000 acres of irrigated land in New South Wales produced commodities valued at £28 million in 1964/65 and that total Australian primary production in irrigation Areas and Districts equalled 11 per cent of the total, not the 25 per cent Al Grassby claimed. The price farmers paid for water, Davidson continued, was sufficient only to cover the maintenance and operating costs of the scheme, not interest on capital invested. He went further, alleging that irrigation farmers were subsidised to the degree that they were charged for water '... at a cost which excludes any interest on the capital invested in reservoirs needed to supply the water'. Dams were 'monuments to public folly, he said, and rice, sugar, cotton, butter fat and dried fruits '... receive a subsidy in the form of a home support price which is higher than the import parity price for their products'. The nation's economy, he claimed, would benefit more from development of wheat and sheep industries in Western Australia and Queensland than 'investing capital in new irrigation schemes'.\textsuperscript{16}

Naturally, state and federal governments could not ignore such swingeing criticism. In the New South Wales Parliament, Jack Hallam (MLC, Labor), a rice farmer from Beelbangera on the MIA, and Al Grassby, strongly defended irrigators and challenged the reliability of Davidson's findings, Hallam asking:

> Would you, Sir, prefer a return of 4.5 per cent from an income of £26 million which is the approximate gross return of produce from the MIA under irrigation, or 8 per cent of £2 million which might be the return from the same area under sheep and wheat on a dry area basis?

Hallam described Davidson's comparisons as 'distorted and misleading'. It was nonsensical to claim that MIA sheep losses in the 1940s were as bad as in dry areas — they were negligible by comparison.\textsuperscript{17} Grassby defended the CIA as Australia's 'greatest irrigation project' and Coleambally was the 'town of tomorrow', to which parliamentary critics countered that the CIA was 'doomed', a relic from a bygone era of closer settlement, and attacked the commission and the government for even attempting it.\textsuperscript{18}

Observing the intensity of these debates, WCIC reaffirmed:
The clause in the agreement with Coleambally farmers limiting water availability after a specified period for special purposes, that is rice, is to be strictly enforced. Farmers in this area must prepare themselves for a period when ricegrowing will not be permitted.19

A 'sharp clash'

As the matter of permanent CIA rice production continued to be debated, Jack Woodside sought to safeguard RCM's position. At a Whitton meeting of the RGA Yanco Branch early in 1966, he put the burning question to Noel Hogan. 'Why is Australian Rice Proprietary Limited still being given a rice quota?' (ARI's 15,000 ton RMB quota was still being processed by RCM and sold under the 'Sunwhite' label.) 'Is it because the ARI cannot shift its own brand?' He warned Hogan of the dangers of giving a quota to millers '... who have neither interest nor equity in the ricegrowing industry', saying that rivals should purchase rice from the co-operative on a wholesale basis for distribution to approved markets at approved prices. Already there was evidence of ARI price-cutting in UK and PNG markets. Marked increases in production costs were noticeable while RMB continued to urge greater and greater volumes and encourage competition, resulting in price cutting. It did not make sense.

Hogan was well prepared for what Irrigator described as a 'sharp clash'.20 There were four reasons for the board granting a quota to the ARI. First, the federal government was discussing a bill to control monopolies and restrictive trade practices (The Trades Practices Act) and the board was deeply aware of its responsibilities in this regard. If quotas were not given to other millers, RCM would have a '... monopoly to the detriment of the industry as a whole'. Moreover, Australian Rice Proprietary Limited 'has been of service to the industry for a great number of years and continues to be'. Contrary to allegations of price cutting, Hogan continued, 'Australian Rice Proprietary Limited pays the same price for rice [and] in several instances has obtained higher prices'. Finally, the chairman said, 'Competition between millers is essential to the industry because it benefits growers'. Rod McCleary, a grower member, added that, 'From my point of view and the board's, there is a lack of trust in the mill. Mill business is open and shut so far as the RMB is concerned'. A voice added, 'More shut than open, I would suggest'. Stan Lanham, an RMB government nominee (and ARI shareholder), agreed with Hogan that it was not in the interests of growers to have only one selling outlet. Board members, Menzies Emery and Tom Holden, both defended the ARI quota, arguing that, '... not all rice was grown by RCM shareholders'. That was true, but a moot point since 95 per cent of all ricegrowers were members of the co-operative.21

Woodside had another card to play: Hogan's much loved Equity Certificate Scheme. As production climbed, acreages increased and were spread over a wider geographical area, and, as growers entered and left the industry, the scheme was producing anomalies in its capital position. Hogan acknowledged this. Up to thirty-six growers were retiring from the industry annually and each had to be paid out. The scheme's failure to pay interest was also a source of disquiet. Indeed, a joint RGA–National Farmers Union Committee had formed to look into this question. Under such circumstances, Woodside argued, was it fair to levy growers more to finance RMB's ambitious, expansionary program? Was not the Equity Scheme in itself, ironically, a brake on RMB production targets?22

In the ensuing months a compromise plan seems to have been devised in the RGA Central Executive. No details have come to hand, but it appears that RGA agreed to a raising of the Equity Certificate Scheme ceiling for both new and established growers in exchange for an RMB undertaking that certificates would bear interest. Within weeks of an announcement along these lines, Charles Dalton signalled a 'tapering off' of the board's storage construction program. Indeed, RMB entered something of a construction 'holiday' for the next five years while record harvests continued to be brought in.23

There is no doubt that RMB was coming under closer grower scrutiny at this time, especially the Equity Scheme. Indeed, with proprietary millers effectively brought to heel, many saw the board as an anachronism. On the other hand, with the federal government investigating monopolies, no-one was bold enough to seek the board's abolition — not yet. Nevertheless, more growers were coming to believe that the board's functions could be amalgamated productively with those of the co-operative...
and association. Certainly, the board’s delegated statutory acquisition power provided coherent receipt, milling and marketing arrangements but perhaps RGA and RCM might administer these without the board, thereby reducing industry operational costs? The Millers' Association had presaged such an arrangement when offering a set 'floor price' profit-share deal in the 1950s: growers and millers could co-operate, especially when the mill was grower-owned. Certainly L M Jones, editor of the Griffith-based Area News, believed so, broadcasting that RMB was costly to maintain, an unnecessary expense to growers, seemed not to do what it claimed to do, and 'Mr Dalton would be well advised to solve the mystery of how, according to the chairman of RCM, two rice consignments were bought back by it at £2 per ton below the agreed cost'. Jones was opposed to statutory boards in principle, believing they lacked the necessary 'marketing edge'. Why should growers' rice be sold under agreed prices, anyway, the editor asked, if 'competition' really existed why wasn't the market allowed to set the price?24

The first cool breezes of deregulation rifled across the paddy fields.25
Chapter 27
The Dawning of the Age of Aquarius:
Water Policy, 1966

Introduction
The year 1966 was decreed by the United Nations to be the International Year of Rice. The Rice Marketing Board (RMB) was determined that the New South Wales industry should play its part. At the same time, increased water charges and expanded rice acreages saw growers striving to improve yields and lift production as escalating costs, market volatility, flat returns and intensifying competition for water heralded new concerns. Against this fluctuating backdrop, a contest for ascendancy in industry policy setting continued while WCIC, specifically Minister for Conservation Jack Beale, waved a 'magic wand' in respect of water supply and permissible land use.

Increased water charges
Farmers were worried in late 1965. A bad drought was worsening. At Darlington Point it was possible to ride a bicycle across the Murrumbidgee River. Rice was growing well but the water flow was so weak that some Detheridge Wheels had stopped turning. The crop was at risk. Then, out of the blue, Jack Beale announced big increases in water charges; more than 18 per cent in some cases; retrospective to the commencement of the irrigation season. The retrospectivity particularly angered growers since they had already made budget decisions and the unexpected impost would be an additional financial burden until returns began arriving later in the year.1

An angry meeting was held in Leeton at which Noel Hogan and Ian Davidge spoke. Hogan gave a solid speech laden with figures suggesting that the increase would cost rice farmers £100,000 annually and add £1 per ton to production costs. Davidge said the price hike was nothing less than a 'money grab', which would impact badly on farmer profitability while costs rose and the federal government continued to urge an improved export performance from primary producers. A water-rates impost and an export drive were incompatible, he argued. There was plenty of talk about introducing 'more competition' into the industry, Davidge continued, but if ricegrowers were expected to improve their performance, so too should 'marketers', including WCIC. Water sales for rice production equalled one quarter of the entire commission's income. In 1963–64 for example, the commission had taken £413,601 from the MIA alone in water charges, yet it was incapable of releasing enough water when required. 'The system is not sensitive and flexible enough to maintain an adequate relationship between supplier and the demand. The WCIC could be improved with competition and better management practices', the RGA President concluded.2

Here was a turnaround! Everyone had been telling ricegrowers what to do. Now the RMB chairman and RGA president were telling the water chiefs, 'get your own house in order'.

In state parliament, Al Grassby harangued Beale on the water price issue. A deputation to the minister was organised, headed by Grassby and including Noel Hogan, C McCleary, George Kayess and Ian Davidge. The party had planned to charter a plane and fly to Sydney to have it out with Beale but the plane developed engine trouble and so the party had to travel by road; five men jammed into a car on a hot 800 mile return journey to the capital for a ninety minute meeting with the minister.3

Beale would not budge. The system was ageing, he said, maintenance costs were escalating and ricegrowers and other irrigators were constantly demanding additional services. There was need for detailed research into rising water tables and salinity. This required funding. The Irrigation Areas and the Districts were subsidised by the state, the minister said, taking a leaf from Bruce Davidson's thesis, and '... the gap between expenditure and income must be reduced'. The increase would add at most five shillings to the production costs of a ton of paddy, which was returning £28 per ton; not an additional £1 as was claimed by RMB and others. There was no point in conducting a water charges inquiry, Beale said, but, as a Christmas present, the minister would look into the possibility of releasing additional water. Weary and
disgruntled, the delegation returned to a baking hot MIA late on Christmas Eve to join their families.4

Whilst Beale kept his word and a few days later more water was released, there was no doubting now that water pricing and water policy had become hot political issues.5

**Jousting for leadership**

Ian Davidge had won a Churchill Scholarship and was about to leave for an extended study tour in the United States. He would be out of the country until October 1966. At a farewell in the Hydro Hotel, Noel Hogan made it clear that while the RGA president was away, he, as chairman of RMB, would provide the industry with the leadership it required. There were two major issues facing the industry, Hogan said, water charges and increased production. As to the first, the chairman planned a Supreme Court injunction preventing WCIC from charging retrospectively for additional irrigation water. He referred to figures suggesting that WCIC would 'reap a windfall' from this, demanded consumer representation on the commission and urged formation of a Water Users Association of New South Wales. As for production, he said, 'The brakes must come off'. This was the International Year of Rice and Australian rice must make a contribution to a 'hungry world'. The 'prudent' policy of ignoring markets where prices did not justify production costs was unacceptable simply because it spoiled goodwill. Such an attitude put markets at risk and created an impression that the industry could not meet market demand. A second shipment of rice to Okinawa, for example, had recently been aborted because RCM claimed prices did not warrant capital expenditure in milling equipment. The co-operative was treating the Hong Kong market in the same way, the chairman said, and this had to stop. One of the first things RMB would do after Davidge left would be to call a meeting with RGA and 'solve these problems'. He ended with a double-edged compliment. 'The Australian rice industry could not be represented by a better man,' he said. 'I am sure Ian will return to Australia better equipped to lead the industry'.6

Davidge replied that he was 'humbled' by the privilege of his good fortune, adding, with characteristic irony and good humour that he regretted leaving behind '... weighty problems' requiring such 'immediate attention' in his absence.7

After Minister Beale again refused to reconsider the water price increases, Hogan, as chairman of RICC, called a meeting at Whitton to seek support for an injunction to stop WCIC’s retrospective impost. The RGA Central Executive, specifically Senior Vice President Alf Bowmaker, complained that calling such a meeting was a proper function of the association. The Deniliquin Branch had not been advised officially and had assumed the meeting was for MIA growers only. Others had only heard about the meeting 'second-hand' and considered it shabby communication. Such a meeting convened in this way, Bowmaker contended, could only aggravate unrest in the Murray Valley. Neither did water users unanimously support the need for such a protest. For example, the Griffith branch of the Graziers' Association would not send an official delegation. The RGA Central Executive ruled that the meeting was unconstitutionally called and unauthorised by the president or senior vice president of the association. Hogan as a junior vice president had no authority to act in this way. Hogan replied that RGA President Davidge had given his consent before departing for overseas and that the '... full executive of the RGA discussed the meeting at an impromptu gathering in Sydney last week'. Bowmaker still said, 'No'.8

A water protest meeting did proceed but not quite as Hogan planned, proceeded by an official meeting of the RGA Central Executive, including Murray Valley representation. Chaired by the 'neutral' Stan Dunn, a member of the Leeton Australian Primary Producers' Union, the meeting of about 400 farmers focused on the commission's lack of consultation and the offensive retrospection issue. Hogan spoke of growing unrest among irrigators, particularly the Denimein Landholders' Association, the Deniliquin Branch of the Graziers' Association and the Berriquin Water Users' Association. So deep was southern discontent, he said, that the rice industry might 'break in half'. Graham Blight said that the industry had been 'stabbed in the back'; farmers had been using water for three months based on certain price assumptions and then told this was not the case. R O’Neill, of Berriquin, called for a '... satisfactory basis for water charges [while] at the same time preserving the Riparian Rights of river valley landholders on an equitable basis'. George Kayess urged the assembly to get behind the RMB chairman and support him in the water fight. A
Water Users' Protest Executive Committee formed comprising Noel Hogan (who was elected chairman), Messrs Blight, Dwyer, Cudmore, Bock and O'Neill. Lewis Tweedie was secretary. 9

Soon after this meeting Hogan returned to the production question. At a meeting of the RGA Yanco Branch he asked for authority to introduce a '... two-price scheme for rice sold, and increased rice acreages'. The Yanco Branch unanimously moved that:

As a principle for payment for any increased production on present holdings in the 50, 60 and 80 acre areas, the excess average production over fixed acreages be paid under a two-price scheme, the Kooba acreages being fixed at 60 acres.

Production from fixed acreages would be sold on high price markets, while excess production would go to lower priced markets. It was an ingenious plan assuaging RCM doubts about production 'at all costs' while allowing growers to grow more rice if they wished, in full knowledge that excess would go to a lower priced second pool:

[Hogan] emphasised that unless Australia supplies all demands of its overseas customers there was a very real danger that some other rice producing country would gain those markets ... and stated that the Australian rice industry could increase its production by 50,000 tons paddy without any ill-effects. ... The RMB and the Co-ordination Committee was [sic] confident that a great deal more rice was needed and that it could be sold at prices giving a reasonable return to the grower. ... Representations would be made to the WCIC seeking an increase in ricegrowing acreages for the 1966/67 season.10

George Kayess insisted that the RMB chairman be given 'authority' to act. 11

Again the RGA Central Executive sought to bridle Hogan: the RMB chairman could not be vice president of the growers' association while chairman of the board and of RICC; Alf Bowmaker would continue to act for Davidge in his absence; RGA was taking steps to deal with the water question; the association had conducted a survey west of Benerembah Weir revealing how vast quantities of water were being siphoned from the Murrumbidgee by river pumpers, made possible by the introduction of electric pumps with huge capacity; individual farmers and companies were now irrigating thousands of acres by pump between Hay and Maude; and the RGA Central Executive had organised an aerial survey showing vast sheets of water banked up in scrub country, particularly on Kooba Station and further west, where pastoral companies were entitled to one pumping licence for each shareholder. Alf Bowmaker said he was monitoring water flows used in hydro-electric generation and arguing on this basis that the MIA and the rice industry were not quite as 'favoured' as some critics suggested. Photographs and statistics had been supplied to Al Grassby, who was keeping pressure on the minister. The association was the proper authority to deal with the water question, was doing so competently and the RMB chairman should observe proper protocol.12

At this point, an anonymous letter was circulating, sighted by many growers disclosing that Stan Lanham, a government nominee and vice chairman of RMB, held 11,000 shares in Australian Rice Proprietary Limited, the Associated Rural Industries' (ARI) subsidiary. At an RGA Yanco Branch meeting, Lanham was invited to explain the substance of this. Hogan, indicating solid support for his deputy, requested permission for Lanham to speak. The vice chairman said he had lived in Leeton for thirty years and now an 'unheralded attack' had been made in an effort to discredit him. Lanham thought he was trusted but was now bitterly disappointed. He had held those shares for fifteen years (ever since RCM began) and had no conflict of interest. George Kayess urged support for Lanham, saying that he was not the first to hold shares in ARI. No names were mentioned. A motion of complete confidence in Lanham was put. Alf Bowmaker immediately moved that the motion not be put: the appointment of a government nominee was not the concern of ricegrowers but '... the prerogative of the minister'. The Yanco Branch, he said, was not competent to do anything about the situation. Rod McLeary countered saying, 'Mr Lanham has never tried to influence the RMB in respect of allocations to Australian Rice Proprietary Limited'. The branch rejected the Bowmaker amendment. Immediately, Chad Young moved an amendment to the original motion, 'That this branch has complete confidence in all members of the RMB'. Following several points of order the cunning amendment was lost — eloquently demonstrating a lack of complete confidence in the
board — but the motion of confidence in Lanham was carried by an 'overwhelming majority'.\(^\text{13}\)

Five days later, *Advocate* announced that RMB had sent 200lb of the precious new long-grain variety, *Kulu*, developed by the Yanco Rice Research Station, to America 'in response to an inquiry from Mars Incorporated (Uncle Ben's) (USA)'. This came at a time when growers were clamouring for the new seed variety and RMB was holding ballots for *Kulu* seed rice at $100 per bag, ex-shed. In this *tour de force*, the board demonstrated its absolute authority under the act to 'co-operate' with whomsoever it wished in promoting the Australian rice industry.\(^\text{14}\)

**'The rice industry must take stock of itself'**

By mid-1966, with a big dry persisting, Burranjuck Dam very low and water restrictions existing in both river valleys, the prospect of a severe water shortage loomed. In state parliament, Al Grassby called for a general inquiry into the state's water administration to ensure equitable distribution. If good rainfalls did not occur soon, Grassby said, 'Priority should be given to the established Irrigation Areas and Districts and severe restrictions placed on river pumpers and Snowy River hydroelectric power stations [which are] allowing huge volumes of water to flow [uselessly] by irrigation areas'. Because small farms were more reliant than large farms upon irrigation, large-area farms should have allocations reduced first by 30 to 40 per cent, Grassby argued, but no overall reduction in rice acreage should occur. It was a 'choice between "city lights", cheap electricity for the car industry, or primary industry for exports'. Grassby produced photographs supplied by RGA to substantiate his argument, insisting these be included in Hansard.\(^\text{15}\)

In a heated debate which followed, Beale said that the river pumping was mainly authorised and that Grassby's allegations were 'irresponsible'. After the Speaker of the House directed the minister to apologise, Beale did so, but inaudibly and was directed to repeat himself. Beale then agreed to look into the question of unauthorised pumping and the possibility of regulating this. He was furious, however, that the rice industry seemed intent upon deciding his mind even before the minister knew it himself. Grassby's commendable temerity was not improving relations between WCIC and the rice industry.\(^\text{16}\)

Soon after, the government announced water restrictions: quotas of about 60 per cent of the previous year. No one was going to tell the minister what to do.\(^\text{17}\)

Water access and water pricing were major topics at the 1966 RGA Annual Conference in Leeton in August. With RMB still advocating greater production and rice acreage, more farmers eager to join the industry and a contest for water sharpening, RGA was required to tread carefully. Indeed, Alf Bowmaker appears to have sought a reconciliation with Noel Hogan, announcing concessions acceptable to the RGA Central Executive in respect of expanded acreages consistent with 'prudent' expansion while indicating tacit support for CIA rice producers:

> The question of permanency or otherwise of ricegrowing in the CIA is naturally one of vital importance to growers concerned as equally to the RMB and the Co-op Mills who must exercise prudence in the matter of expenditure on storage and milling installations.\(^\text{18}\)

On increased production, however, Bowmaker '… reaffirmed a belief in the need for regulating production and applying penalties for over-planting in order to try to keep a margin of profit in ricegrowing'. Markets were fluctuating and production costs and transport charges continued to climb. Export volumes were now three times what they had been when RCM was launched in 1951 and these factors:

> … increase the difficulty of determining how far and how fast we can expand production and maintain a reasonable profit margin. … I would like to assure you that your Central Executive has … tried to refrain from being "hot headed" to the point of being imprudent; or from being "cold footed" to the point of being afraid to speak its mind and I pray that we may continue to be preserved from either "hot heels" or "cold feet".\(^\text{19}\)

In this way, RGA ambiguously confirmed the idea of long-term rice production on the CIA and, together with RMB and RCM (Bowmaker did not mention RICC), decided to
request WCIC to allow a temporary increase in acreage for the next two years. The RGA Central Executive also supported the RMB idea of a 'separate pool', understanding that once markets were opened it was desirable to keep them open. Noting that most of the old proprietary millers had been taken over by British and American firms, Bowmaker pointed to 'the possibility of a new buyer of Riverina-grown rice'. A 'big overseas firm' (Riviana Foods, Texas), associated with Neil Fuller Proprietary Limited, had established a business in Victoria and was capable of taking big losses to force its way into the industry. This development had real potential to 'rip the industry asunder between its northern and southern extremities' and Bowmaker warned:

I want to say ... that we would welcome a new user of our rice, but if any grower yields to a tempting offer for the sale of his rice to a buyer other than the RMB he would certainly start something that will shoot to pieces the well-organised set-up we have so painstakingly built up.20

The whole nature of the industry was changing, Bowmaker said. Farming was becoming capital-intensive, increasingly technical and reliant upon technology, chemicals, industry, banks and factors 'beyond the farm gate' over which growers had no control. Growers were now largely dependent upon 'agronomic experts' in the quest for improved yields. The days of simple farming were over. Returns had reached a plateau and young farmers were no longer as attracted to the industry as they had been in the early days. The rice industry must take stock of itself, Bowmaker concluded, unite and help new growers where it could, but not at the cost of jeopardising the whole industry.21

'Momentous changes in water policy': Coleambally and much more, September 1966

On 14 September 1966, Minister Jack Beale announced momentous alterations to water allocations for rice production, which were significantly greater than RGA Central Executive and RCM recommendations to RICC. The minister approved an additional 8,138 acres of permanent plantings in many parts of the state, representing about a 12 per cent expansion in production. An additional 2,500 acres was granted in the Wakool, Denimein and Deniboota Irrigation Districts in the south; an additional permanent grant of ten acres each for 101 farms in the Kooba Station; permanent rights for 194 CIA farms at sixty acres each; and temporary permission for all rice farms on the MIA, CIA and Tullakool Areas to plant an additional ten acres. All expansion was contingent upon '... not creating any new water table and salting problems'. Two committees would be formed: a Landholders' Committee working with WCIC to decide anomalies and special problems in the Benerembah−Tabbita Irrigation Districts; and a Water Roster Committee to resolve difficulties where rice plantings placed excessive demand on existing supplies. Beale emphasised that no additional water would be available because of the drought and only 12 per cent more space permitted to grow rice.22

It seems extraordinary that such massive increases in acreage should be announced in the middle of a protracted dry with Blowering Dam still incomplete and was only possible because the minister possessed discretionary powers under the act and was free to do so. Somehow, the commission and the industry would have to finance this ambitious, one might say reckless, expansionary program as best they could.

Within five days of Beale's announcement, RCM announced that it would honour an earlier undertaking to construct a mill on the CIA. No time would be lost, possibly permitting a rival to slip in. Planning began in earnest for a $500,000 installation and storage system. Co-operative shareholders from the CIA were assisted by liquidity bonuses, since few had sufficient capital to invest in the project.23 RMB, however, refused a request from CIA growers for a further 10,000 ton storage installation on the Area, the chairman saying this would cost $200,000, the equivalent of two years' allocation. The board was already committed to almost $400,000 for the 1966/67 season, which would mean increasing the Equity Certificate Scheme levy from $2.50 per ton to $3.50. Already $1.6 million had been paid to retirees levaing the industry and equity certificates issued between 1954 and 1960, now valued at $150,000, were also due to be paid out over the next two years. The RMB could not afford storage in Coleambally — ask RCM to provide it!
The CIA was capable of producing 35,000 tons of paddy rice per year but had only 11,000 tons of storage available, meaning that the excess would have to be shipped to MIA stores. The implication was that if RCM wished to pre-empt competitors on the CIA, the co-operative would have to pay for it. CIA growers were bitterly disappointed by this RMB rebuff and long remembered it. But RCM could hardly complain. Chairman Jack Woodside had been saying for a long while that it was unfair to levy growers more through the equity scheme in order to fund RMB’s building program.

The drought continued. WCIC, having whetted the expectations of ricegrowers with big acreage increases, was now unable to guarantee water in the Denimein, Benerembah and Warrawidgee regions. Tensions between the commission and ricegrowers continued to build, worsened by a commission announcement that the bonus temporary allocation of ten acres had been withdrawn, after many farmers had made preparations.

By October, however, the drought had broken and all restrictions were lifted, except for twenty-four farms in Yanco and fifteen at Yenda in the Myall Creek area, where the risk of salination was high. Farmers hastened to prepare fields for a monster crop anticipated to be 20 per cent above the previous season with an additional 9,326 acres put to rice.

‘Talking up the industry’

When Ian Davidge returned from the United States in October 1966, he found a rice industry which had grown by about 12 per cent in production terms, heard of a ‘two pool system’ considered in some quarters as a fait accompli, and noted growing dissent in the Murray Valley. In the United States he had noticed soaring prices for agricultural land and farmers, trapped in a vicious cost-price squeeze, being forced off farms. He was determined that this should not occur in Australia.

Soon after Davidge’s return, Noel Hogan left for Rome, Bangkok and the Netherlands. In Rome he was elected chairman of the FAO Rice Production and Estimates Committee. Returning in late November, he ‘talked up’ rice production in earnest, saying that a world famine was expected and Australia must play its part in feeding a ‘hungry world’. Hogan spoke of an ‘Australian Rice Corporation’ and international agreements in rice trade and made grandiose claims about the potential of Australian rice in world markets, pointing to market analyses quite different from those issued by RCM. Growers did not know what to believe.

Uncertainty grew: the real impact of Beale’s October announcements was yet to be felt, particularly the industry’s ability to regulate and finance itself democratically, which could no longer taken for granted. Already marketing problems associated with Britain’s entry into the European Economic Community (EEC) were evident and it was generally agreed that the days of the Okinawa market were numbered. Penetration of domestic markets by overseas suppliers was increasing. Mars Incorporated (USA) (Uncle Ben’s) had established a manufacturing plant at Wodonga in Victoria. Talks between Mars and RCM for the supply of rice used in confectionery products had faded, the foreign company importing from the United States. Neil Fuller Proprietary Limited, on behalf of Riviana Foods (Texas), was also looking to Queensland as a possible source of long-grain rice as US supplies were diverted to war-torn Vietnam.

Elements of the city press stayed focused on the issue of Australian rice producers supplying lucrative markets in a ‘hungry world’ while other sections criticised the industry: the rice industry was a copious water user; massive public investments were involved; the industry benefited from protection (ie. 1.5 cents per pound import duty and 10 per cent primage) while consumers paid world parity prices; and 80 per cent of the crop was exported while imports continued to arrive. Once again, calls arose in the media for rice production to be confined to areas of natural rainfall.

Throughout, the RMB chairman continued to criticise RCM for an alleged conservative approach to production and marketing. Opening the F C Walsh shed at Eulo (a transhipment depot for paddy carted to Willbriggie) and the M S Emery shed at Gala Vale, for example, he said that RMB was ‘not happy’ with RCM because of the ‘poor prices’ the co-operative was obtaining in Hong Kong and British markets. Hogan claimed that this was due to a ‘lack of competition’ now that Australia Rice Proprietary Limited was no longer in a position to ‘sell in those markets’. Paddy prices had
improved from between six to ten dollars a ton, he said, but this had not been reflected in returns to RMB.

Hogan's allegations provoked an angry response from RCM and threats of legal action for defamation. Indeed, the chairman had entirely ignored the whole question of the co-operative's capital requirements in order to match Beale's sudden increase in acreage, modernise the Echuca Mill, build the CIA mill and store, and install bulk aeration at the Leeton Mill and elsewhere enabling speedier through-put. Nevertheless, the co-operative did agree to pay the board a further $1.50 per ton on the understanding that this would be matched by Australian Rice Proprietary Limited. Once more, the chairman had demonstrated how deadly effective he could be in achieving positive results for growers and keeping RCM 'on its toes'.

Relations between RMB and RCM were severely strained in late 1966 when Hogan travelled to Canberra for a 'Rice Gathering' to celebrate the United Nations' International Rice Year. An RMB film on the rice industry, financed by growers, was shown. Politicians, diplomats and 'cooking' notables applauded, the rice industry was heartily toasted. Hogan was delighted but a terrible row with RCM was brewing.
'Putting the cards on the table'

It was clear to the RGA Central Executive that something had to be done about ructions between RMB and RCM. They were pouring divisive tensions into an industry already experiencing uncertainties from rising costs, capital demand, flat returns, fidgety markets, rapidly expanding production levels, 'north–south' tensions and disagreements within and beyond the industry over acreages and water supply. The decision was made that Ian Davidge should become chairman of RICC, replacing Noel Hogan. Many growers disliked the way the RICC presidency changed hands and said so. Frank Whelan, for example, said it was 'not cricket'. Ian Davidge remembers those tense days:

Noel had control of the Rice Industry Co-ordination Committee [and used it] as a platform from which to attack the co-operative. He built up the image of the Co-ordination Committee very successfully as the "parliament" of the industry and then very astutely used that as a vehicle to counteract and contravene mill policy. It became such that the RGA, which was strongly pro-mill and saw the negative aspects of what the RMB was doing ... decided that instead of Noel being chairman of the Co-ordination Committee, the president of the RGA should be. I was elected to that position. Noel viewed this bitterly and was most upset that I had done it.

I was forced into doing it because, the way it was going, the industry was virtually forming two "armed camps". ... We had to put a stop to the utilisation of the co-ordination committee [as a] de facto power point from which Noel could operate against the mill. It was after all supposed to be a co-ordinating committee. To a certain extent it stopped the committee from being used as a vehicle of attack, but it placed [me] under a lot of personal pressure. I didn't enjoy it at all.1

Matters were brought to a head at a 'show down' meeting of the RGA Yanco Branch at Whitton early in March 1967. So great was the attendance that farmers had to move to a larger venue. This was a critical meeting where many hoped that the sniping between the co-operative and the board would be sorted out once and for all. The whole industry was confused by the squabbling and, clearly, communication with WCIC was suffering.2

RGA Branch President W W (Wal) Killen began by asking the RMB chairman to explain the 'two pool' system, which was to operate in the coming harvest: what measures had been taken to ensure that growers unable to participate in the extra acres were not penalised; small-holders and farms above sand beds at Yanco, for example? Hogan explained how grain from 'number one pool' would be directed to higher priced markets and surplus produce from 'number two pool', to lower paid markets. Acknowledging that there would be anomalies, the chairman nevertheless believed the system would 'suit 99 per cent of growers'.

The meeting’s attention turned to the real matter in hand: tensions between RMB and RCM. *Irrigator* reported events this way:

W W Killen, in opening discussion on prices and markets ... said it was a matter of regret that these subjects had been the cause of deep disagreement between the leaders of two sections of the industry. ... There was some discussion of events which followed the return of the chairman of the RMB from overseas late in 1966. Certain statements made by Mr Hogan had been refuted and rice price statistics had been the subject of great concern.3

Hogan produced figures and statistics justifying a view that the potential existed for big increases in production, on the one hand, and improved returns, on the other, arguing that these were not incompatible. RCM executives painted a more conservative picture. It was obvious to all that the board and the co-operative held diametrically opposed views on production. What were growers to do? George Kayess constructively put a motion requesting the RGA Central Executive to request the
Minister for Agriculture to form a Select Committee to look into the matter as there was too much 'heat' in the industry. An independent arbitrator was required to sort it out. 'The only way we will ever resolve this dispute,' he said, 'is by seeking outside opinion'. As Hogan had lost control of the reins, possibly this motion was used simply a ploy to pre-empt RICC, but there is no firm evidence of this. In any case, most believed that the industry should take care of its own problems; to invite government in was courting disaster. Hogan said that there were a number of officers in the Marketing Division of the Department of Agriculture with far greater knowledge of international markets than anyone at the meeting and, 'They could arrive at a conclusion without parochialism'. Mr J Dooley appealed for unity in the industry, '... as in the past'. Others urged caution when Kayess said, 'The time has come for everyone to put their cards on the table. The industry is now at a cross-roads and if the growers want to retain control, they should act now'. Kayess again moved that the minister be requested to convene a Select Committee on such matters as the relationship between world and Australian rice prices, a competitor mill, increased production, import tariffs and Australia's place in world rice markets. The motion was carried 48 votes to 5. Ian Davidge, as chairman of RICC, was directed by the meeting to ensure that the inquiry was '... open to all growers'. At the close Chad Young, recently retired from the RCM board and in his declining years, appealed for unity, saying that the rice industry, so painstakingly developed as a democratic enterprise, was in danger of tearing itself apart.

Orderly progression?

RMB maintained the push to production through 1967. World rice shortages, the board insisted, justified expansion of the 'Australian Rice Industry', as the board now referred to it. 'Some people are apprehensive of our increased production,' Noel Hogan said, 'but I feel we should continue to grow more. The world is crying out for rice.' The chairman openly broadcast that New South Wales ricegrowers were unable to satisfy available demand, pointing to a recent failure to supply Philippines markets as an example. He also remained convinced that rice prices would continue to rise:

... A continuous rise in world prices has been evident for a number of years and I do not anticipate any sudden major fluctuation. Rice is bound up in the economy of many eastern countries and therefore no steep rise or sudden fall is visualised.

Farmers everywhere took notice, especially in Northern Queensland, where sugar was in the doldrums. Hogan left for another FAO Conference in Rome via London, Hong Kong and Manila. He was elected senior vice chair, actually chairing most of the meetings due to the actual chairman's illness. Upon his return, RMB requested a meeting with RCM to discuss the establishment of a Rice Export Corporation and a federal body, in which the board would be a 'participant', to control the rice industry. The chairman was adamant that prices would remain firm and that the 'Australian Rice Industry' was poised to take advantage of a major shortfall in world rice production.

Not nearly so optimistic, co-operative management resented what it saw as interference. A memorandum from RCM Chairman Jack Woodside to RCM directors declared, 'Should the members of the RMB wish to take a hand in the control of the co-operative society, the right and proper thing is to seek election to its Board of Directors'. Davidge discussed with Hogan the possibility of him returning to the directorship of the co-operative but the chairman, who saw himself as too closely identified with RMB and an acceptance as a step down, declined.

RCM and RGA, in the person of RICC Chairman Ian Davidge, meanwhile, had formulated an 'Industry Expansion Plan', recommending 'orderly expansion' of approximately 10,000 tons additional paddy annually, a '... controlled expansion limiting the rate to one which is regular and digestible to the industry in keeping with the industry's ability to provide storage and milling facilities and capital expenditure required'. The industry, Davidge argued, occupied a 'dangerous position'. Many growers were expressing grave misgivings about any increase in production at all, especially older, established growers, who felt that their efforts to build up the industry over the years should be protected. Davidge told them:
… we are aware that it is hardly reasonable to press for limitations in production by restricting the rate of entry of new growers into the industry unless the established growers indicate their sincerity of purpose by agreeing if necessary to a reduction of the "extra" ten acres [temporarily] permitted by the WCIC.

Few growers were interested in reducing acreage. Therefore, seeking to pre-empt any further large, unexpected WCIC area increases, the RGA–RCM Industry Plan ‘… agreed to an additional 1,500 acres coming into ricegrowing for the 1968 harvest and recommends that this be established in the Deniboota Irrigation District, near Deniliquin’. Davidge warned especially against yielding to pressure from potential ricegrowers in areas not served by existing storages. Similarly, it was dangerous to invest in infrastructure in areas ‘… which may have only a limited expectation of permanent ricegrowing’. Infrastructures must be worked to capacity to maximise returns, Davidge continued, but if production outstripped capacity significantly:

… [it] could cause the industry to attempt to provide more finance than it could prudently afford to invest. Moreover, the RMB is obliged by law to receive all the rice produced in New South Wales. If the industry refused to accept rice, growers could … avail themselves of a loop-hole in the Marketing of Primary Products Act caused by Section 92 of the Constitution and sell their rice to milling and processing companies which have build factories in Victorian towns.

Such a development might benefit some growers in the short-term, Davidge said, in a reference to Riviana Foods’ presence in Victoria and its association with Neil Fuller Proprietary Limited, but inevitably the majority of present growers would suffer. Moreover, such ordered progression as was sought by RGA and RCM could only be achieved through regular conferences with WCIC. Seeking a sensible jurisdictional division of labour to enhance this, Davidge expressed a personal view that RMB should have primary responsibility for storage consistent with its charter.7

Pressure for new acreage: Berriquin

Notwithstanding this cautious but far-sighted analysis, alternative commodity prices were softening and pressure to enter the rice industry continued to mount. Early in 1967, RCM Deputy Chairman Fred Bock warned directors of efforts being made politically to obtain ricegrowing rights for approximately 105 Berriquin farmers. Whilst Minister Beale seemed sympathetic, many ricegrowers in the south were opposed. A large meeting of the RGA Deniliquin Branch involving growers from the Denimein, Deniboota and Wakool Districts had expressed concern at the impact of new rice permits upon existing farms which lacked viable acreages. Some farmers in the Berriquin Irrigation District (BID) had bought land cheaply, RGA delegates were told, with the express purpose of demanding rice permits because these would add significantly to farm values, while expecting established growers to underwrite finance for the necessary infrastructures. Such 'interlopers' stood to benefit significantly from the prior efforts of others at a difficult time in the industry. The Deniliquin meeting supported the Industry Plan confining any additional acreage to existing growers in the Deniboota Irrigation District near Deniliquin.

A group calling itself the Berriquin Irrigators League (Deniliquin Branch) promptly convening a meeting, agreed to support moves for the introduction of ricegrowing in the Berriquin Irrigation District (BID) and formed a Rice Development Committee to investigate the suitability of various areas for ricegrowing and liaise independently with WCIC. A 'north–south' fracture was opening in the rice industry.8

Three weeks later, Minister Jack Beale announced that ricegrowing would indeed be permitted in the BID 'for the first time', approving 1,000 acres for the 1967/68 season. An additional 500 acres would be allowed at Deniboota, the minister anticipating considerable future expansion of rice production in the District. Davidge said he was generally pleased but hoped that development would occur compactly, near existing milling and storage facilities, '... like an ink-blot starting from the centre and spreading out, not spattered over a wide area'. RCM undertook to build a mill at Deniliquin and to construct further storage '... at the first possible opportunity'. Such work was not financially possible at the moment but, provided prices held up, could be completed within a few years. Meanwhile, the RGA president said, there was a need for 'instant' storage to cope with the 1968 harvest, which the co-operative would take steps to provide as RMB seemed 'unable'.9
Most RGA Annual Conferences were lively but Irrigator reports the August 1967 RGA Conference in Griffith as a particularly 'memorable affair'. Agitated debates reflected a growing industry anxiety in the midst of a protracted dry; drought in some areas; exacerbated a welter of problems. Key issues were:

- the infant Burdekin Delta rice industry in Queensland;
- water entitlements;
- production and acreage policies; and
- friction between the co-operative and the board.

Growers wanted clear answers. Jack Woodside and Ian Davidge, recently back from Northern Queensland where they had inspected the embryonic Burdekin Valley rice industry (discussed in Chapter 33), faced a barrage of questions about developments there. Davidge presented a long report about the merits or otherwise of assisting the Queenslanders, precipitating lively discussion. Noel Hogan was furious that Woodside and Davidge should choose to report first to RCM and RGA before reporting to RICC. Davidge (still chairman of RICC) said it was realistic and tactically sensible to co-operate with the Queenslanders since this improved the chances of controlling outcomes. Hogan was strongly opposed: the time to help the Queenslanders was when they had an industry. Many delegates agreed, particularly those from the CIA and Murray Valley, who felt threatened by new production on a scale planned in Queensland while southerners were 'getting on their feet'. The RMB chairman successfully moved for an inquiry before any action assisting the Burdekin proceeded and announced plans for a full investigation by the board.

Davidge faced sharp questioning, particularly from Murray Valley delegates, about an alleged RGA 'attitude' in respect of WCIC water policy. Southern growers were 'fed up' with what they saw as unequal treatment. Some even claimed collusion between MIA growers and Minister Beale. Davidge replied that RGA policy was to give priority to farmers in ricegrowing areas who, for some reason, had been excluded in the past from ricegrowing and to have all growers grow as much rice as could equitably be produced:

The RGA has agreed at Coordination Committee level that expansion in the industry is inevitable, but it is felt that if this expansion continues without any plan or form then the rice industry may come to the point where it is completely uncontrolled and the future is represented by a question mark. ... The industry faces difficult problems in deciding which Areas should grow rice and who shall not share in this increase in production. Meetings are often beset by the dilemma of knowing on the one hand that the future of the industry must be protected by a conservative policy while at the same time realising that there are growers in new areas who have a strong case to be admitted into the rice industry.

The president added that when RICC had tried to convince WCIC that excess production could harm the industry, commission officials replied that this was a weak argument since not one grower was prepared to forego the temporary bonus of ten acres permitted. The industry must '... cut its own cloth', Davidge emphasised, 'and the problem is compounded by the fact that there is increased interest in ricegrowing in other states, particularly Queensland':

I feel that the RGA, and in fact the whole rice industry, faces a sober and difficult task in deciding what course of action will do the most good for the most people and at the same time safeguard the ultimate interests of the industry.

The rice industry was the most efficient and democratic of primary industries in Australia, the president continued: 'middle men' had been eliminated; ownership was vested in growers; and the best returns possible reverted to them. Davidge commended RMB's 'orderly influence' for without '... rationalism of export and home market prices into a pool system, there would be chaos among growers'. The co-operative and the board might disagree on details of policy direction but there was no question about the benefits of RMB's 'single desk' selling function and no question that the board had played a vital role in achieving solid progress. What really was at question were the parameters of that role.
'Some serious planning'

In the ensuing months of 1967, with the dry turning into another terrible drought and markets increasingly volatile, growers and industry leaders made hurried plans for a big harvest to come, possibly up by 20 per cent. The situation in Queensland was closely monitored. Concern also grew about Victorian farmer interest in ricegrowing. As early as 1956, at least one farmer on the southern side of the Murray River, near Echuca, had been producing rice on a commercial basis. In 1961, the Victorian Minister for Water Supply and Minister for Agriculture inspected the Gunbower property of Mr A Toll where rice was being grown. At that point, authorities recommended against further extension but farmer interest persisted. A group from Fish Creek, for example, visited Burrawa to inspect the New South Wales industry, mindful of the fact that Albert Sykes, a Melbourne businessman, had signed a $1 million deal with the Philippines government for a shipment of ‘Rycena’, pearled wheat, polished to look like rice, such was the rice shortage.12

The Trades Practices Commission (TPC) also delivered the rice industry a nasty scare at this time. By terms of The Trades Practices Act (1965), RCM and four other marketing bodies and one industry association had been excluded from Trades Practices Regulations since the services they provided were judged to be ‘in the public interest’. But now in federal parliament, Senator Lionel Murphy (Labor) sought to have this exemption overturned. The impact upon the rice industry if Murphy were successful could be disastrous because RMB’s ‘single desk’ status and its relationship with RCM would almost certainly be interpreted as a monopoly and in breach of the act. Following long debate in the Senate, however, Murphy finally withdrew on the condition that the Australian Canners Association was made subject to the act. The cooperative breathed a sigh of relief.13

Possibly in recognition of RMB support in answering Senator Murphy’s challenge, RGA recommended that the board be allowed to levy growers an additional $1 per ton for its building program, representing an additional $750,000 over two years. In addition, RCM agreed to continue catering for storage in the south and undertook to subsidise growers carting to Deniliquin. In a display of solidarity, the entire RMB was re-elected unopposed in late 1967 — not even an election was required, the first time in forty years. Nevertheless, several weeks elapsed before Hogan was finally confirmed as chairman. It appears that through this hiatus ‘back-room’ negotiations were conducted about the Burdekin question, production policy, Davidge’s chairmanship of RICC, Hogan’s position, and the general direction of the industry, but this is speculation. We do know that RMB and RCM had rediscovered through the Murphy scare the peculiar symbiosis they shared. Davidge, seeking pre-selection as Liberal candidate for the state electorate of Murrumbidgee, decided not to run again for the RICC presidency, paving the way for Hogan’s return to the position.14

The death of Chad Young, October 1967

Early in October 1967, Chad Young, aged eighty-nine, died. At his funeral in St Peter’s Church of England, Leeton, Alf Bowmaker, also in his fading days, said:

Chad Young did more for the rice industry than any other man and his loss will be deeply felt throughout the industry my dear old friend served so well. ... He was our secret weapon for the survival of the rice industry.

Ian Davidge added:

Ricegrowers Co-operative Mills is his monument. He was the architect, he fought the battles for us and laid the foundation of the first mill. It has been my privilege to be guided by him during my comparatively short time in the industry.

The irascible, dignified old wizard was gone. He had been urging industry unity right up until the end.15

Driving home from the service, the mourners’ eyes swept the sky seeking signs of relief from a terrible drought.
Chapter 29
Drought and Divisiveness, 1967–1968

Introduction
Between spring 1967 and spring 1968, the fundamentals of the New South Wales rice industry were rewritten. Tendencies towards a cost-price squeeze and a shift from a sellers' to a selective buyers' market, evident since 1965, accelerated. External market conditions over which the industry had no control were exacerbated by internal wrangling between RMB and RCM, but also between northern, southern and CIA ricegrowers. At the heart of this was a contest for water: access to the precious, life-bringing resource; WCIC pricing policies; and differing dispositions towards production. With Minister Beale announcing further big increases in rice acreages and a terrible drought ravaging much of the region aggravating tensions between growers in different producing areas, divisive pressure built.

Parched conditions, frayed tempers
In September 1967, Minister for Conservation Jack Beale warned, 'Inflows into the Hume and Burrinjuck Dams over the past four months have been less than those than during the worst year on record'. The Hume Weir was 50 per cent full and the Burrinjuck Dam, only 48 per cent full. The dams had been 98 per cent and 100 per cent full respectively at the corresponding time in the previous year. In two of the three preceding years, rain in the Murrumbidgee catchment area had been well below average. The seventy-five year average for the Adaminaby rain gauge was 28.11 inches. This had not been exceeded since 1961. In 1965, only 13.63 inches was recorded and 1967 gave every indication that it was going to be worse. (Indeed the reading was 13.46 inches, the lowest on record.)

The contest for water sharpened. After WCIC invited Berriquin Irrigation District (BID) growers to apply for rice permits, the Murrumbidgee Valley Water Users' Association, with Noel Hogan and Al Grassby (Labor, Murrumbidgee) to the fore, invited Beale to inspect the Murrumbidgee River. The river, they said, was becoming 'emptier' each year, 'sucked dry' by unregulated river pumpers and inadequate storage. Some blamed the minister's approval of ricegrowing in the BID for this. Others said it was the river pumpers' fault. Others argued that allegations by malcontents of WCIC 'favouritism' towards the MIA and CIA were clearly nonsense.

Meanwhile, the Wakool Landholders' Association was also organising meetings to protest WCIC water allocations and the Deniboota Landholders' Association was lobbying Beale for increased rice acreages. WCIC was adamant — ricegrowing would be restricted to 24 acres in the Deniboota District.

At a rowdy meeting in the Deniliquin Town Hall in mid-November 1967, bringing together irrigators from the Denimein, Deniboota, Berriquin and Wakool systems, WCIC officers were accosted with accusations of commission arrogance and a lack of consultation. Murray Valley growers, bureaucrats were told, were fed up with WCIC's 'discriminatory attitude'. Already the Barham area was facing drought conditions and a large number of growers in the vicinity of Deniliquin had been forced to abandon crops due to lack of water. Others were struggling on with less than the expected allocation. How could farmers establish themselves in ricegrowing and plan with confidence? The situation was becoming desperate, southern irrigators complained. A fighting platform was going to be mounted to protect and advance specifically the interests of Murray Valley irrigators: a water fight was 'on'.

In state parliament, Al Grassby and Jack Beale clashed, Grassby accusing the minister of welching on an undertaking to guarantee water supplies to large-area farmers in the South Kooba region while making 'political decisions' favouring BID farmers. Beale denied that any promises had been made to farmers and that ricegrowing at Kooba was never more than a 'long-term proposal by the WCIC, claiming that Grassby was simply exploiting the issue to make a 'political football' for his own advantage. Abusive charge and counter-charge followed, Grassby alleging that Beale was deliberately slowing down CIA development and other improvements to the Murrumbidgee Valley irrigation system, and creating confusion, to which the minister replied dryly, 'It comes as no surprise to me, that Mr Grassby is confused':
The chronic ranting and raving of Mr Grassby won't fool anyone. Personal abuse is no substitute for constructive representations. [He is] deluded in believing that discourtesy adds strength to representations.\(^5\)

The press delighted in this water 'feud' and the dispute escalated into a significant political issue in the approach to a state election in February 1968. Labor Opposition Leader J B Renshaw attacked WCIC with figures supplied by Grassby alleging that the commission was producing a $1 million surplus annually from the Irrigation Areas and Districts, most of which, he said, disappeared into 'consolidated revenue'. That is, the opposition leader alleged, water pricing was being used as a tax. Beale denied this vehemently, dismissing Grassby's figures, saying that he was 'pedalling a mischievous line' simply to mislead people. The commission was obliged to meet interest and debt charges amounting to $2.4 million per annum. Grassby again demanded that the minister 'tour' the MIA with him but Beale said he could not think of anything less agreeable and produced figures of his own seeking to silence the Member for Murrumbidgee: more than $25 million had been spent on the Blowering Dam and associated works; the dam would become operational in late 1968; policies would be introduced to regulate river pumpers; more research into water and water conservation was being undertaken; extensive use of ground water reserves was being encouraged; the installation and better use of earthen dams was being supported and technical assistance provided. What more did Grassby want him to do? New South Wales was so dry in late 1967 that water simply did not exist for all those who would have it. Indeed, the November storage inflow was so low that water rationing was introduced in mid-December and the previous year's allocation was reduced by one-third.\(^6\)

Following his confirmation as RMB chairman in mid-December, Noel Hogan again engaged with the water debate, attacking WCIC for an alleged 'arbitrary rationing system' which produced 'too many anomalies ... ruining many farmers' and which, he claimed, would result in a loss of 50,000 tons of paddy worth $5 million in exports. RCM Chairman Jack Woodside dismissed this as nonsense. He, and RGA President Ian Davidge, had found both the minister and the commission very helpful in implementing the RGA–RCM Rice Industry Plan and were co-operating in an RGA scheme to assist ricegrowers possessing insufficient water to complete crops. Hogan was being unhelpful, Woodside said. 'The board's statement of disaster is not correct and it has badly shaken the confidence of both the rice farmers and the business firms of the district'.\(^7\)

RGA had already taken steps to avert the serious water shortage by forming a cooperative water pool in which participants voluntarily agreed to set aside 2 per cent of allocation as a reserve to help others facing water shortages. This commendable equitable scheme was unworkable without WCIC administrative assistance. Many growers also volunteered to reduce acreages by two acres 'across the board'. Consequently, little or no rice losses were expected. While the situation in the Murray Valley was not so bright, WCIC was co-operating with RGA to allow the transfer of water from grower to grower and District to District, linked to 'family members', to avoid 'black-market' water sales to farmers in a desperate situation. Woodside by saying that the Member for Murrumbidgee and the RMB chairman should check with the rice industry before they opened their mouths:

> It would appear that those damaging statements emanate from a minority group well-known within the rice industry. ... They disagree with the WCIC and their present method of applying water restrictions, and are trying to discredit them.\(^8\)

A few days later, an 'RMB spokesman', possibly Noel Hogan or RMB Manager Dalton speaking for the chairman, replied that the board's 'grave fears' were justified and that 'Jack Woodside is completely out of touch with the current crisis in the industry'. At least sixty-six crops would be lost in the Wakool District, twenty-two in Deniboota and sixteen at Denimein, the 'spokesman' told the press.

Spurred by parliamentary wrangling and ructures on water policy in the rice industry, critics of irrigation were vocal, the editor of The Australian Financial Review, for example, pointing to the situation as proof that irrigation had '... failed [and] heavily subsidised fruit and rice industries [are] now in jeopardy, while expensive irrigation systems [are] incapable of helping stock owners in drought-stricken surrounding districts'.\(^9\)
Breakaway irrigation groups
In February 1968, the New South Wales Coalition Government was returned comfortably. Al Grassby (Labor) was returned for Murrumbidgee. In the same week reasonable rains fell throughout the Riverina, but insufficient to break the drought and very little in the catchment area. Meanwhile separatist tendencies were gathering momentum in the south. A group known as the Berriquin Irrigators Central Council called a meeting in Deniliquin. RGA and WCIC were again criticised for their ‘attitude’ in restricting the voluntary water pool and acreage reduction scheme to ricegrowers only. The Berriquin Irrigation District (BID) was the worst affected of all irrigation systems and WCIC appeared to be doing nothing to help while falling over to assist Murrumbidgee irrigators. A Murray Valley Development League developed from this and other meetings to lobby for additional water from the Snowy River for Murray Valley farmers and, by implication, less for Murrumbidgee Valley farmers. The League also linked Murray River salination to altered water flows and water quality downstream of the Murrumbidgee—Murray River junction.

At the same time, Noel Hogan was telling an inaugural meeting of the Yanco Irrigation Area Water Users’ Association that its members were entitled to increased water rights, that water supply to the CIA should be guaranteed but limited, and that more water for irrigation and less for hydro-electricity should be released into the Murrumbidgee system.

A terrible drought
Squabbling over water allocations paled into insignificance against the prospect of an impending environmental disaster: the Hume Weir was at 18 per cent effective capacity and Burrianjuck Dam was down to an alarming 6 per cent and would be empty in two weeks if substantial rains did not fall. No rain fell. Ian Davidge urgently lobbied Federal Minister for National Development D E Fairbairn to approve an emergency release of Snowy River water. Fairbairn agreed. An additional 113,000 acre-feet of water was released into the system, half each for the Murray and the Murrumbidgee valleys. WCIC instantly confirmed that this did not mean increased allocations: the additional supply was simply to meet existing demand.

By mid-March, the Hume Weir and Burrianjuck Dam were 93 per cent and 97 per cent empty, respectively. The press carried grim pictures of cavernous dry walls and parched landscapes. Time was running out. Water was at the lowest level for fifty years. The Riverina faced the worst natural disaster of the twentieth century unless drenching rains fell within weeks. Sheep were dying in thousands. The Murrumbidgee below the Irrigation Areas was a dwindling creek. The *Sydney Morning Herald* reported:

The Riverina is choking to death. Graziers are lopping and tearing down the beautiful old willow trees along the Murrumbidgee River to keep their stock alive as the great southern drought grips the Riverina. The ‘old man’ Murrumbidgee which gives life to this rich area is rapidly drying up and has stopped flowing entirely in the upper reaches. The Burrianjuck Dam is the saddest of sights, only a small pool of water lies at the bottom with long submerged tree-trunks sprouting out of it. The great canyon normally underwater is now baring its naked walls for the first time in memory.

The *Sun* recorded:

Southern New South Wales is only a few weeks away from a national disaster. The catchments and rivers which have never failed before are dry or drying fast. The entire MIA now depends on a pittance of water from Lake Eucumbene and the Snowy Mountain Scheme which already is down to one quarter of its maximum storage.

The planners of Burrianjuck Dam and the Snowy Mountains Authority could never have imagined the present situation. Burrianjuck today is a huge dirty ditch, at the bottom of a serpentine canyon where 150 feet of washings mark the descending levels of the Dam.

As the catchment recedes, the old town of Burrianjuck lies exposed, ruined fences, housing sites and a flat space which once was a cricket pitch.
After 1969, if no worthwhile rain falls, the Murrumbidgee will be dry. No power will be available from the Snowy for wide areas of New South Wales and Victoria, and presumably the 250,000 people of the Irrigation Area will have to move into the cities.

In the country, north south and west of Hay and Booligal, the sand is moving in. It is swirling high in great red willy-willies, choking dams and water holes and piling feet deep against fences.

Far to the south even the mighty Murray is drying up and salinity edging upriver from the sea has ruined tens of thousands of acres of farmland. On 17 March 1968, the Burrinjuck Dam was closed. The great water wall had approached closure in 1939, 1945 and 1954 but now was finally beaten and water flow virtually ceased in the Murrumbidgee. Sandbag dams were built to get the necessary build-up for irrigation flow. Pumping was stopped in most areas. To the south, the area north of Edward River was worst hit. Farmers were relying on bores because the river water had entirely stopped flowing. Saltbush and native herbage died, leaving the land denuded and dusty. Sheep numbers were reduced by 70 per cent in some areas. At Moulamein the water shortage was extreme. Even the MIA was declared a drought area. The great southern irrigation system teetered on the brink of disaster.

Water co-operation

RGA appealed to all ricegrowers to 'shut down their rice crops immediately they feel the crops have reached a reasonable state of maturity' It was necessary for farmers to co-operate to save themselves, said Ian Davidge. The voluntary water-reduction system was working, but required precise management and total honesty if farmers were to have a chance of saving crops. He congratulated growers for donating 5,360 acre-feet of water to 115 farmers less fortunate and regretted that it had been impossible to extend the scheme to everyone in the BID. The haste and complexity of the emergency had made this unavoidable. Most growers were managing to get by with two-thirds of their normal allocation and, Davidge emphasised, there were lessons in this for the future.

In parliament, Al Grassby pleaded with Premier Askin to call an emergency meeting to safeguard the MIA, demanding a speed up of work on the Blowering Dam. Minister for Agriculture G R Crawford made a hurried visit to Leeton for a crisis meeting with farmers to consider the implications of total crop losses. Jack Woodside told him that the situation was grim, but it looked as if ricegrowers might just scrape through, largely due to RGA’s '2 per cent' reduction scheme and the co-operation of WCIC. But if good rains did not fall soon, the RCM chairman warned, the consequences could be disastrous:

- plantings would need to be reduced for the 1968/69 season;
- reduced tonnage would have a serious impact on the co-operative's operations;
- up to half the current RCM staff of 450 would have to be retrenched;
- overseas markets which had taken years to build up would be foregone, jeopardising rice exports currently worth $22 million per year;
- the industry paid the Railway Department $1.5 million alone for freight and that would be lost; there would be a loss of foreign exchange and customer goodwill;
- it would be necessary to sell at low prices to maintain markets;
- the affect upon confidence in the industry could be disastrous;
- the impact on the economies of local towns would be catastrophic; and
- 'the ultimate effect is upon the grower'.

It was a grim scenario. Growers and governments alike braced themselves for catastrophe but then, in May, the rains came, steady, soaking, salvation rains. The Burrinjuck Dam and Hume Weir began to fill and the soon to be completed Blowering Dam showed its potential. Nature, about to snatch everything away, once more rekindled hope.

The 1968 harvest was a long, drawn out affair and the mill-out was not particularly good due to sun-cracking — but the crop was saved. No sooner had it been stored,
however, than jousting over industry policy resumed, given new sharpness and point as recrimination over the barely averted water crisis continued.

**Getting the last laugh: Jack Woodside**

RMB immediately resumed its push for greater production to make Australia a ‘factor' in world rice markets. The board was still convinced that demand would rise, Noel Hogan said, while hinting that the New South Wales industry was reaching upper production limits. Production had been increasing by approximately 11 per cent per annum in recent years, the chairman said, and now the rivers’ water limits were being reached:

> Looking further ahead, the infant rice industry of the lower Burdekin of Queensland will lift output as it expands and there is even a possibility that rice will become a fair-sized industry in Western Australia's Ord River area. ... It is an absolute must to increase production. There is a need for Australia to maintain the closest links with trends overseas.

The chairman left for another FAO Conference in Rome, accompanied by his friend Merrick Burrell, a recently appointed RMB government nominee, formerly of Stratton and Sons. In Rome Hogan was elected chairman of the conference, a great honour for a lad from Condobolin who had worked hard for everything he achieved.18

Meanwhile, back in the Riverina, Alf Bowmaker was predicting a big drop in overseas prices and cautioning growers. RCM Director Robin Williamson and Export Manager Jack Rillstone agreed. They had conducted research in Asia indicating that the only markets showing any signs of growth were those least able to pay. Moreover, Bowmaker added, competition in traditional markets was intensifying. The industry should not be stampeded into a crash program of expansion for expansion's sake. The tried and proven policy of prudent expansion should continue no matter what criticisms were levelled at the co-operative. The industry was facing a cost-price squeeze of unprecedented magnitude and while production needed to expand to justify capital expenditure, this had to be controlled, manageable expansion and not a ‘wild cat' explosion. Expansion was paid for by growers whose capacity to produce depended upon the industry's ability to provide storage and milling facilities. Realistically, however, the co-operative acknowledged, it was going to be very difficult to restrict expansion to 10,000 tons per annum; perhaps twice that amount was more practicable, given disappointing returns for alternative commodities and competition for water resources. The industry, Bowmaker said, was going to be increasingly capital-hungry. The big new CIA mill, for example, would soon have to be duplicated at Deniliquin. Where would the finance come from? The industry and the co-operative faced a challenging period and needed to proceed, very carefully19

Soon after returning from Rome, Noel Hogan was irritated to discover an article in a Sydney newspaper suggesting that the rice industry was controlled by RCM! The chairman shot off a missive to the offending editor:

> The New South Wales rice industry is controlled by a State Marketing Authority — the RMB Chairman W N Hogan (picture supplied). It is the RMB which allows the milling body sufficient funds in its cost structure to carry out the capital works referred to in the article.20

He called 'Whitton rice men' together for a 'pre-season refresher meeting', that is, a strategic planning session to up the ante with the co-operative in his quest for a federal rice marking board.21

But it was Jack Woodside who got the ‘last laugh' in this latest round of jousting. There had been no big losses in the water crisis of 1967/68, as Hogan had predicted there would be. On the contrary, a record harvest had been achieved *despite* the drought and largely due to RGA’s '2 per cent' co-operative pool system. Ricegrowers were realising reasonable returns, land values had doubled in three years, returns of up to 20 per cent on capital and management were not uncommon and, Woodside said:

> In the light of the 1968 harvest outcome, it is interesting to look back on the alarming statement which emanated from the RMB last January predicting a
production loss of 50,000 tons and an export earning loss of $5 million because of an "arbitrary water restriction imposed by the WCIC".

When, as a grower, I commented that the statement was inaccurate and damaging, the RMB replied, to put it mildly, in a most uncomplimentary manner that I was obviously completely out of touch with the industry situation.

It is now patently clear who was, and is, out of touch with the rice industry. When one ponders this and other controversial industry issues which have emanated from the same source during the past two years, it poses the simple question: why?

Cold comfort at Coleambally

On a miserable, showery day in late June 1968, 1,600 damp souls from a 200-mile radius gathered for the official opening of the Coleambally Irrigation Area.

A cold wind early in the two hours of speeches from the verandah of the Community Hall decimated the crowd. Many of those seated or standing among the pine trees hastened to take cover in nearby parked cars. Others, including many of the 240 school children, took refuge on a wing of the verandah.

RCM representatives spoke with pride of the Coleambally Mill nearing completion, the most advanced abrasive process mill in the world and one of the largest. The co-operative would construct sixteen houses in the town and employ forty-seven people when mill and storage were fully operational. Al Grassby brought some colour to the bleak ceremony: '[He] faced the microphones, the flashing lights and the whirring of cameras. He bounced like a boxer to the loudest applause of the day'. It was different for Minister Jack Beale, the snaky wind snatching at his speech notes and with awkward questions to answer. The minister said it had been necessary to 'modify' plans for the CIA since the state had just emerged from one of the greatest droughts in memory. Everyone was demanding water. There had been a large increase in private irrigation development in recent years and water limits were being reached — there were real physical limits to what farmers could do from here on in. The Blowering Dam would improve the situation and the ministry and commission were doing everything possible to meet demand at affordable prices. He realised that originally there were going to be 1,100 large-area farms and 200 horticultural farms on the CIA plus a town of 10,000 and that this been cut to 570 large-area farms, 100 horticultural farms and a township of 2,500. He knew that only forty-seven building blocks were taken up in the town and a mere twenty-three occupied. He understood resentment between 'land-locked irrigationists' in the twenty-five to thirty-five year age bracket and ex-servicemen who received preference in CIA ballots. He knew that many people were still living in caravans, the shopping centre had not been completed, the Community Hall remained largely unused, and still no rail link existed between the CIA and the outside world. Perhaps the next speaker, the Minister for Local Government and Highways P H (Pat) Morton, might explain the reasons for this.

Morton was not amused but told the assembly how much the government had spent on constructing the CIA and Blowering Dam ($30 million) and what a proud politician he was to be unveiling a plaque to commemorate this. A ceremonial curtain fluttered open to reveal words on cold metal, numb hands banged together, the captain of Coleambally Central School, Beverley Burrows, presented the minister with a replica of the town's wine glass-shaped water tower reservoir and '... the minister kissed Beverley firmly on the cheek'. Then hardy celebrants repaired to a wind-swept barbecue area where swirling flames singed chops under native pines. At least the fire was warm, and the CIA officially 'existed'.

The Berriquin split, August 1968

Meanwhile, southern restiveness was growing. The experience of the great drought had confirmed a perception existing among growers in parts of the Murray Valley that they would have to fight independently to achieve their goals. At a meeting of ricegrowers at Finley in 1968, the Berriquin Irrigation District (BID) Ricegrowers' Association, was formed, independent of RGA. RGA delegates and supporters present objected strongly, but were overruled. At least four walked out. The BID Ricegrowers' Association vowed to avoid a repetition of the situation which had developed in the drought when CIA and MIA growers appeared to have been treated well by the government, while southerners were confined to 20 acres of rice and received on
average only 460 acre-feet of water. MIA and CIA growers had received 800 acre-feet. There appeared to be plenty of water for Murrumbidgee Valley growers but little for Murray Valley growers. This was seen to be inequitable. Moreover, paddy storage was inadequate in the Murray Valley and there was still no mill at Deniliquin while the industry appeared to be falling over itself to build one on the CIA. The industry's policy of 'gradual expansion' seemed to be at the expense of BID development. It was ridiculous that the BID should be held back while Australia continued to import rice. BID Ricegrowers' Association members would no longer be treated as 'second-class citizens' and would fight for BID rights and BID rights alone.

Opinion was far from unanimous, however, and a number of splinter groups formed. The RGA Deniliquin Branch, for example, included among its members affiliates of the BID Ricegrowers' Association. This cross-membership of southern groups concerned with questions of water access, greater rice acreage or entry to the rice industry, was intricate, even confusing for growers and researcher alike, with breakaway groups of existing ricegrowers and intending ricegrowers forming and disbanding fluidly around Jerilderie, Finley and Blighty. But, certainly, the threat of a debilitating industry split was real enough.

RCM Deputy Chairman Fred Bock, from Tullakool, appealed for unity. Jerilderie growers should attach themselves to the RGA Deniliquin Branch or form a branch of their own. 'Do not divide the industry', he pleaded. But the Jerilderie Rice Development League, an affiliate of the BID Ricegrowers' Association, was adamant: BID growers would look after themselves; they would lobby for more acreage, more water and, if necessary, an independent mill:

Jerilderie's members stressed the point that the approach to the expansion of ricegrowing was one of "self-help". They would make arrangements financially to make their own storage if the industry was concerned with lack of storage space.24

Holding the industry together: The 1968 RGA Conference

Not surprisingly, the 1968 RGA Conference in Deniliquin was a torrid affair. About 120 delegates were involved in eight hours of complicated and sometimes noisy and emotional debate. The industry was changing fundamentally: cost structure and capital requirements were being redefined; structural change was affecting markets; the threat of an industry split loomed; the fear of a giant Northern Queensland rice industry stalked everyone's mind; the contest for water was intensifying; sniping between RCM and RMB was becoming brattish; and the industry was more vulnerable than ever to political manipulation at federal and state levels.

Ian Davidge believed that the rapidly changing nature of the industry's cost structure was sustainable, provided demand and prices remained strong. Alluding to Bowmaker's warning about world prices, however, the RGA president agreed that prices would fall and that such markets as did exist would not pay as well as previously. Moreover, increased competition in domestic markets would require a greater proportion of products to be exported and growers would not be able to rely upon a stable Home Market to smooth out price anomalies:

In the past, the stable Australian price bolstered the pool price and provided an assured return to growers. The situation has changed and more than 80 per cent of the rice produced in Australia is exported. The disparity which now exists between export and domestic sales makes the rice industry almost as vulnerable as any other exporting primary industry to a fall in world markets. Should overseas prices fall drastically it is possible that our industry will have grown too large to enable us to satisfactorily offset low prices by adopting a policy of reducing acreages and expansion as we have done in the past.25

Caution and flexibility were required, Davidge warned. Careful selection of varieties grown and consideration of markets to target was essential. While it was strategic to cultivate new varieties, particularly long-grain varieties, and to locate new markets, '... do not throw out the dirty water until we are sure there is some clean water in the well'. Stability could best be achieved by maintaining extant markets. Long-grain (Kulu) growers were achieving best returns in lucrative markets, but Kulu did not provide an especially good mill-out, seemed prone to breakage. Already long-grain production exceeded domestic markets, necessitating the export of surpluses but even
there the grain was meeting with buyer resistance. Moreover, no long-grain variety had yet been developed suitable for the Murray Valley, and this was inequitable so long as southerners could not participate in the benefits of the grain. On the other hand, while Calrose was less lucrative, markets were more dependable. ‘What do we do?’, the RGA president asked. ‘Give all the money to Kulu growers so that everyone converts to Kulu and we are unable to supply Calrose markets, losing goodwill?’

The whole industry had been teetering on the edge of disaster in the recent drought, Davidge reminded delegates. Nevertheless, the experience showed that mutually beneficial pooling was the way forward and that, clearly, the need for improved conservation and water management techniques was acute. Private pumping and diversion of water along the Murrumbidgee River were the main reasons for cut-backs on the CIA. RGA was vigorously lobbying the commission to remedy this unregulated situation. It was also association policy that supplementary supply channels be introduced into existing Areas and Districts and the system be made more efficient:

If the existing Areas and Districts are denied the ability to expand and intensify within themselves to meet rising costs and falling net profits, they could easily enter a period of economic stagnation from which they may never recover.

Drawing attention to rapid rice expansion in the Deniliquin and Jerilderie districts, Davidge said this reflected WCIC policy and a belief that the industry could absorb an extra 16,000 tons per annum and, he repeated:

New growers are welcome to the industry, but their arrival creates problems in finding finance for storage and milling facilities. An orderly and planned expansion is vital to the financial structure and stability of both the RCM and RMB.

The industry had doubled in size in the previous eight years and both RMB and the co-operative had been put under enormous pressure to stay abreast of growth, the president continued. Recently RMB and the co-operative had instituted a series of regular inter-board meetings ‘... to discuss various mutual problems of a large and complicated industry’. When Davidge commented wryly that he hoped this cooperative, constructive spirit would continue, a few broad grins were exchanged.

Noel Hogan launched straight into two controversial issues: the Equity Certificate Scheme and a proposed RMB Appraisal Scheme. The chairman said that 300 of a total of approximately 1,300 farms would be reaching their Equity Scheme ceiling in the following year at a time when capital expenditure on storage and infrastructure would be strained to the limit. It currently cost $26 per ton to construct storage and aeration, he said, and extra money would need to be found from somewhere. In a backhanded compliment the chairman said, ‘The RGA has been successful in its move for increased deductions from growers’ proceeds by the RMB for the provision of further storage facilities’. The revised levy, $3.50 per ton, was up $1 per ton. New growers would be required to ‘... take over the main burden of providing rice storage’. Present storage on the MIA consisted of 118,000 tons, 22,000 tons on the CIA and 38,000 tons in the Murray Valley. Together RMB and RCM planned an additional 36,100 tons in 1969, bring the total to 214,000 tons. To achieve this, RMB would be required to borrow about $96,000 and show an overdraft of almost $500,000 by 1970 in its storage program. By then, Hogan estimated, approximately $1.4 million would have been spent on storage expansion.

Ian Davidge agreed that ‘... new growers should be prepared to pay the increased contribution — it is fair’, but took the opportunity to signal his opposition to Hogan’s plans for new legislation governing the rice industry:

The RMB has informed the association of the possibility of the present Marketing of Primary Products Act being modified or even superseded by a new act. I had every reason to hope that the RMB would approach this question with great caution and responsibility. The whole framework of the industry rests on, and is stabilised by, the present act and every minor modification must be meticulously scrutinised and analysed with regard to the possible consequences to the industry.

Hogan then broached the touchy matter of a proposed RMB Appraisal Scheme. The scheme, strongly supported by RMB and in particular Government Nominee Stan
Lanham, was designed to provide growers with an incentive to supply quality paddy in the right condition at the right time. Paddy would be paid for on the basis of milling quality with a bonus allowable for early delivery at the desired moisture level. Sceptics in the audience believed that the scheme was only feasible if the RMB receival system was adequate. Frequent delays at receival points suggested this was not the case. And who was going to pay for the necessary improvements? The present Fair Average Quality (FAQ) system was adequate, opponents argued, and it was wrong to drive a wedge through suppliers, dividing them into 'classes' on the matter of quality simply to counteract a few 'delinquent' growers. Growers needed to believe that they would receive a dependable pool price, for this built confidence and improved cohesion while an Appraisal Scheme was potentially divisive. Growers whose paddy was rejected by the board might go elsewhere, to a private miller in another state, for example. Menzies Emery warned of the dangers of outside millers gaining a foothold in the industry by buying rice from disgruntled growers. Moreover, rail freight in Victoria were lower than those in New South Wales, making it attractive to truck rice there.  

In reply, Noel Hogan said that the drawn-out 1968 harvest had cost growers dearly, first because RMB installations were required to remain open for an extended period, and second because paddy delivered late had given a very poor mill-out. Some farmers, apparently, were continuing with the practice of harvesting the crops of others first and leaving their own to last, extending the harvest period. The chairman estimated that combined costs for this represented a loss of $1.2 million to the industry, or $2,000 a farm, or $6 a ton in reduced return, adding: 

The RCM can afford to put up with a losing milling situation because they are buying on appraisal or mill-out from the RMB [and] with all the expenses guaranteed by the schedules, they have no great worries. However, the RMB, and thus the grower, is suffering badly.  

This was dismissed by at least one southern speaker as 'ridiculous'. Wakool and Deniliquin delegates also strongly opposed the Appraisal Scheme, unconvinced that their interests could possibly be served by it. Jack Woodside said that the FAQ system had operated since the industry's inception and while he supported delivering the highest standard grains possible at all times, no scheme should penalise growers who were caught through no fault of their own, through weather, mechanical breakdown or problems with contractors, for example. 'I feel that for the sake of harmony in the industry we should examine carefully any alternative proposals before abandoning FAQ standards for receivals'.  

Ian Davidge added that as ricegrowers would have a direct financial stake in Appraisal Scheme outcomes, RMB would have to take stringent measures to ensure that grain was not mixed erroneously, appraised incorrectly, or received at the wrong time or in the wrong manner. The possibility of legal action existed. 

Ron Carlon and George Kayess supported the RMB proposal and urged an investigation of a similar scheme in the United States but this was rejected as an unnecessary expense. 

The Mirrool Branch then moved a convoluted amendment to the Appraisal Scheme motion that RMB pay a premium on all rice delivered at a suitable moisture level and that RGA undertake to recommend to RICC a pilot marketing scheme offering incentives for all growers. It was far from the clear mandate RMB sought but indicative of possible RGA endorsement for the scheme if the board 'behaved'. 

(RMB duly sent a two-man mission to the United States in September to inspect an Appraisal Scheme in use there and decided to proceed, work commencing on an appraisal laboratory in Leeton. John Sharman, formerly a Department of Agriculture agronomist, was appointed manager. The ensuing Appraisal Scheme, much more limited in scope that the American model was begrudgingly accepted. However, with RMB and RCM personnel watching each other like hawks at weighbridges and receival points, growers gradually came to see this as a duplication of functions, and unnecessary.  

Noel Hogan was made an RGA Honorary Councillor at that 1968 Deniliquin conference, the association's highest honour. A photograph was taken showing Ian Davidge smiling brilliantly with a mischievous twinkle in his eyes, handing the
presentation to Noel Hogan, who was staring resolutely back at him, brazen, but not without warmth and affection. Between these two gifted sparring partners stood George Kayess, who had just read the citation, beaming, obviously wondering who would 'best' the other in this ritual of homage. The image captures well the essential camaraderie underlying fierce rivalries and loyalties in the co-operative rice industry, opponents on the political stage who at the personal level respected each other deeply, recognising the other was doing his best for growers and simply disagreeing on what this meant as was to be expected in a democratic industry. In accepting the presentation, Hogan noted that only he and Alf Bowmaker survived as pioneer directors of RCM. That was true, but only for a few more hours. Sleeping in a car driven by Secretary Lewis Tweedie, Bowmaker died on his way home to the MIA from that stormy Deniliquin Conference.34

Death of Alf Bowmaker

The Methodist Church in Leeton was packed for Alf Bowmaker's funeral. Isaiah 32:20 was read: 'Blessed are ye that sow beside all waters'. Ian Davidge spoke:

He was a source of great wisdom and understanding and his place will always remain secure in my affection and by all who knew him. He was a man of impeccable honesty, good manners and humility and was filled with quiet concern for all those about him.

Davidge joined Noel Hogan, Jack Woodside and Fred Bock to bear the casket:

The Returned Soldiers formed a guard of honour. ... Following the religious service at the grave side [and] following the silence in memory of a departed comrade, the bugle called "Last Post". "Reveille" was sounded [and] the "Lest We Forget" ode recited.

No longer was the precise, steadying voice of Alf Bowmaker, the 'moon farmer', the industry 'Ibis', to be heard. Indeed, within months of his death the rice industry was shaken to its roots by 'wild cat' production, plunging prices and escalating costs.35
Chapter 30


Introduction

If Alf Bowmaker's passing signified an end to the pioneering era in the New South Wales rice industry, the commissioning of Blowering Dam later in 1968 heralded what Minister for Conservation Jack Beale called a 'battle for water', the first rumblings of which were sounded two years before, after he took the portfolio.

Irrigator ‘right’ or economic ‘need’?

On 8 September 1968, 1,600 people from the MIA, the CIA and surrounding districts stood astride the 368 feet high, 2,450 feet long rock monolith of Blowering Dam on the Tumut River, the massive wall holding back three times the water volume of Sydney Harbour. When Premier Askin pressed a button:

A hooter sounded, engineers opened the outlet valves at the base of the nearby power house and a rumble grew to thunder that drowned the band's "Advance Australia Fair" as water spouted and surged its way down the formerly almost dry river bed. As the water gained volume the breeze swirled spray from the boisterous surge on to some of the watching crowd.

That cascading water would add $25 million annually to the value of Murrumbidgee River production. Noting that the MIA alone supplied one-quarter of all Sydney's food needs while irrigators in general produced 20 per cent of all New South Wales primary produce, the premier said his government now planned to make New South Wales entirely 'drought proof'. The season looked good, the winter had dumped huge drifts of snow on the Southern Alps and now Blowering Dam could put this to productive use. Applause nearly as thunderous as the great column of water racing away was heard. Then Jack Beale took the dais. 'Treat water as a precious commodity,' he warned. By mid 1969 irrigators came to know what he meant: huge increases in rice acreage and water rates to finance an ambitious WCIC water conservation program seeking to make the state 'drought proof'.

Everyone knew that the Murrumbidgee and Murray rivers would soon achieve optimum commitment in the service of man. At the same time 'land locked' irrigation farmers on standardised properties, confronting rising costs, static returns and diminished profitability per acre-foot of water, were clamouring for the resource at the best possible price in the effort to produce their way out of difficulties. Moreover, as prices for many alternative commodities continued to decline, more and more farmers were seeking to enter the rice industry. Pressure built upon WCIC to revise the formula for water allocation, from one of irrigator 'right' to one based on economic 'need' permitting greater flexibility in allocating the resource, that is, deregulation.

Even though water allocations for the 1968/69 season included only relatively small price increases, numerous water user groups protested in the face of the generally mounting cost structure of farming. Irrigators in the Berriquin, Denimein, Deniboota and Wakool Irrigation Districts, for example, were particularly irate, saying they could see no evidence of 'improvements' to the system Beale spoke of, nor would they accept as equitable permission for farmers in Irrigation Areas to grow between 70 and 90 acres of rice, using 1,000 acre-feet of water, while farmers in Districts were restricted to 443 acre-feet of water and, in many cases, 20 acres of rice. Now Blowering Dam was set to improve the lot of Murrumbidgee irrigators even more. Bulletin picked up the issue:

It seems anachronistic. Why not treat the Districts equally? The hegemony of the Area growers would appear to be under increasing challenge. ... Berriquin growers have formed their own association and its voice is likely to be heard with increasing force in industry discussions.

Farmer water user groups in Irrigation Districts from Jerilderie through Berrigan, Finley, Tocumwal, Denliquin, Barmah and Moulamein, organised the Southern Riverina Irrigation Districts Council (SRIDC), the largest of the water lobby groups and maintained pressure on Beale, who deputised the prime minister seeking an increase in the Murray Valley irrigation allocation of 812,000 acre-feet so that farmers
might '... maintain living standards on standardised farms in the face of rising costs and diminishing profitability'. In return for this, SRIDC argued, District farmers would inject an additional $10 million into local economies.

The Jerilderie Ricegrowers' Development Association (for farmers growing rice) and the Berriquin Irrigation District (BID) Ricegrowers' Association (for farmers seeking licences to grow rice), maintained their stand-off with the Ricegrowers' Association of Australia (RGA). At a meeting in October 1968 to consider forming a Berriquin Branch of RGA, Jerilderie Ricegrowers' Secretary G J (Geoff) Wright voiced '... unanimous dissatisfaction with the rice industry's attitude to expansion of ricegrowing in Berriquin'. Urging affiliation, Ian Davidge explained, 'We are not trying to keep the rice industry to ourselves. We are just trying to keep its expansion on a logical and regular basis'. At other meetings in Blighty and elsewhere, President of the Berriquin Ricegrowers' Association B N (Bruce) Holloway told members that until the BID achieved more ricegrowing permits, greater acreage, better water supply and appropriate RMB and RCM infrastructures, there was no question of the BID Association affiliating with RGA, which '... is comprised only of established growers'. When Berriquin irrigators were established and ricegrowers had sufficient acreage and water to protect living standards, then the BID Ricegrowers' Association might consider affiliation with RGA.

The RGA Central Executive did not like it but understood ways quickly needed to be found to accommodate the wishes of southern dissidents if destructive divisiveness and possible market chaos were to be avoided.

The 'Water Conference'

Later in October, the Jerilderie Shire Council called a 'Water Conference', bringing together Minister Beale, Minister for National Development D E Fairbairn, WCIC Chairman A S (Bert) Reddock, Federal Member for Riverina A Armstrong, A J (Al) Grassby (MLA, Murrumbidgee), J A (Joe) Lawson (MLA, Murray), local government and business organisations, various water-use and rice development associations, including the Yanko Creek and Tributaries Development League and the Berriquin Irrigators Central Council. At this Beale was called upon to allocate 800 acre-feet of water on a standard-sized farm in Murray Valley Irrigation Districts in order to avert 'economic disaster'. WCIC was told to co-ordinate water use between the Murrumbidgee and Murray Valleys '... in order that water available be equitable to the users from both rivers, and this to be implemented without prejudice to existing water usage'. Beale and Reddock were bombarded with questions about WCIC's role in determining both area and use of irrigated land. Was this a legitimate function for a government department? Surely soil suitability and economic need should determine water allocation and land use rather than 'logical' or 'ordered' progression in the interests of established growers. WCIC should 'iron out' anomalies between the rivers once and for all, Beale should improve storage for the Murray River system and irrigation should have precedence over hydro-electricity.

The Jerilderie 'Water Conference' signals the beginning of what was, for established irrigators, a long and painful process of water deregulation continuing well into the 1980s. In the interim, rice industry politics was increasingly shaped by factors beyond the farm gate centring on commission water and land use policies, market distortions, cost–price dysfunctions and mounting environmental concerns.

At a meeting of the Denimein Landholders' Association early in November, Beale was again urged to allocate water 'according to need':

> Economic conditions on the land have changed for the worse since 1961–62 and this has resulted in many landholders becoming heavy users of water but not being entitled to a temporary allocation. The present policy is tying up water in the hands of those who do not need it, for example, retired farmers or large-area farms with areas of dry country. The present policy favours developed farmers and discriminates against developing farmers who need the return. A "man-made drought" exists in Districts which could otherwise be productive. The business community is suffering as a result of restrictive water practices.

In state parliament, Al Grassby continued to savage the minister, accusing WCIC of 'raiding the till', alleging that almost 300,000 acre-feet of water had 'gone missing' and
that was why water restrictions existed and prices for water were climbing! Outraged, Beale told Grassby:

From 1912 to 1942, the Murrumbidgee Irrigation Areas as an industrial undertaking were subject to a statutory charge for interest on the capital costs of works including the Burrinjuck Dam. In 1942 new Irrigation Districts were coming into operation and statutory provision was made for a working account to cover all Areas and Districts. During the war years and after, interest was not charged on any of the schemes, but from 1948 to 1952 the Treasury collected surpluses and applied them toward interest. Largely due to the inadequate water charges, the working account was almost completely exhausted by 1952. In that year water charges were increased to approximately double the previous rates. No interest payments were made between 1952 and 1954, but in 1955 the Labor Government introduced the present contribution scheme. Under this system, a contribution is made toward the interest each year based on the overall financial result of the previous year. This system has continued since 1955. Tax payers have invested $50 million into the Areas and Districts and it is only proper that water users therein should make some contribution toward interest charges on that expenditure.

The minister listed the Askin Government's achievements and the Coalition's plans for water conservation and irrigation:

- completion of Blowering Dam;
- investigation of underground water in the Murrumbidgee Valley;
- possible assistance to Boorooboran Domestic and Stock Water Supply District;
- twenty-nine new farms on the CIA and seven horticultural farms;
- $13 million to be spent on irrigation, including $7 million on maintenance and improvement to channels;
- plans advanced for Tom Bullen En Route Storage;
- work commenced on Redbank–Balranald Irrigation District;
- construction of Balranald Weir;
- detailed investigation of Lake Mejum Storage proposal; and
- investigation of proposals for Nimming–Pollen Creek.

Virtually all of these projects were being funded by the state government with very little support from the federal government. To make the state nominally drought resistant, $1.2 billion would need to be invested over a fifty-year period. The rate of progress depended upon the state receiving a greater measure of federal support. Not only farmers from southern Districts were calling for improved water supply and services, the minister continued, the Hay Shire Water Users' Association, for example, had applied for additional pumping licences to grow wine grapes and rice further down the Murrumbidgee River.

Indeed, following reports of rice being grown using bore water at Hillston, WCIC officers discovered 120 acres of rice growing in a dry area on Claud Anderson's property sixteen miles from that town. Anderson had built a storage dam containing a lake one mile long and had constructed four miles of canals. In addition, encouraged by RMB's assurances that there would be no problem in receiving Hillston paddy, the Murrumbidgee Valley Licensed Pumpers Association was actively increasing efforts to have affiliates grow rice. To rice industry leaders it was evident that if the government did not maintain a regulatory hand in monitoring permissible rice acreages, water and land use, a rice production 'break out' would occur, possibly destroying the economics of the industry. In this way, the tendency towards deregulation to accommodate competing interests and growing demand for water cut across the economic fundamentals of the co-operative rice industry, contingent upon production matched to markets and affordable infrastructure.

Industry with a 'split personality'

The rice industry was being torn between established growers seeking economically-assimilable growth and vocal interest groups seeking to enter the industry or derive greater benefit from participation through expanded acreage and production. In this scenario, RCM championed the former position and RMB, the latter. To the extent RMB succeeded, RCM was left with the responsibility of milling and placing product in profitable markets for not doing so would surely pave the way for rivals to enter the
field. For its part, RMB had to tread carefully. While miller competition might bid up paddy prices, it could equally introduce price-cutting in the clamour to seize or protect market share and that was not in the growers’ interest. There were two other brakes on board ambitions: WCIC control of water allocation and rice permits; and the willingness or, rather, unwillingness of growers to fund the Equity Certificate Scheme for storage and infrastructure. The RMB formula for industry success: greater volume, improved yields, early delivery and better quality; was not unreasonable or impracticable in itself, but predicated on an assumption that markets would look after themselves and, where this was not the case, it must necessarily be the co-operative’s ‘fault’, necessitating board intervention.

Introducing an RMB film on the rice industry in late 1968, Noel Hogan said, ‘The rice industry has to break out of the defeatist thinking that saw a reduction of production as the answer to marketing problems’. He made much of an FAO prediction that demand for rice would expand by 35 per cent in the next five years and again painted evocative images of a ‘hungry world’ in which Australian farmers must play their part. As a virtually unlimited demand for rice existed, he believed, farmers should produce to meet this. Those arguing ‘prudence’, conservative marketing policies and production controls, were no friends of ricegrowers. Dissident southern ricegrowers, seeking improved acreage and farmers wanting entry to the industry, enthusiastically agreed. Hogan pointed again to Australia’s inability to supply the Philippines’ Government with 25,000 tons of rice as part of a Commonwealth Food Aid Program and cited economists and agronomists as evidence that greater production was the answer to growers' mounting economic problems, which was not quite correct as by 'greater production' most experts meant 'improved yields' and no one was opposed to that.11

Official RGA policy remained gradual expansion at the rate of 4,000 acres or 10,000 tons per annum (although it was unofficially acknowledged that 16,000 tons per annum was probably nearer the mark). Indeed, acreage had been increasing by approximately 10 per cent annually for years, but production was actually climbing by 16 per cent due to improved yields. The number of growers entering the industry was also rapidly expanding: 272 new rice farmers started production in 1968 alone. There were now 1,800 rice producers in New South Wales and most of them were excited by FAO predictions, RMB’s enthusiasm for production and were motivated by a downturn in alternative commodities. But such rapid growth rendered the industry more vulnerable to financial stress in a period of rising costs. Already RMB and RCM had invested $6.5 million in infrastructure but production still exceeded storage capacity and RCM mill hoppers were again being used as a stop-gap measure. District infrastructures were stretched to the limit as costs per ton for production, handling, milling and marketing paddy increased. Moreover, the newer long-grain varieties, particularly *Kulu*, gave a relatively poor mill-out.12

RCM Chairman Jack Woodside, by now generally identified with those taking a conservative 'small is beautiful' approach, kept warning growers of tougher export markets and lower prices, saying that, while demand in the previous twelve months had been 'particularly buoyant' because of stock-piling by Thailand and US governments to feed Vietnam, Thailand had recently released a heavy tonnage on world markets at a 20 per cent price reduction. In addition, the heavily subsidised US harvest was up 20 per cent and the Americans were now the main international exporter of short- and medium-grain varieties which competed with Australian produce. The introduction in Asia of new varieties of 'miracle rice', such as IR8, had completely changed the international outlook. Vast rice stock-piles existed. Communist China, seeking hard currency, was releasing rice 'anywhere'. The overseas rice market had become a highly speculative and uncertain one. Domestic prices were now similar to overseas prices and it would not be long before the home market paid better prices than overseas markets. Woodside predicted that markets would change suddenly and dramatically, warning that the industry should not expand beyond a capacity to absorb a 'king hit'. (Little did anyone know, one was on the way.) It was good that yields were improving, but limits would soon be reached as costs continued to climb. Much field machinery currently in use was inappropriate to new varieties and could not cope with problems such as 'lodging' (the falling over of heavier rice heads). The industry now had a 'split personality', the RCM chairman said. Pressure was building in the Berriquin Irrigation District and among 'other sources' (RMB, was
clearly intended) to increase production dramatically, while, on the other hand, some leaders were urging restraint and recognition of the ‘... pure logic of knowing that the expansion rate is fast enough and cannot be exceeded’. The industry was shackled with a $1 million bill each year for storage and mills. There were enormous physical and technical problems associated with constructing mills in quick succession. Much had been hoped for from Japanese markets ‘... but the reverse seems to be happening’. Moreover, the precious Okinawa market was uncertain beyond the immediate season. Prices in Papua–New Guinea were declining. Negotiations with Indonesia had stalled. Only the domestic market was improving, but no-one knew what impact the Northern Queensland rice industry might have upon that. Growers would have to accept the reality of lower prices and the possibility of a carry-over.13

Anticipating a harvest at least 30,000 tonnes larger than the previous one and observing events running faster than the RGA Central Executive thought prudent, Ian Davidge added:

... the brakes are coming off the rice industry and we are going to pay the price for this expansion because the industry is virtually self-financing. ... Whether this expanded production can be held within reasonable limits so that we can handle it remains to be seen.

The industry would need to find $11 million over the next five or six years to finance expected expansion. If this did not proceed in some systematic way, chaos could ensue. Davidge lamented the rift between industry leaders and grower delegates in the BID, where some were applying pressure upon the industry to '... telescope milling and storage costs of five to six years into two years. ... We want them but growth must occur logically and sensibly'.14

Death of Jack Woodside

The strain got to Jack Woodside. In March 1969, while on a marketing mission for RCM in Tokyo, the co-operative chairman died of a heart attack. More than 400 mourners attended the funeral at Scots War Memorial Church, Griffith. The eulogies told of a gentle 'father' figure, a firm but fair man who communicated easily with everyone. Noel Hogan and Government Appointee Stan Lanham were in Manila at the time. A telegram sent by Hogan was read out. 'We innovated many of the things that have placed the co-operative in its strong and outstanding position', it said. RCM Manager John Kellock remarked quietly to someone beside him, 'John Woodside was the antithesis of those who seek the limelight'.15

Fred Bock was appointed chairman of RCM and Ian Davidge, vice chairman. Davidge, still president of RGA, remembers those days:

When Jack Woodside died the strategy was carried on with Fred Bock. Fred Bock and Noel were always good friends but their friendship became very strained as Noel pushed the RMB further into the area of being the body of review, the "second-guess", the second line of management of the co-operative. ... The board [now] had nothing to do. Its role was to take bids for rice and allocate the rice to the most appropriate miller. There was only one mill. Noel saw that if he did not maintain the board as a vigorous and almost independent attacker of mill policy then it would be seen as no longer having relevance. He was very conscious of this [and] how it would affect his position as RMB chairman. He was clever. It was well done. The growers were confused. He had support in the Whitton Area, but strong pockets of resistance. Everyone knew he was a good fellow, but many were suspicious of him. He could wave figures about and sway debates. He was a classic demagogue. RCM was always seen as the conservative reactor unable to take the initiative in arguments, the bewildered elephant being goaded by the snapping of the heels. ... Eighty per cent of the growers wanted to do something about the situation but Noel Hogan had safe support and so did I. There was no chance of deposing either. The RMB strategy was to try and undermine the influence of the mill, not so much individuals in the mill. It was evident to many after 1968 [when the RCM agency arrangement with Stratton's ended] that the RMB had "run its race". But there was no possibility of this being politically acceptable. It was like abolishing the Upper House; everyone says it's useless but let's keep it. Also if the RMB had disappeared it was not in the interests of the mill. It was not a question of
disbanding the RMB, but of incorporating it in the structure of the RCM in some way. If the board had been abolished, the co-operative would have lost the benefits of central purchasing through the board, and the Trade Practices shelter. The RMB was an effective shield against that and the RMB–RGA antagonism was purely on the basis of the operations of the mill. Others, including Stan Lanham, remember no such tension, believing that relations between the board and the co-operative were often amicable and that majority agreement prevailed in most instances. But, Lanham, adds, the exceptions to this rule tended to overwhelm the positive aspects of the relationship.

In opening the co-operative’s new CIA mill in mid-1969, RCM Chairman Fred Bock drew attention to ‘... gathering problems ... dark clouds on the horizon’. Significant WCIC increases in acreage seemed inevitable; costs were rising; prices were falling; profitability was eroding; and overseas markets were volatile. Preparing the industry for difficult times ahead and seeking to clarify the demarcation lines, Bock spelled out the respective responsibilities of RMB and RCM, saying:

Each component of the industry must make concessions to each other. We know this can become irksome and frustrating for Executives and Staffs of the various organisations [but] I appeal to the officers and staffs of the Board, to the Co-operative and the Association and their wives — particularly their wives — for the utmost tolerance, understanding and co-operation so that we can continue to be Australia's most efficient primary industry.

The WCIC ‘King Hit’, 1969

The ‘king hit’, foreshadowed by Jack Woodside shortly before his death, was delivered on 5 June 1969 when Jack Beale announced big rice acreage increases in the Murrumbidgee and Murray Valleys for the forthcoming season, amounting to more than 14,000 additional acres equalling a harvest boost of around 40,000 tonnes. Increases were contingent on the usual conditions: availability of water; suitability of soils and drainage; and water tables and salinity. The extra acres were permitted mainly on the CIA (where 60 acres could now be grown on a permanent basis) and the Murray Valley (where Districts were allowed to grow 30 acres). An additional 10 acres were permitted for a further season on the MIA, the CIA and the Tullakool Areas and in the Benerembah and Tabbita Districts. It was time to ‘take the brakes off’ and let the market work, the minister said. It was widely believed that he had agreed to the expansion for political reasons ‘... at a time when the industry faces overseas marketing problems and lower price levels’ and had done so against the express wishes of RICC, of which Noel Hogan was president.

Beale’s political footwork effectively removed the heat from himself in respect of adjudicating contested production and water use demands and diverted responsibility for dealing with these issues to the industry itself. Predicted a big price plunge, RICC and RGA Central Executive officials expressed grave concern at the minister’s failure to accept RICC’s recommendations for ‘ordered progress’. 'Well', asked Beale, ‘who shall be the first to forfeit his acreages?’ Silence greeted the question.

The rice industry was about to be thrown into turmoil.
CHAPTER 31

FEEDING A HUNGRY WORLD:
MARKETS IN THE 1960s

Introduction

Before discussing problems the co-operative rice industry faced in 1969 in a period of collapsing prices coinciding with massive production increases, it is helpful to pause and consider markets the industry was servicing earlier in the 1960s.

‘A picture of prolificacy’: A progress report on the Riverina Rice Industry

Year after year the records were broken, record crops and world record yields achieved by one of the most efficient primary industries in Australia. By the mid-1960s the New South Wales rice industry was the most mechanised and highly capitalised in the world. In July 1962 the MIA turned fifty and newspapers marked the occasion with supplements documenting the Area’s colourful history. Though the MIA was well-established as the state ‘fruit and wine basket’, most people still did not realise that one-quarter of the entire Area income of $40 million per annum came from rice. Aided by the rice industry’s success, the MIA had prospered to become one of the best managed and dynamic regions of inland Australia. In 1912 the population of Wade and Leeton Shires had been 200. Now it was almost 30,000.

The Daily Telegraph enthused:

Griffith ... is vibrantly alive, determined to keep its place as the district’s unofficial and often unrecognised capital. Leeton, the administrative centre of the MIA, is more sedate. Narrandera is a typical Australian small town with a difference. Its streets are covered with trees giving the town the appearance of a large, peaceful park. ... Drive past the orchards with their fruit trees and grape vines stretching out many miles. Open your nostrils wide and you will think you are somewhere in Sicily.

The Sydney Morning Herald eulogised the rice industry:

Every thing [the rice industry] produces is sold before it leaves the field. How does this claim of successes come to be registered by an Australian industry which started more than 2,000 years behind the traditional ricegrowing countries of Europe? Sophisticated technology has laid the basis while get-out-and-sell techniques were adopted by the industry when many other Australian primary industries were still timorously clinging to the umbilical cord of Imperial preferences. It could be said that the rice industry set a national example in its search for new and alternative markets.

The Age described the south-western irrigation zones as ‘... blooming oases in the midst of vast parched stretches ... of the far western plains, a picture of prolificacy’. The rice industry was described as a ‘copybook industry, youthful, vigorous and forward looking’. New South Wales Minister for Agriculture G R Crawford said he was astonished by the progress:

The Australian rice industry ... has given lead to every other primary industry in the country today. [It] has demonstrated a new pinnacle of success for primary industries in efficiency and effectiveness ... and all concerned in the industry can take pride in the fact that they have shown the way in changing times. ... I am amazed.

Commonwealth and state governments promoted the Riverina as a desirable place for migration. The National Film Board prepared documentaries on the Riverina "Rice Bowl", a successful example of ‘... multicultural settlement, proving that Australia is more than just cities and untamed outback’. The federal government pointed to the rice industry as an exemplary one, awarding it numerous government and business awards for export performance and initiative. The rice industry attracted widespread international acclaim and was held in high regard at the International Rice Research Institute in the Philippines because of its disease-free status, efficiency, high yields and ability to put new scientific research quickly to work in the interests of farmers and the industry. RCM was widely regarded as the country’s most adaptable, intelligent and
effective farmer co-operative. Hundreds of overseas visitors visited the southern rice fields through 1964 to 1966. In 1966, the International Year of Rice, the United Nations Food and Agricultural Organisation (FAO) encouraged the study of ricegrowing in New South Wales as part of its Colombo Plan and other bi-lateral exchange programs. A Swedish national television team was astounded to discover such an efficient rice industry in the Riverina, extending a planned one-day visit to ten days to document it on film, preparing what it described as an 'eye-opener' for Scandinavian audiences. The Swedes were particularly impressed by the industry's rotation, including fodder production, which had helped make regions elsewhere drought-proof. Dr D I Constazo of the Foreign Language Press wrote:

The Murrumbidgee is the best shopwindow Australia has to advertise rural progress ... demonstrating what can be achieved in intensive rural development and the successful utilisation of large numbers of migrants. [It] ... is a success story which should be told overseas in the national interest and ... more widely known and appreciated within Australia itself.

Still critics claimed that the Areas had never paid back investments in them, but this was difficult to prove. In 1964 one estimate of capital investment in irrigation works associated with the MIA since its inception, including Burinjuck Dam, diversion works, the Main Canal, land resumption and working plant, amounted to $30.7 million. Against this investment, approximately 6,000 landholdings now existed on the MIA alone. In 1963 rice production in New South Wales was second only to wheat in value as a cereal, earning from exports three times as much as the national automobile industry. Gross annual farm production in the Areas and Districts amounted to $23.6 million. The aggregate value of MIA production over the previous twenty-two years amounted to $307 million. New South Wales rice exports multiplied forty-four times between 1939 and 1965 and were now worth $6 million annually. Exports grew 110 per cent in the decade to 1966. RCM rice exports, worth $8 million in 1964, were worth $15 million four years later. While the value of rice production to the MIA actually declined between 1955 and 1965 as a percentage, from 25.6 per cent to 19 per cent, this was in part explained by ricegrowing facilitating the development of large-area farms and an innovative rotation cycle. The cash crop provided by rice also allowed many farm improvements, dramatically improving the profitability of unit farms. It was generally accepted that ricegrowing enhanced pastures and allowed more intensive settlement and greater activity among share-farmers and farmer-relatives. The solid foundation of rice farm rotation was evidenced by the 240,000 sheep, 10,000 cattle and 6,000 pigs which passed through MIA saleyards in 1964. There were then two million sheep and 340,000 cattle on the MIA and surrounding areas.

Another MIA farm production record was set in 1966/67, over $31 million, $3.4 million more than the previous year. Of this total, rice accounted for almost $8 million. Notwithstanding the terrible drought of 1967/68, the farms of the MIA and Districts again produced a record output, in excess of $32 million, up $150,000 on the previous year. Rice alone was worth $8.3 million, not including other products associated in the rotation. A CSIRO study in 1968 showed that rice was the top food-value crop of all grown in the Riverina and that one acre of rice produced 470lbs of protein, well ahead of wheat, meat and milk.

Ricegrowers were justifiably proud of these achievements though there was little skiting in a typically diffident farmer way and little hoopla and ceremony. The industry was not entirely without rites and rituals, however. In June 1965, for example, at the Eighth Annual Rice Ball in the Tullakool Hall celebrating another successful harvest (on a freezing night):

The rice theme was to the fore in the Hall decorations and also on the supper tables where curry and rice were featured on the menu. Music for dancing was provided by Lakes' Orchestra. ... Great interest centred on the choosing of the Rice Queen ... Ms Patricia Gorey. Patricia was invested with a handsome "Sunwhite" sash and crowned by Mr Davidge with a glittering crown ... and also received a presentation of a crystal jewel box. A twist of matching silk trimmed the Empire Line of her long frock of lemon velvet which featured a scooped neckline and short set-in sleeves worn with matching satin shoes, cream kid gloves and a crystal clutch bag. ... Glowing fires in huge drums were much appreciated between dances.
RCM markets

When Noel Hogan took the reins of RMB in 1961, approximately 1,100 rice-growers were working 18,635 hectares of paddy fields in New South Wales, producing 118,000 tonnes of paddy. When he died in 1977, 2,200 growers were working approximately 90,000 hectares and producing almost 519,000 tonnes of paddy. The number of rice-growers had doubled and the area put to rice had almost quadrupled under his watch notwithstanding large fluctuations in harvests due to seasonal, agronomic and economic factors, as reference to the diagram below will indicate.

Harvest Statistics NSW 1961-1977

<table>
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<tr>
<th>HARVEST YEAR</th>
<th>HECTARES</th>
<th>PRODUCTION TONNAGE</th>
<th>AVERAGE YIELD PER HECTARE (TONNES)</th>
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<td>1961</td>
<td>18,635</td>
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<td>20,281</td>
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<td>22,156</td>
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<td>1977</td>
<td>89,201</td>
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</table>

Important RCM export markets through the 1960s and early 1970s included the United Kingdom, Papua–New Guinea, Okinawa, New Zealand, Hong Kong, Guam and Canada. Other markets, economic or otherwise, in the period included:

- Malaya (Malaysia)
- Solomon Islands
- New Caledonia
- Tonga
- American Samoa
- Chile
- India
- South Africa
- Ceylon (Sri Lanka)
- Cocos Islands
- Pakistan
- Gabon
- West Iran
- Singapore

The lucrative United Kingdom market fell from approximately 20,000 tonnes early in the 1960s to about 5,000 tonnes a decade later as preferential trade terms were phased out and Britain approached the European Economic Community (EEC). The Papua–New Guinea (PNG) market was vital, absorbing more than 40,000 tonnes of New South Wales rice by 1968, worth $6 million. As moves towards PNG independence began, however, and as the PNG Administration opened markets, adjusting them to world parity, RCM was placed under increasing competitive strain. The co-operative's response was to open a subsidiary in the Territories, Rice Industries Proprietary Limited, and concentrate on marketing. The American-occupied Japanese Prefecture of Okinawa was an important market. Sales, beginning in the late 1950s, absorbed 15 per cent of total RCM exports by 1963 and by 1967 accounted for 25,000 tonnes, worth $5 million. The loss of that market was significant when the USA prepared the island for reversion to Japanese control around 1970.
There was much hope for expanded trade with Japan as more Japanese paddy fields were taken up for residential and industrial development and many farmers moved into the burgeoning manufacturing sector. Japan was importing about 2.5 million tonnes of rice annually, mainly from the United States, but also from Formosa (Taiwan), China and South Korea. Indeed, there was some Japanese interest in high quality *Japonica* rice from New South Wales at the time, despite an official Japanese Government policy of self-sufficiency in food. For example, Professor Yoshitaka Komatsu of Waseda University, Tokyo, officials of the Japanese Food Agency, the Japanese Ministry of Agriculture, and the trading companies, Mitsui, Sumitomo and Sogo Boeki, explored the possibility of importing Australian rice between 1961 and 1965. There were many obstacles, particularly the prevailing balance of trade strongly favouring Australia. Also, the Japanese Government, which controlled the distribution of rice, supported rice farmers to a level almost 60 per cent above world market prices, equivalent to a subsidy of $500 million a year, in order to keep down the cost of living. Moreover, the Japanese were interested in buying on an annual basis only and at prices which made the RCM and RMB investments necessary to handle the added volume, risky. RCM Manager John Kellock, for example, sought Japanese markets with a passion but prudently warned shareholders that prices and terms did not justify the additional milling, storage and capital costs. Furthermore, Australia was obliged to deal in 'hard currency' and was unable to match American terms through extended credit and local currency dealing. American sales also benefited from US Public Law 480, allowing subsidies for exports. The only way the Australians could match this 'rice diplomacy' was through greater efficiency, superior quality and building good-will.

'That grain of power'

As world rice production grew to exceed demand and in a 'Cold War' climate of international politics now focused on the war in Vietnam, the commodity became a strategic food weapon in diplomatic negotiations, described as:

- King of the orient. A tiny white kernel loaded with political dynamite [which]
  has nations uneasy and governments trembling. Rice has made and broken
  governments and caused wars. It can do so again. ... That grain of power ... is
  the fuel and the focus of Asia. When there is plenty of rice the wind blows fair,
  children are happy, pigs wax fat, problems decline.

With rice being heralded as the 'Food of Nations' the New South Wales rice industry sought to promote rice consumption on the increasingly important home market. In an expensive campaign involving all media and major food firms, RMB ran a 'Rice: A Bright Idea' campaign, advertising rice as a delicious, economical and nutritious food for modern Australian households and a suitable alternative to staple dietary items. But the 'Bright Idea' clashed with a more plebeian 'Saviour of the Poor' notion and produced some buyer resistance. Gradually, however, rice came to be included in a wider range of dishes in Australian households. In 1965, when a world record 163,000,000 tonnes of rice was produced worldwide, Australians were consuming a mere 30,000 tonnes of 'Sunwhite' products, representing a 14 per cent increase in two years. The RMB campaign, and John Kellock's imaginative flair in promoting 'Sunwhite' products, can take much of the credit for capturing this 'shift to rice' in the habits and thinking of a generation of young and well-travelled 'Baby-Boom' Australians. The author well remembers the comedian and satirist Barry Humphries advising us all to eat a mountain of rice with a dollop of pigeon-shit on top.

To commemorate the International Year of Rice, the International Rice Research Institution at Los Baños in the Philippines launched a new rice; *IR8*, nicknamed 'miracle' rice; the result of a four-year program involving 500 personnel, seven nations and the support of the Ford and Rockerfeller Foundations. A short, sturdy long-grain variety, *IR8* was resistant to disease, responsive to nitrogen fertiliser, yielded better than predecessors, milled well and was light and fluffy when cooked. Indeed, it had all the hallmarks of a 'miracle'. In ensuing years a 'Green Revolution' swept rice-producing nations, particularly in Asia. Previously importing nations became not only self-sufficient, but exporters. By 1972, however, it was evident that the 'Green Revolution' was petering out as nitrogen-hungry 'miracle' rice hit ecological and economic barriers. Big price increases for oil-derived fertilisers, chemicals and insecticides, and the absorption of national rice industries by international
agribusiness, alienating peasants from the land, saw whole communities and nations dependent upon ‘miracle’ rice facing serious economic and social dislocation. (A world rice oversupply in the late 1960s and early 1970s gave way to a serious shortage in 1973 and 1974. The situation fluctuated for several years before supply and demand again reached equipoise in the late 1970s. Meanwhile the New South Wales rice industry, a not insignificant player in world rice trade but ultimately a ‘price taker’, rode the storm as best it could.)

**A cost–price squeeze**

As early as 1965 indications were that industry costs: water, fertilisers, chemicals, insecticides, labour, transport, stevedoring and shipping, taxes, rates, probates, machinery and general farm inputs; were on the increase. An extensive industry infrastructure program was also under way to accommodate recently permitted permanent growing on the CIA and big expansion in southern producing zones. Farm values remained strong but a worrying IREC study in 1966 showed that returns to farmers had actually flattened, indicating that prices received from millers (per ton), which had been $52.02 in 1951, had peaked at $80 in 1953. Subsequently, returns had declined to $51 in 1961, creeping up only slowly to $60.50 in 1964. In the interim, RMB’s operating costs had risen from 37 cents per ton in 1951 to $3.40 per ton in 1964, while cash paid by the board to growers had risen only slightly above 1951 figures, to $55 per ton. Similarly, cash bonuses paid by RCM had flattened and were barely above 1951 levels, peaking at $5.82 per ton in 1953 and falling to $1.28 in 1961 before stabilising at $3 per ton in 1964. In that year, total cash to growers from both RMB and RCM, at $57.60 per ton, was barely above 1951 levels ($57). In the peak year of 1954, growers had received $78 per ton. The IREC report demonstrated convincingly that returns to growers had not risen appreciably in fourteen years. Now costs were climbing.

Indeed, costs rose strongly after 1966 as markets became harder to locate and increasingly difficult to predict. Pressures to cut costs, rationalise and improve productivity mounted as, inevitably, a push to greater production began, given impetus by a down-turn in alternative commodity prices in 1967. Returns for fat lambs and cross-breed wool, for example, declined and there were problems in the dairy industry. Ironically, this downturn simultaneously created greater pressure for ricegrowing permits. Rice prices were still relatively high; the highest they had been for ten years; world population growth was still outstripping rice production; and there was every reason to believe that rice could act as a panacea for farmers seeking an improved cash flow. Throughout, RMB Chairman Noel Hogan continued to urge farmers to produce more and ‘feed a hungry world’. Were not New South Wales rice crops sold before they left the fields? Was not RCM straining every nut and bolt to place products in markets? Had the industry ever experienced a carry-over in living memory? Successive years of record harvests and good yields had been recorded while the International Year of Rice had seen a world rice shortage, caused by drought in Thailand and war in Vietnam. Indeed, demand was such that when the commonwealth government offered Indonesia rice worth $200,000 as part of a flood reconstruction program, Australia could not supply all of the grain and was obliged to buy 1,500 tons from Thailand. Surely, the RMB Chairman argued, all of this was evidence of the need for greater production. Moreover, non-utilisation of plant was costly because the nature of industry equity was such that little flexibility existed for reduced tonnage. Therefore, it was ‘good’ to produce; indeed it was essential.

However, there was no doubting farm profitability was eroding. Investigating this, Department of Agriculture Economics Research Officer J C Ryan noted that in the period 1963–1966, MIA rice farms had become quite profitable investments, on average, returning to management and capital 9.4 per cent; some farms up to 15 per cent. However, Ryan noted that recent pressure on farm management to maintain returns in the context of steadily declining world prices for most primary products, had pushed some farmers to ‘an almost impossible point’. A Bureau of Agricultural Economics (BAE) report in 1968 corroborated Ryan’s findings, indicating that farm incomes in 1967–68 had fallen below 1953–54 figures and, at $852, were the lowest for ten years. In the same period, costs had doubled. While the gross value of farm product had increased significantly, incomes were actually lower than 1953–54 levels. Costs had risen from $1,276 in 1953–54 to $2,534 in 1967–68, prices paid by farmers were up by 34 per cent but prices received by farmers were about the same. The whole
cost structure of agriculture was changing, profitability was declining in real terms and ricegrowing was not exempt.\textsuperscript{10}

\textbf{Conflicting forecasts, crashing prices}

Meanwhile, RCM and RMB continued to broadcast conflicting forecasts about overseas market conditions and prices, the board speaking of 'unlimited' potential, the co-operative, urging caution. Understandably, growers dealing with a mounting cost-price squeeze were responsive to calls for greater production, particularly farmers outside the industry exploring the possibility of growing rice. As late as mid-1967, Noel Hogan, returning from an FAO conference in Rome via London, Hong Kong and Manila, persisted in calling for greater production to feed a 'hungry world'. Prices were up or firm, he said, supply short and he predicted that world rice production would fall, mainly due to shortages in India. The Riverina, 'immune from drought' and with the best rice yields in the world, was well placed to take advantage of these conditions. Production was the key, Hogan continued to argue, promoting the idea of a Rice Export Corporation linked to a federal RMB. 'I do not anticipate any sudden major fluctuation. ... No steep rise or sudden fall is visualised'.

Meanwhile, RCM was predicting an actual price fall. Indeed, prices did fall sharply, down by 35 per cent in the four seasons after 1968 as reference to the diagram below will confirm.\textsuperscript{11}

\begin{table}
\centering
\begin{tabular}{|l|c|c|}
\hline
\textbf{Year} & \textbf{Average Payment per Tonne (to nearest dollar)} & \textbf{Variation from Base} \\
\hline
(base year) 1967 & 60 & + 2.7 \\
1968 & 62 & - 6.4 \\
1969 & 56 & - 5.77 \\
1970 & 57 & - 32.16 \\
1971 & 41 & - 14.6 \\
1972 & 52 & + 42.233 \\
1973 & 88 & (estimated) + 102.75 \\
1974 & 123 & (approximately) + 75.00 \\
1975 & 100 & (approximately) + 48.00 \\
1976 & 90 & (approximately) + 90.00 \\
1977 & 110 & \hline
\end{tabular}
\caption{Average Payments NSW Rice, 1967-1977\textsuperscript{12}}
\end{table}

Great uncertainty swept the industry as world rice production began to match demand, albeit erratically with over-supply evident in some markets, shortages in others and 'spot' markets becoming more common. The ability of markets to pay was also causing concern. In this context, the rice industry, by confining exports to lucrative markets in a 'hungry world', drew the ire of humanitarian interest groups, anti-irrigators and politicians promoting entry into the industry of their constituents. The economic reality of the highly capitalised unsubsidised industry, however, was that it had no alternative but to sell in markets able to afford Australia's mounting cost structure. Uncertainty persisted also about a possible replacement for the United Kingdom market, still worth $1.35 million annually. Under the Kennedy round of Tariff Agreements, Australia's favoured status in British markets was set to be halved in four years, aiding the import of subsidised US exports. Already Chinese paddy was being milled in Britain. Problems in exporting were further exacerbated by the Egypt-Israel War of 1967 and the closure of the Suez Canal.

Adapting to these changed circumstances, RCM appointed an export agent; Grain Traders Limited, a subsidiary of the New York-based International Ore and Fertiliser Corporation; and efforts were made to locate new markets in Asia. Fred Bock, John Kellock and Export Manager J C Rillstone journeyed to Japan, Okinawa, Taiwan, Hong Kong, the Philippines, Malaysia and Singapore seeking expanded markets, noting the 'depressing facts' that no interest in buying Australian rice existed in Japan, uncertainty hung over the Okinawa market, and marketing generally was 'tough'. It was difficult to advise growers what to grow, how much, or whether they should go in for long-, medium- or short-grain varieties. That there seemed little scope for short-grain varieties was the only thing about which the mission could be sure.\textsuperscript{13}

\textit{Melbourne Herald} described RCM's selling team as:

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... a courageous little adventure in expansionism [which] is an indication that Australia's new trade in Asia does not rest on anything simple as seeing a need and filling it. ... There are many reasons why nobody is clamouring for the 500,000 tons of export rice the farmers could grow if they really tried.

*West Australian* painted the mission as, '... a small scale version of the problems New Zealand and Australia are likely to meet in their future efforts to find alternative markets to Europe for their agricultural products'.

On the brighter side, a trade mission from Okinawa completed a $5 million deal with RCM in 1967, the visitors emphasising that Okinawa imported $12 million of Australian products and exported nothing to Australia, a situation which could not continue. In July, the Japanese firm, C Itoh and Company Limited, sent a delegation to explore the possibility of importing Australian primary products, including rice. RCM was greatly encouraged by an Itoh report saying, 'We are impressed by the quality, milling and general suitability of Australian rice for our marketing requirements'. Hopeful signs of trade with Japan, however, were aborted by mainly political considerations when the Liberal−Democratic Sato Government, then subsidising Japanese rice, wheat and barely farmers to the extent of $530 million annually through the Japanese Food Control Special Account, restricted rice imports to one million tons following strong lobbying from domestic ricegrowers. The Japanese government subsequently informed RCM that Japan would maintain self-sufficiency and, consequently, there would be no further imports of Australian rice.

The imminent closure of the Okinawa market was a blow to the industry and RCM made every effort to adjust. Manager John Kellock organised an intensive staff training program designed to keep abreast of milling and marketing needs in a rapidly expanding industry subject to structural change. 'We must keep pace constantly with creativity, innovation and flexibility or fall by the wayside', he counselled. By 1968 the industry was on the brink of a precipice. Prices were still fairly good, at about $60 gross a ton, but it was now apparent that participation in what were euphemistically called 'liberally-priced markets' and Food Aid programs would be necessary to clear stocks. The terms of trade were changing, less favourable to Australia. Markets were more 'picky' and greater care was required at all stages of production, varietal selection, quality control and marketing. Good-will was more important than ever in established markets and greater effort was required to retain them. Another RCM mission left for Asia in 1968. The Okinawa market still held, although reduced somewhat from 1967 levels as US competition intensified. Federal government assistance, specifically the Department of Trade and Primary Industry, was now being actively sought by the industry in the form of export subsidies and freight concessions, but little in the way of practical help was forthcoming.

Then the crunch came. Returns for rice fell by 6.54 per cent in 1969, 5.7 per cent in 1970, a whopping 32.16 per cent in 1971 and 14.6 per cent in 1972, before tentatively recovering in 1973. Costs and inflation galloped away. Markets evaporated. Capitalised to the hilt and with more growers clamouring to enter the industry, the cooperative rice industry was catapulted on to a hair-raising 'roller-coaster' ride.
Chapter 32
The Anxious Years, 1969-1973

Introduction

By late 1971 the New South Wales industry was thoroughly despondent, many farmers convinced the enterprise had lost its way. Production fell dramatically in 1972 when, ironically, markets began to revive. With grain committed before it had left the fields, the industry was again embarrassed by an inability to answer a Food Aid request from the commonwealth government precisely as it approached Canberra for assistance. The following chapter, which in its rambling way reflects the disorientation of a co-operatively structured industry struggling to make sense of radically altered conditions, considers events in those years when the economic fundamentals were rewritten and a shift southward in geographic orientation and political patronage occurred. In this context, the historic relationship between the Water Conservation and Irrigation Commission (WCIC) and the rice industry entered a new phase as the former prepared for optimum commitment of the Murray and Murrumbidgee Rivers, introducing a ‘user pays’ principle in the matter of water resource allocation, and the latter wrestled with indecision on such issues as industry participation, further development of the Coleambally Irrigation Area (CIA), farm aggregation, production levels, operational costs and institutional authority to pronounce on these. More and more issues were swept into the whirlpool of disagreements between the Ricegrowers' Co-operative Mills (RCM) and the Rice Marketing Board (RMB), surfacing as factionalism in the Ricegrowers' Association of Australia (RGA). Here was a crucial test for an industry priding itself as one based on democratic principles.

'Meeting the market', 1969-1970

Minister for Conservation Jack Beale announced huge increases in acreages for rice cultivation in 1969, up 21.6 per cent, equal to an additional 38,000 tonnes of paddy, or a crop of 300,000 tonnes. The New South Wales rice industry had reliable markets for between 220,000 and 240,000 tonnes. The sudden increase turned all industry budgetary calculations upside down precisely as world prices for rice plummeted to the lowest levels in twenty years. In order to finance the additional crop and provide extra storage and milling capacity, the industry, already financially strapped, was required to find an extra $2.5 million for the 1970 harvest alone! Over 75,000 extra tonnes had come on stream in the past four years when RCM reckoned that only 10,000 additional tonnes could be economically absorbed annually. Infrastructure costs were now calculated at $30 a tonne, rising to $36 a tonne by 1972, meaning perforce in a self-financing industry, lower returns. Meanwhile, more and more farmers sought access to ricegrowing.

In 1969, a young Department of Agriculture Economics research officer, recently posted to the MIA, Jim Kennedy, demonstrated that an acre of rice cost $66.71 to grow, allowing for seed, fertilisers, water, worm control, rice beetle or army worm control, barnyard grass, slime, tractors, sowing, repairs, maintenance, implements, insurance, contractors and cartage. If acreages and production continued at rates suggested by these 1969 increases, and the bleak market outlook remained unchanged, prices inevitably would fall. The only way to deal with declining profitability was through better farm management — but there were limits to this, Kennedy cautioned. In later years this young researcher would make a major contribution to the industry, his central message remaining virtually unchanged.

RCM Chairman Fred Bock explained to shareholders what was happening. The industry needed to pause and consolidate. Acreage stabilisation was imperative; the rush to create infrastructure was presenting not only financial problems but problems with design, engineering, construction and other technical matters. There was simply no time to evaluate development in the haste to get everything done. The CIA had only just been brought into permanent production, involving RMB and RCM in investments of $2.4 million ($10,000 a farm) and now work must begin on a Deniliquin Mill estimated to cost $1.5 million. The industry would need to find approximately $6 million by 1974 simply to finance current levels of growth. It was RCM policy to mill and market every grain of Riverina paddy but this huge and unexpected increase in government-approved acreage was placing enormous strain on available cash
resources for storage and milling. The co-operative had been obliged to accept lower prices on world markets, sometimes at levels below production costs, in order to retain goodwill and avoid a carry-over in 1969. Now an extra 30,000 to 40,000 tonnes was anticipated in unpredictable market conditions. Growers had to play their part and supply nominated varieties in specified amounts, which RCM might hope to sell at above average prices. And, Bock warned darkly and prophetically, 'Any future industry expansion which is not realistically geared to sales prospects could lead to acute financial marketing difficulties for an industry with a massive capital investment to service'.

Frantic efforts were made to locate markets. Ian Davidge and John Kellock travelled to Papua-New Guinea and the Pacific Islands seeking some stable marketing arrangement for at least a few more years. RCM Director Clive Holden and Export Manager J K Rillstone went to Singapore, India, Italy and Britain. Everywhere, the importance of quality was stressed. Various aid programs at prices down to $10 a tonne were negotiated through the commonwealth government. Acting on advice from Noel Hogan, who had gleaned 'inside' information through the FAO Rice Sub-Committee, RCM secured a good deal in Okinawa just before prices fell. Hogan recalls the circumstances:

> I remember coming back [from the FAO Rice Study Group] in 1970. 1968 prices were pretty good of course, '69 they started to fall, not very much but it was obvious that by 1970 they would collapse and go down much lower. And at a meeting of the co-ordination committee a couple of days after I came back, I issued a very strong warning to the RCM that the Okinawa agreement should be cleaned up within the next ten days because I couldn't see the price staying up like it was; it would fall very rapidly. Fortunately RCM took particular notice of me then and they sent a delegation over to Okinawa and the following years' contract was made with Okinawa at a price that returned about $20 a ton paddy higher than it was in the following month's time, because what I had projected certainly did take place. In fact the Okinawans realised we had made such a good deal there, I think we made $400,000 more than we really should have, that they asked for a reduction in price the next year to compensate a little bit for that huge gain we'd made.

The Japanese did not quickly forget the Australians' fleet-footedness on this occasion, indeed, there was some resentment. But Hogan can hardly be blamed for that — he was simply fulfilling his brief to serve the growers' interests.

Meanwhile, USA competition was intensifying. The USA was by now the world's largest rice exporter and moving aggressively into Pacific markets, including the Australian home market. China was still releasing rice everywhere, seeking hard currency. To match this competition, Thailand released a huge tonnage at 26 per cent discount. Increasingly, rice trade was occurring on a government-to-government basis and, in such a scenario, the New South Wales industry, benefiting only from small tariff protection and otherwise unsubsidised, was at a distinct disadvantage.

RCM Manager John Kellock warned of breakers ahead: the industry faced the prospect of a carry-over in 1970, the first since the 1920s — possibly up to 60,000 tonnes:

> For the first time since its viable establishment the rice industry, generally conceded to be the most efficient agricultural operation in Australia, is facing financial and marketing problems. Ironically the problems stem from the efficiency of the industry.

Kellock had completed a detailed study of world markets revealing the extent of the build-up of rice stockpiles and increasing tendencies by governments to subsidise or protect national rice production. It was impossible for Australia to match prices and conditions which some foreign governments were offering, without federal government help, but Canberra was reluctant. Meanwhile, Kellock reminded them, as other commodity markets stayed down, more Australian farmers wished to enter the rice industry while majority opinion in the industry was that sensible regulation was essential and any 'wild cat' expansion, such as Minister Beale had sprung in 1969, must be resisted at all costs. Somehow, the industry, RCM included, Kellock continued, must reduce operating costs: production was up; prices were down; less rice was
being traded and exporters were being ignored. There was no other way but to rationalise costs and match production with markets.6

Pursuing the idea of reducing costs some farmers revived a thought that had been discussed on and off for a few years: why not abolish RMB in its current form and amalgamate some board functions with those of the co-operative? Noel Hogan would not have a bar of it, immediately diverting attention on to the co-operative and other factors:

The outlook is not very bright because a ... carry-over of paddy is also forecast. Unless some very fortunate sales are made within the next few months storage could be a problem. However, the new season's crop (1971) prospects are only very ordinary. An average harvest is indicated. ... The Co-op Mill has already stated they could need at least $4 a ton more on milling and handling expenses. This will increase the Co-operative Mill's expenses [from] $21.11 (1969) to $25.49 in December 1970. The RMB have not accepted the last increase. RMB expenses [are] also increasing mainly on account of wage increases [and this] will mean less money for the growers.

The chairman insisted that instability in the rice industry existed because of a failure to develop an international agreement on rice trade and:

It has become evident that the only people not supporting an international rice agreement could be certain sections of the RCM where return, expenses and profit are always guaranteed by the RMB no matter what the price the rice is sold for. ... As chairman of the RMB it is my very great hope that the industry will get together and give solid support for any scheme, international or otherwise, that will stop the calamitous drop in paddy prices which are now ... well below the cost of production.7

Hogan overlooked the fact that he had been advocating greater production for years and had predicted as recently as mid-1967 that prices would not fall. And RCM could hardly be blamed for the absence of an international agreement on rice trade.

A 6 per cent rise in wages, the RMB chairman continued, had 'blatantly transferred $720 million into wage and salary earners' pockets' while farm incomes had fallen by 17 per cent. Wages were increasing faster than prices, perpetrating a huge transfer of wealth to the non-farm sector as secondary industry passed on costs, leaving primary industry 'high and dry'. This was why farmers' returns were static or falling and it had nothing to do with RMB expenses. If the commonwealth government did not change its policies '... a large number of farmers will face bankruptcy'.8

Industry leaders waited anxiously for the 1970 crop, wondering how much extra paddy would issue from the additional 5,000 hectares of plantings. But, again, nature intervened to determine outcomes. A very wet growing season saw the crop actually fall by 20,000 tonnes on the previous season! Average yields fell to 6.25 tonnes per hectare from 7.85 tonnes per hectare. A collective sigh of relief passed through RCM management. Even so, marketing was still extremely tough, only Korea and Indonesia increasing imports and not significantly. Export prices were at their lowest ebb in thirty years. Rice imports into Japan were curtailed by 50 per cent, releasing further tonnage on to world markets. Indeed Japan itself had a big surplus of subsidised rice; an eight million tonne carry-over at $372 a tonne for Grade 3 rice, five times what Australian producers were receiving for Grade 1. The 'Green Revolution' had seen Ceylon, Hong Kong, Malaysia and Pakistan virtually disappear as markets. The United States, increasingly protectionist, was engaging extensively in 'rice diplomacy'. That is, USA was completing deals in local currency at 5 per cent interest repayable over thirty years. More rice trade was occurring without cash. For example, Japan 'loaned' rice to South Korea in 1970. European Economic Community (EEC) subsidies were dramatically changing the terms of trade in European markets. Everywhere, importers were extremely finicky about quality, specifications and delivery dates.9

Something had to be done. With a new record New South Wales crop of 288,568 tonnes predicted in 1971, and about 60,000 tonnes of milled rice from the previous season still in the pipeline, a huge carry-over threatened. 10
RGA factionalism

Not surprisingly, RGA politics hotted up, the branches reflecting strongly-felt parochial and frequently conflicting priorities. The Yanco Branch seemed obsessed with RCM's involvement in the infant Queensland rice industry (discussed in the following chapter). Noel Hogan continued to argue for a federal RMB, setting and controlling prices for exports and functioning as the ultimate authority on rice acreage for various proposed state rice marketing boards. The generally 'pro-Mill' Mirrool Branch was mainly concerned with over-production but also the pros and cons of a separate pool for excess paddy, bounties for milled rice, diversification into paddy seed oil-extraction, stock feed and a par-boiling plant. While supporting the idea of a federal RMB provided this came under the aegis of RGA, the branch criticised the board's failure to pay interest on over-subscriptions to the Equity Scheme and to establish a growers' committee to supervise RMB receival points. The Yanco and Mirrool branches did agree on several key issues, particularly aggregation of existing rice farms to viable size preceding the entry of new growers, but the old testiness was still evident, albeit subdued through the lean years.

With returns to Colleambally ricegrowers plunging by two-thirds in 1971, some farmers already selling up and a sense of gloom pervading the Area, the CIA Branch remained convinced that MIA and Murray Valley growers were promoting self-interest at their expense, that over-production problems were 'caused by the south', not Coleambally, that RMB was spending excessively on promotion while neglecting CIA development, that CIA farmers who changed farms were discriminated against by the Equity Certificate Scheme and that RMB was tardy in reimbursing them for over-subscriptions to the scheme and responsible for anomalies in the Appraisal Scheme. RCM also came in for criticism, the branch wanting co-operative personnel off weighbridges where, it was alleged, they were duplicating RMB functions and adding to costs. Savings realised should go to CIA development. It was unfair also, Colleambally growers said, that RCM should levy CIA growers for transport while subsidising Murray Valley growers. The co-operative should certainly convert one mill to stock feed production but definitely not the CIA Mill. Changes to the method of electing RCM directors were urged. The co-operative's board should be increased in number to ten on the basis of two from each RMB electoral district for a period of three years, with one from each electorate retiring each election. The timing of RMB and RCM elections should also be co-ordinated. CIA delegates were fiercely opposed to New South Wales government plans to transfer water between the Murrumbidgee and Murray Rivers via the Yanko, Colombo and Billabong Creeks, protesting that any additional water flow should go to the CIA to underpin land values and aid profitability through farm aggregation. They demanded better representation on RICC, which, they said, should consist of five grower members each from RMB, RCM and RGA, appointed on the basis of one delegate for each RMB electorate. Delegates should be neither mill directors nor elected from the RGA Central Executive. In a pointed reference to Ian Davidge, who was standing as a Liberal candidate for the state seat of Murrumbidgee (narrowly won for Labor by Lin Gordon after Al Grassby entered federal parliament on Valentine's Day, 1970), CIA delegates insisted that no member of the RGA Central Executive should be allowed to take further part in business while running as a political candidate in an election.

Much to the chagrin of CIA delegates, however, the Deniliquin Branch urged Coleambally farmers to grow something else other than rice and undertook to confer with Berriquin and Wakool growers seeking a solution to the over-production problem consistent with Murray Valley development priorities. Other matters raised by the Deniliquin Branch included the price collapse, the evaporation of markets, rice imports, the Queensland industry, WCIC rice acreage policies and growing impatience with RMB–RCM disagreements, which, it was widely believed, were retarding infrastructure development in the south. The RMB Appraisal Scheme was blamed for hold-ups at receival points and 'curious anomalies' in varietal prices. A Two Pool System was again advocated, operated until the carry-over was cleared — and abolished immediately after. Existing growers should be limited to base acres, allowing room for new growers. The Deniliquin Branch agreed with the Mirrool Branch that if a federal RMB were formed it should come under the aegis of RGA. Delegates to the RGA Central Executive, who failed to vote in line with branch wishes on a range of issues, including new rice farms, were roundly criticised. Noel Hogan
and Ian Davidge were cross-examined about the identity of the peak industry body: was it RGA or RICC? There was no straight answer to this question, at least not one satisfactory to a clear majority of growers.\(^\text{14}\)

The Wakool Branch also supported the idea of a temporary Two Pool System, was mistrustful of the RGA Central Executive, demanded that acreages in the District be ‘brought up to scratch’ and expressed grave concern at falling prices for short-grain ‘pearl’ rice, produced in the south.\(^\text{15}\)

Here was industrial democracy in action and it was not pretty, but it was representative. Later, on a more constructive note, the dissident Berriquin Irrigation District (BID) Ricegrowers’ Association began moves to join RGA, BID Association President and RMB Member Bruce Holloway announcing at a Deniliquin RGA Branch meeting that, in view of the industry crisis, he would support the formation of an RGA Branch in the District. RGA Secretary Lewis Tweedie wrote to Holloway inviting a meeting in the Finley School of Arts. At that meeting Ian Davidge explained the RGA Central Executive's crucial role in developing the industry. A motion to form a Berriquin branch of the RGA was put. Mr P Sheed called for a deferment pending discussions between various ricegrowing organisations in the BID. This was carried 20 votes to 15. At subsequent meetings, Holloway strongly urged affiliation with RGA:

> The time for fighting among different factors of ricegrowers in Berriquin has passed. ... With problems such as over-production and intense competition on overseas markets, the rice industry must close its ranks. If Berriquin is to advance ... its growers need proper representation at all levels.

Ian Davidge employed all of his great persuasive and diplomatic skills in enlisting support for the idea and, in August, BID rice-growers voted to form a Berriquin Branch of the RGA — but not unanimously. There were 105 applications for membership, including fourteen from the Deniliquin Branch, seeking transfer. Bruce Holloway, G Wright and E D ('Bill') Holden were elected as Berriquin Branch representatives to the Central Executive. C (Chas) Hawkins was elected chairman. Support for RGA, however, remained patchy in the BID and by 1971 still only 100 from a possible 250 growers had affiliated (161 from a possible 341 a year later). The new branch immediately stamped its mark on events, however, by demanding the immediate extension of maximum rice acreage to the BID, parity in water allocation, the development of long-grain varieties suitable for southern regions and joined with CIA and Wakool Branches in accusing the Central Executive of behaving as an ‘inner cabinet’ and of being disingenuous in its concern for branch grievances.

Ian Davidge vociferously denied the existence of such an ‘inner cabinet’, pointing to changes in RMB electoral boundaries in 1969, which included the CIA as a separate zone and which had seen the election of three new members: Robert Blake (CIA, who defeated N Dwyer); Bruce Holloway (East Murray Valley); and Russell Emery (Mirrool, son of Menzies Emery). Davidge observed:

> New growers in southern New South Wales are increasing and the original northern growers no longer hold the balance of power. This could affect the RMB and RCM board elections. What has to be faced is who will control the industry and who will look after the interests of minority groups.\(^\text{16}\)

**RCM—RMB distrust**

In general the RGA Branches shared three common concerns, each involving RMB: the proposed Two Pool System, by which growers would be paid for paddy in relation to existing markets; the related question of which industry body had ultimate authority to determine production levels; and the RMB Appraisal Scheme, by which the board undertook to pay growers in relation to paddy quality delivered. The last was particularly contentious and appears to have been subject to a legal challenge, although the sources are unclear. Certainly RCM supported any move to improve quality and sensibly influence varieties and volumes grown, but did not trust RMB to conduct this objectively. Indeed, the co-operative commissioned an independent Appraisal Scheme inquiry, conducted by Hugh Baird, manager of RCM’s Technical Services Department. After Baird examined the US Appraisal Scheme he rejected the RMB model:
It is my deeply considered opinion that in the Australian co-operative industry the best and fairest basis for payments to growers is an Appraisal System which includes an input-out-turn appraisal ratio. Only in this way can growers share equitably in the returns from the various finished product markets. It seems grossly unfair to reward or penalise solely on the basis of a standard harvest appraisal.

But RMB proceeded with a purchasing scheme based on grades of paddy delivered with premiums and deductions reflecting appraisal results. Helpless to prevent this, RCM Chairman Fred Bock issued a circular to shareholders declaring that RCM would ‘... co-operate [and] work in conjunction’ with RMB at receival points (that is, monitor the RMB operation), while also buying on ‘average prices’ from the board to flatten any discrepancies. In reply, RMB said that the board would ‘assist’ RCM in selecting the best bins of paddy suitable to particular markets and ‘encourage’ RCM quality control ‘... as an indication of milling efficiency’. Clearly, trust was threadbare. More to the point for growers, RCM and RMB were duplicating functions at a time of rising costs. This could not be tolerated indefinitely.17

The question of production controls

Following the Beale ‘bombshell’ of 1969, the matter of authority in setting acreage policy was particularly controversial. In July 1970, Rice Mill News described an ‘historic meeting’ between RCM, RMB and RGA (not RICC), where it was agreed that these bodies ‘... would not consider the question of rice acreages, generally’. That is to say, these key industry bodies declared that since the minister had ignored RICC recommendations the previous season, they would issue none for the current one: let the responsibility for encouraging excess production in a marketing crisis rest solely with the government! Noel Hogan, himself now publicly acknowledging that the only antidote to the cost-price squeeze was production control, used the opportunity presented by the meeting to canvass support for his proposed federal RMB, bringing the Australian rice industry (including Queensland) under a co-ordinated marketing system, setting production targets. As noted earlier, the RGA Central Executive was not averse to this but understood that such a body would take time to construct. The question of a carry-over needed to be addressed immediately. Many delegates urged a 10 per cent acreage reduction for the following season. Some wanted to close the industry altogether, but knew that this would be politically unpalatable. Fred Bock thought the industry could mill and market all the rice of existing shareholders but believed that new growers would have to take their chances in the Number Two Pool. Given market conditions, Bock continued, it was unacceptable that more growers should enter the industry, since each new admission reduced the already narrow profit margins of established growers. ‘We need the co-operation of the state government to control ricegrowing and the protection of the federal government against subsidised imports’. Neither seemed likely.18

The ‘irrigators’ dilemma’: the 1970 RGA Conference

Ian Davidge put it bluntly to growers at the 1970 RGA Conference: they had to peg, even cut-back, production because economic markets did not exist. Growers could demonstrate their seriousness by relinquishing the ‘temporary’ acres granted in 1967. Few thought this a good idea, notwithstanding the possibility of a carry-over. Some repeated old complaints about ‘land-locked’ MIA rice farmers being confined by Home Maintenance Area Regulations (HMA) and having to cut back on production while other farmers were free to increase the size of their units, enhance profitability and produce their way out of difficulties. They wanted the RGA Central Executive to gain firmer control over access to the industry and over production targets and varieties.
grown. But how to achieve this when the ultimate determinant was a politician? The only way, Davidge said, to solve what he called the 'irrigators' dilemma':

The industry will have to decide whether it wants to build itself from within for the people within it, or to continue to keep its growers on a minimal fixed acreage while production capacity is spread over new areas. … Most present acreage limitations were imposed years ago by the WCIC for reasons which are no longer valid.

The whole cost structure of the industry was in jeopardy, Davidge continued. Notwithstanding more than $7 million recently invested in storage installations this would have been inadequate but for seasonal factors and the predations of mice in the previous season. RMB was now facing heavy reimbursement costs, amounting to around $800,000, to growers who had exceeded Equity Scheme ceilings in order to help the industry through its difficulties. Davidge was convinced that existing farms should be made bigger before new rice farms were opened simply to arrest these cost structure anomalies.

Noel Hogan introduced figures suggesting that investments in infrastructure were even greater than Davidge surmised: $5.2 million by RMB and $6.4 million by RCM since 1961; slipping in that RMB was 'sleek' with only 37 permanent employees, while RCM had 570.19

Deaf to Coleambally protests, the 1970 conference voted for the curbing of further development on the CIA and flagged the possibility of some farmers being balloted out of the industry. The feeling was that farmers unable to afford the high capital costs of rice farming and the building up of acreage to viable size should be encouraged to leave. This was seen as a callous but necessary given the very real risk of an industry collapse. Beale was bitterly attacked for 'not listening to the industry' (indeed, his days as minister were numbered). Deferring to complaints about the RGA's composition, the Central Executive was increased by six to twenty-three and restructured on a proportional basis permitting one delegate for each fifty members (later revised to one delegate for each 100 members, revised periodically). It appears that a few growers also undertook to reduce rice areas to help the industry through hard times; but not many; a paltry 500 hectares reduction.20

**Carry-over in 1971**

On 26 April 1971, a crisis meeting of RCM directors was called where it was agreed to 'meet the market' in order to clear a carry-over. Co-operative officials explained to shareholders that the carry-over:

… was the result of a joint decision taken by RCM and RMB not to sell at bedrock prices then offering on a depressed market when it was considered that prices could not be expected to continue the downward trend. … World market prices, however, did continue to decline and sales could not be made until the industry stockpile had reached a critical level.

Shareholders had to accept that 'more attractive markets' would need to be accessed, a euphemism for sales at whatever price was achievable.

Sales were exceedingly slow over the next few months. On 24 June, however, Chile accepted 10,000 tonnes and later another 20,000 tonnes at 'prices achievable'. Soon after, a shipment of 15,000 tonnes was provided to India and Pakistan under a Commonwealth Aid Program. Other sales were made in 'non-traditional' markets at give-away prices, 86,000 tonnes dispatched in this way. RCM Mills, which had been operating on staggered shifts, returned to full production but it was not profitable.21

By sowing time 1971, it was apparent that many farmers had left the rice industry, problems with water supply and despondency over low returns deterring many. RMB had 9,300 bags of rice seed unsold in the Murray Valley alone. Many former ricegrowers were moving into beef production. RICC was now preoccupied with the reverse problem of the previous season: production targets might not be reached and markets lost through an inability to supply. The industry really could crash! New rotation cycles were hurriedly experimented with, taking into account new uncertainties in markets. Adding value to by-products was explored. RCM completed a detailed feasibility study of a rice–oil extraction plant to market 20,000 tonnes of rice
bran produced annually as a by-product. If treated, rice bran could be used in such products as salad and cooking oil, bread, biscuits, stockfeed, soap and for distilled fatty-acids. RCM Operations Manager Doug Rogers was particularly enthusiastic about the potential of oil-extraction and the co-operative’s board was supportive, but a meeting of Jerilderie shareholders insisted that investments in the plant be on a voluntary basis only, and the project lapsed.22

**RCM General Manager Neil Donaldson**

In October 1971, RCM General Manager John Kellock resigned after seventeen years, fed up with RMB interference and believing he was not receiving the full support of the RCM board. He was replaced by Neil Donaldson.23

Donaldson, born in Bendigo, Victoria, educated at Hughesdale State School, Caulfield Technical College and the Royal Melbourne Institute of Technology, was a trained mechanical engineer. He worked as an engineer for five years before joining Kraft Foods Limited. After eight years there he joined ICI, moving eight years later to Anderson Meat Packing Company Limited where he stayed for three years. Donaldson, who had 'two kids who rode horses and wanted to live in the bush', joined RCM in 1969 as operations manager, a Kellock appointee. His engineering experience, personnel management and staff development skills were indispensable to a co-operative developing human resources and constructing highly technical plant through a complex period. Where John Kellock was effusive, Donaldson was phlegmatic, able to deal with RMB intervention relatively unruffled — even ignore it. Donaldson could conduct a telephone conversation with an irate board member while getting on with RCM business, responding, 'Uh-huh ... Right ... OK ... Fine ... Uh-huh ... No worries', in all the wrong places and without absorbing a single word. He raised a few eyebrows in the RCM boardroom when he announced that it was now 'customers first, employees second and shareholders third' and spelled out his marketing philosophy: 'demand had to be encouraged and always ahead of production; the co-operative must always be in a position to place products in the event of a major market collapse; and no one market should ever be allowed to develop to dictate the co-operative's terms of trade. Whatever the situation had been in the past, Donaldson affirmed, RCM would now be wholly market-driven — not production-driven. Stocks would be kept at a minimum while RCM marketeers got out and generated demand to drive the co-operative's functions. It was essential to sell whatever was produced at prices achievable to avoid a carry-over but some additional demand, independent of price, should always be cultivated. John Kellock's pioneer work in indelibly stamping the RCM brand image on the public mind was to be vigorously extended. That required big investments ensuring that the 'co-operative image' stayed with the product right to the point of consumption. Quality, image and personnel development were top priorities for Donaldson. Generalist skills would be cultivated rather than strict demarcation. Regular executive meetings would help people to understand where they fitted into the organisation. Only in this way could RCM significantly lift productivity and expand its corporate identity.24

Donaldson's appointment marked a turning point in RCM thinking, underlining the co-operative's acceptance of an expansionary agenda enunciated by Noel Hogan and others since the mid-1960s, but driven by real demand, not imagined demand, and acknowledging that the industry had to get bigger on its own terms or be overtaken by economic and political events. The appointment signified a new level of maturity, an acceptance that the co-operative had a greater role to play than simply maintaining a solid economic base in the interests primarily of established grower-shareholders.

RCM Chairman Fred Bock backed his new general manager to the hilt. The situation had changed, Bock said, because Australia now exported 85 per cent of rice production. The problem of marketing the crop was inextricably bound up with the world marketing situation, which was changing profoundly. Australia still accounted for less than 2 per cent of world rice trade in markets dominated by the USA, Thailand, China, the United Arab Republic and Burma, but ranked tenth among world rice exporters. Again Bock referred to the 'Green Revolution', US Public Law 480, Japanese export subsidies, the loss of the Okinawa market, EEC price restitution, tax rebates for exports in Thailand, the Vietnamese War, subsidies in Brazil, dumping and extended terms by foreign powers. World rice prices continued to be depressed, Bock said, and although markets existed they were extremely tough with little scope for
greater volumes of trade. The best Australia could hope for was to increase its market share and the only way to do this, he agreed with Donaldson, was to supply reliably the best quality rice at the best possible prices and be ready to adjust appropriately and flexibly. 'We must budget each year for a marginal surplus, say 30,000 to 35,000 tonnes of paddy in order to be able to guarantee supply at any given time'. The surest way of achieving this was for growers to accept RCM recommendations of varieties and volumes and not be 'confused' by other sources, whether political or internal, a pointed reference to unexpected changes in WCIC and RMB policies. Further internal economies were achievable; for example, improvements in handling, milling, seaboard activities, freights and management efficiency; and whether the industry liked it or not, 'further rationalisation of industry functions' would occur. It was evident that Bock had RMB in mind. The RCM Chairman repeated that vacating markets, simply because prices were too low, had to be avoided: the co-operative should consolidate such markets, establish goodwill, provide quality, be reliable and ride out the storm.

Then prices plunged by 32.16 per cent!26

**Bruce Caldwell: General Secretary of RGA**

There was another important appointment at this turbulent time. In December 1971 Lewis Tweedie retired as RGA General Secretary after two decades. In January 1972 he was replaced by Bruce Caldwell, a young agricultural science graduate from Melbourne University. There was no doubting Caldwell’s intellectual force, his fearlessness and articulate, logical and precise way of speaking, but some doubted the conservative rice industry was ready for the change of pace this moustached radical activist fresh from the student protest movement would bring to the job. RGA President Ian Davidge, however, was delighted to have at his side such a gifted 'figures' man able to dissect RMB calculations, even dismantle them, or work with the board in framing formidable and frequently successful submissions to government. Davidge believes Caldwell’s appointment ‘... changed the face of the RGA at a crucial time'. Indeed, the 'Young Turk' from Melbourne, taking office as immense pressure built in the industry on a range of issues including water access and pricing, production levels, participation and structural change in markets, would need all of his brains and energy to deal with the problems which lay ahead.

**Pressure for industry rationalisation builds**

The search for sensible diversification continued as profitability in the sheep–rice rotation dwindled. Department of Agriculture officers, Jim Kennedy and Bruce Coomber, published on possible alternative rotations including one of oats, sheep and beef. Soy beans, rape seed, sorghum, maize, other coarse grains and lucerne were also investigated. The idea of the Riverina as a giant food lot for beef in a 'protein explosion' was explored. Indeed *Rice Mill News* now carried few references to rice at all. There was even talk of RCM moving into shipping. Emphasis swung strongly to value-adding as a push to industry rationalisation gathered momentum. Certainly, the industry had to do something new. Seed Industry Association of Australia President Dennis Fitzgerald, for example, declared in *Rice Mill News*:

> There are no longer eager markets clamouring for our farm produce, either at home or abroad. But there are competing product alternatives and substitutes. There is no future for the rural industry which sits back and waits for someone to come along and buy its product.

Fitzgerald roundly rejected the idea that statutory marketing authorities were a solution to marketing questions. There was no evidence, he believed, that cooperatives and other private enterprises could not do the job as well, if not better. Indeed, '... setting up a monopoly board may wipe out a reservoir of marketing experience and know-how built up over the years'. While this was not the case with RMB, where deep industry experience and corporate memory existed, the fact remained that RCM was at the cutting edge of markets and RMB was not. Nevertheless, a marketing board, Fitzgerald continued, federal or state, may become, '... nothing more than a bureaucratic Colossus, inflexible, costly, subject to Parkinson's Law and without any yardstick to efficiency and effectiveness'.28
Deteriorating relations with WCIC

At this crucial point in late 1971 WCIC announced increases in water charges, up by 40 per cent in some areas. The industry, still reeling from Beale's acreage 'king hit' of 1969, was stunned, then outraged. Furious southern growers said they would not pay. Not only was water supply uncertain and prices for short- and medium-grain varieties plummeting, but now — again — farmers were expected to accept big increases in water prices after budget decisions had been made. There was talk of a 'water rebellion', simply refusing to pay. Davidge counselled against militancy, urging a reasoned approach, emphasising that the commission's co-operation was essential if production were to be pegged at economic levels. Antagonising the commission or the minister could blow the industry 'sky high'. For his part, Minister Beale simply said the increases were necessary to fund a commission deficit of $735,000, to which southern water users replied angrily that WCIC was taxing irrigators to fund its own inefficiency. WCIC and the rice industry were heading for a nasty showdown which would divide ricegrower ranks, but this did not begin until the 1973/74 season. Meanwhile, an economic crisis had to be managed.

No 'wonder drug': the 1971 RGA Conference

In a hard-hitting Presidential Address to the 1971 RGA Conference, Ian Davidge spoke of curbing expansion. Many farmers, he said, wanted rice permits:

... to overcome a present deterioration in the rural economy. But the rice industry should not be used as a wonder drug to cure ailing farmers. It has been a mistake in the past to expand rice production by increasing the number of ricegrowers instead of increasing the acreage grown by those already growing rice. The RGA must concern itself with those already in the industry and it is unfair to ask growers to share their reduced returns with people who are not presently depending upon rice for a living.

The president defended a RICC recommendation for temporary rice acreage reduction on a percentage basis across the board, saying that:

The rice industry is a close-knit and cohesive body, but if reductions of production are made on a regional or any other sectional basis then the subsequent fragmentation and dissent will cause permanent harm when the greatest unity is needed.

Davidge argued that ricegrowers' decisions should be made on the broadest basis, criticising those who emphasised 'Districts', or the 'North', or the 'Murray Valley', or the 'Areas'. Such sectional and parochial jealousies should be abandoned before it was too late. He urged support for RGA policies designed to increase rice acreages on existing farms to 80 acres, as markets justified this, and before new rice farmers were allowed into the industry. On aggregation, Davidge said:

By any acceptable yardstick of economy and efficiency, it is not logical to have a multitude of small producers who are each capitalised in machinery and farm potential to produce at least twice and probably three times their present output. ... The present average grower produces only a little under fifty acres and the largest grower has only eighty acres.

Davidge spelled out specifically what was required: long-grain varieties, particularly Kulu; 30,000 tonnes less of Calrose and 20,000 tonnes more of Kulu. Without the latter, the president remarked, disposal of the previous crop would have been disastrous. To encourage Kulu production, a premium of $12.50 a tonne would be paid. There was no point in carping and grumbling about this; the industry needed to 'pull together [or] go under' and Davidge stressed:

... the necessity for all ricegrowers to work on a co-ordinated basis. Although the ambitions of some sections might seem at times to be in conflict with others it must be remembered that the rice industry has been insistent that its policies be heeded and acted upon by the government and it is therefore most essential that the industry decisions reflect the opinion of all sections. It is also necessary to point out that should the industry's decisions be intolerant, unjust or inequitable, then the principle of directing our affairs may be questioned, or even withheld from us.
While adamant that he was not opposed to further production or expansion, Davidge said that emergency measures were necessary to stabilise the industry and provide it with an opportunity to consolidate when conditions improved. Some mechanism was necessary to neutralise wild fluctuations in production caused by growers entering and leaving the industry as it suited them. 'Itinerants' placed enormous strain on a highly capitalised industry while the government always used the pretext of rising prices to allow more growers and production than the industry could economically assimilate. There was now no way of predicting what prices might do or what the real value of paddy might be and this, in itself, was sufficient reason for caution. The RGA President believed that the New South Wales rice industry had completed the first stage of development: agronomic problems were largely solved; more than enough rice existed to satisfy economic markets; and growers owned the marketing and milling system. The industry had now to begin planning for the second stage of development, focused on marketing, and avoid lapsing into atrophy. It was essential that the industry not overreact to the current crisis but '... if ricegrowers do not exert their influence on policy formation it is likely that the industry will become an appendage of already established state-wide agricultural commodity organisations'. It is probable that he had Hogan's plan for a rice export corporation linked to a federal marketing board in mind. Davidge was convinced that Japan would be the dominant factor of the future and hoped for markets there, believing that this would initiate a third stage of development. The federal government could assist by supporting a federal RMB, co-ordinating a rational stabilisation and equalisation scheme for ricegrowers but, meanwhile, until dependable and lucrative markets were located, growers and the industry should do everything possible to lower costs and rationalise their own productive base. Davidge concluded, 'A period of intense outside pressure will be placed on the existing industry to absorb more farmers. It will be in the best interests of the rice industry to oppose this dilution of its production base'.

RCM Chairman Fred Bock endorsed Davidge's message, adding that the industry possessed a capacity to mill 400,000 tonnes of rice with minimal adaptation, but this could only be economic if existing farms in present regions contained on-farm costs. One way of achieving this was through farm aggregation. There was already a need for additional storage with serious implications for the Equity Scheme. Could new growers sustain this impost or would established growers be obliged to carry them? Bock urged growers to produce 90,000 tonnes of long-grain Kulu and 170,000 tonnes of medium- and short-grain rice in the approaching season. While recognising that RMB, technically, was the final authority in determining varietal policy, the co-operative saw a need for amendments to The Marketing of Primary Products Act to clarify this, but, Bock stressed, the days of growers producing whatever they wished, were over.

**Polarisation in 1972: the RGA Annual Conference**

As expected, rice production plunged in 1972, down by more than 50,000 tonnes to 137,171 tonnes. Yields also fell by more than one tonne per hectare. Nevertheless, export volumes increased even though prices were still almost 15 per cent below 1967 levels, further eroded in value by inflation. A sequence of disastrous years saw many ricegrowers now confronting a serious cash-flow problem, along with farmers in most other sections of primary industry. Costs continued to soar: wages increased by 18 per cent in two years. The CPI had risen to 129 from a base of 100 in 1960/61−1962/63 while average farm incomes had actually declined by 22 per cent since 1970. Prices received by farmers had increased by only 3 per cent, while prices paid by them had climbed by 28 per cent. National rural indebtedness had risen from $76 million to $2,087 million in four years! Rural reconstruction was now a recurrent political theme and calls for federal assistance more urgent with several state and federal conferences held to this end.

The big drop in production relieved some of the marketing pressure, but the year was no less stormy for this. In August the New South Wales government announced that development of the CIA would definitely cease. Predictably, this provoked an outcry on the Area where it was widely believed that RICC had influenced the decision. The Coleambally Shopper protested that the various views of the rice industry taken by different interest groups were 'peripheral' to the question of closer settlement and irrigation development and, while rice was a valuable cash crop, it was not essential to Coleambally success. The Murrumbidgee Shire Council accused the rice industry of influencing government thinking, demanding that the minister resume development.
of the CIA because of 'improved rural prospects'. Indeed, a very slight upturn in rice prices was evident by mid-1972. Labor MLA for Murrumbidgee Lin Gordon supported this call, giving the impression that economic conditions were quite good. Meanwhile, Hogan, Davidge and other rice industry leaders were moving about the country talking of a rice crisis and seeking federal help.33

When the 23rd Annual RGA Conference met in 1972, delegates were 'camped' in different parts of the Finley RSL Club Auditorium. There was a panicky air about proceedings. CIA delegates were adamant they had been 'sold out'. The Berriquin Branch threatened political action if members did not receive more acres for rice. Other Murray Valley growers demanded 80 acres for rice across the board. Everyone was furious about the water price increase. Following animated debate, broad but not unanimous agreement was reached that additional rice acres should be confined to growers presently in the industry. An RGA Central Executive proposal for a Federal Price Support Scheme to aid the industry against unfair overseas competition was strongly endorsed. However, the RMB Appraisal Scheme again came under severe attack and the Two Pool System was abolished. An RGA Rice Industry Economic Review Committee was formed, with RMB and RCM representation, authorised to investigate ways of reducing industry operational costs, as neither the board nor the co-operative seemed capable of progressing beyond their entrenched positions. The possibility of a 'strike' on water payments was again mooted by southern militants but this attracted little support from CIA and northern delegates, concerned that a breakdown in relations with the commission might lead to a 'free-for-all' in rice industry admissions and production: the minister had ways of retaliating.34

An ominous warning from Minister Freudenstein: 'user pays'

When RGA's views were relayed to the new Minister for Conservation G K Freudenstein, who had replaced Beale in a cabinet reshuffle, the politician was quite blunt: development of the CIA would resume if and when he was ready; a review of water pricing policy, if necessary, would proceed at his discretion; and Freudenstein sounded an ominous warning:

The [rice farmers] are making no contribution to the cost of storage works, head waters or anything of that nature. They are paying only the cost of delivery of the water. This must be given close consideration. Consideration must be given to the viability of irrigated land. The whole situation must be given the closest study.

Here was a turn: water prices adjusted to include the capital cost of dams, storage and delivery works! Wrestling with the python of a cost-price squeeze, the thought horrified irrigators but it seemed clear the government was planning to include such costs as part of a new 'user pays' agenda then gaining currency in political circles. On a more favourable note, however, Freudenstein did confine rice area increases for the 1972/73 season to existing farms, generally up by five acres for Areas and Districts not already receiving the maximum eighty acres (and revised upwards as prices for rice improved near the end of the year).35

Market prospects were definitely improving by late 1972. Once more stocks were fully committed before paddy left the field. Ian Davidge, returning from an extensive study tour of Asian markets, now believed that growers could expect a modest increase of $5 a tonne and that sufficient demand existed to warrant small, additional production. Davidge also unreservedly accepted RCM Manager Neil Donaldson's argument that the industry should develop a systemised carry-over of perhaps 20,000 tonnes to avoid disappointing customers. On the other hand, while the industry should be geared to respond to unexpected surges in demand caused by natural disasters or political turmoil, it was unfair of the federal government to expect ricegrowers to shoulder all of the burden of additional storage required to maintain exports. The Australian rice industry was the only export rice industry without federal support in the extension of credit to customers. Rice had 'political influence' in Asia. Canberra should take this into account, Davidge said.36

Endorsing Davidge's call for modest additional production, Fred Bock said the cooperative was ready to receive more tonnage and reported good progress to the Economic Review Committee.
We have gone a long way towards integration of our efforts and to reducing overlapping. At the request of the RGA, the chairman and manager of the RMB will meet our general manager and myself to discuss ways and means of reducing total industry costs. I believe we can increase efficiency and save money by an even greater degree of co-operation.\(^37\)

Noel Hogan was again optimistic, predicting that prospects for exports were 'the best in eight years'. While not specifically endorsing the idea of confining the industry to existing growers, he publicly acknowledged the RCM–Donaldson line of a market-driven industry as the appropriate one. Finally, the three industry leaders were agreed: production and markets must be matched. The association, the board and the co-operative even agreed on the terms of this.\(^38\)

**The Rice Industry Economic Review Committee Submission, 1972–1973**

As signs of a market recovery continued, and with a federal election due, the RGA Rice Industry Economic Review Committee, specifically Noel Hogan, Fred Bock and Ian Davidge, prepared submissions to the Federal Coalition Government seeking a price support scheme for exports, a rice equalisation and stabilisation scheme and a federal RMB with power to set minimum domestic and export prices, control regulatory requirements and establish with state boards specific requirements including upper limits of production in respect of table rice for the home market. A ceiling of $6 million was suggested for the proposed stabilisation scheme, with profits from rice pools being paid into the fund after growers had received a guaranteed price and all other expenses were met. Tariff reductions on imported farm inputs, particularly machinery, were sought along with federal assistance in extending credit to customers unable to pay immediately, a condition already enjoyed by the wheat industry. An immediate emergency grant of $3.19 million was requested to ride-out current difficulties.

Submissions, however, were caught in events surrounding the December 1972 federal election which saw Gough Whitlam form a Labor Government, ending more than twenty-three years in the political wilderness for Labor and heralding an intense passage of of 'crash through or crash' reformism.

Early in 1973, the RGA Economic Review Committee approached the new government. Employing all of his persuasive powers (and as the new president of the Australian Farmers’ Federation [AFF]), Noel Hogan requested compensation for the economic injuries suffered by ricegrowers in preceding years, saying that 1973 was:

> The year when the pendulum began to swing back in the rural sector and the frown of fortune began to fade. ... The problems of surpluses for some commodities are over for a time. ... The Jeremiahs proved wrong. ... Growers have been robbed of a significant part of their income over the past six years through circumstances which they are powerless to control and have endured these losses without compensation of any sort. This has contributed to the present perilous financial position of many ricegrowers. Now we cannot continue without assistance and we look to the government to honour its promise to pay compensation. We need assistance and we need it now!\(^39\)

Hogan went on to say that the government was mistaken in assuming that growers would benefit from sweeping tariff reductions, mooted for later in the year, since costs for freight, fuel, machinery and water were all climbing steeply. The government had to help rebuild farms, markets and exports. Inflation was eroding assets. The revaluation of the Australian dollar (December 1972) had made marketing harder. Farming was now a highly capital intensive business and profitability was in real doubt.

Fred Bock told the government that revaluation had 'knocked the wind out of the sails of a rural recovery' and for the rice industry, which exported almost 90 per cent of production, it meant at least $5 a tonne reduction in returns. Compensation for currency shifts would provide the industry with a much needed boost. Bock strongly urged Federal Minister for Primary Industry Senator Wriedt to accept the RGA Stabilisation Scheme Proposal which, he said, was designed to smooth prices and discourage the rapid influx or exit of growers as overseas prices for rice and other commodities fluctuated. The industry was now seeking additional production to meet stronger demand, but there was absolutely no guarantee that prices and demand
would hold up. Another carry-over combined with a market collapse could be disastrous. While praising WCIC and the state government for quickly responding to industry requests for additional acreage, Bock said he hoped improved conditions would not lead to a sudden influx of new growers because the possibility of a water shortage occurring as the rivers reached optimum commitment was now very real. As importantly, the New South Wales industry was in danger of losing exclusivity in the vital Papua–New Guinea market following failure to reach agreement on prices in the approach to self-government there. PNG was now free to obtain rice from any source and RCM free to sell anywhere. While RCM's subsidiary in the PNG, Rice Industries Proprietary Limited, could meet new competition, the old 'certainties' no longer existed, conditions were far from straightforward and much danger still lay ahead. A particular problem was the industry's susceptibility to marginal changes in production and consumption for a commodity of which only 3 per cent was traded internationally. Australia was a tiny producer by world standards but a leading rice trader and this created export anomalies (such as an inability to meet Food Aid requirements) which the commonwealth government could help to manage. Speaking as RGA President, Ian Davidge emphasised that existing farms should be enlarged to viable levels before any new growers were admitted to the industry. New economic uncertainties and the reality of both rivers reaching full commitment in the next few years compelled such caution. It was unwise to assume that rice would not be over-supplied again in the future since so much depended upon overseas seasonal factors:

The last period of temporary upsurge in prices [1968-69] saw the expansion of ricegrowing into the Berriquin and Jerilderie Districts and the absorption of these growers and their production during a subsequent period of low prices created severe problems for the industry. The establishment of a new rice industry on the Burdekin River ... also occurred in the relatively good period during the 1960s. ... It is to be hoped that if there is to be any expansion of ricegrowing ... [it] will be shared among all established growers whose average production area is too small. It would be a grave mistake to again use rice to underwrite the development of other irrigation farms.

Davidge hoped that a repetition of the situation in late 1972, when the industry was unable to assist Indonesia, might be avoided. The commonwealth could assist by funding capacity for a controlled carry-over, supporting an export drive and research targeted at improved farm profitability, and by making available low interest loans for reconstruction and tariff reductions on farm inputs. Such policies would help the industry stabilise, grow confidently and meet Food Aid obligations.

**Deteriorating relations with the federal government**

Rice industry requests for federal assistance came at an interesting political moment. Al Grassby, who had won the federal seat of Riverina for Labor in the December 1972 election, was now Minister for Immigration. The Riverina was not a traditional Labor seat, the south of the electorate tending to be a Country (National) Party stronghold, while, in the north, the Liberals and the Country (National) Party were fairly evenly represented. Strong pockets of Labor support existed in the towns and among smallholders with roots in closer settlement schemes. A strong personal vote for the popular Grassby was sufficient to swing the balance for Labor in 1972, but his grip on Riverina was anything but secure.

The Askin Coalition still held power in Sydney after seven years. Lin Gordon, a pharmacist from Leeton, held the state seat of Murrumbidgee for Labor and, as noted earlier, had defeated Ian Davidge (Liberal) to secure it. Jack Hallam, a ricegrower from Beelbangera, near Griffith, represented Labor in the Legislative Council. In the Murray Valley Joe Lawson (MLA, Murray) had broken from the Country (National) Party, where anti-irrigation sentiment was quite strong, to become an Independent. Unstinting in efforts to get more Murray Valley farmers into the rice industry, as far as Lawson was concerned if that meant cutting across the interests of established growers, so be it.

Seeking to bolster Grassby's political position while, perhaps, differentiating himself from the ebullient Minister for Immigration, Lin Gordon commented in January 1973:
For many years now the management of the rice industry ... have been making their own direct approaches to their political friends in Sydney and Canberra and ignoring local members. This has been bad tactics in the past and will be worse in the future. It will be interesting to see if the rice industry can make any progress with their Rice Stabilisation Scheme under the Labor administration. Approaches were first made about ten years ago and these were steadily refused by the Country Party. My tip is that if Al Grassby is "given the ball" he will do something with it.42

Whether Grassby was 'given the ball' or not is unknown, but in February 1973 the federal government announced a Revaluation Adjustment Assistance Scheme for exporting rural industries. However, it demurred on the Rice Industry Stabilisation Scheme idea because, officials explained, Canberra was chary of assisting an industry prone to price collapse — by the admission of its own leaders!

In June, on the very day Noel Hogan, Ian Davidge and Bruce Caldwell were in Canberra for an Australian Farmers' Federation (AFF) Conference federal Labor introduced a 25 per cent general tariff reduction. Davidge remembers how 'stunned and mortified' they were. It was decided that Hogan, as president of the AFF, should go to the government and point out the harm such sweeping reductions could cause. The minister calmly reminded Hogan of calls by the grazer- and wheatgrower-dominated AFF executive for tariff reduction for machinery, vehicles and chemicals. On behalf of the RGA Economic Review Committee Hogan then repeated the request for compensation for shifts in currency, supported in this by a Bureau of Agricultural Economics (BAE) submission indicating that the industry had lost $3.28 million since 1967 because of changes in Australian and sterling values, resulting in the loss of markets. Total losses of $5 million were expected. Moreover, ricegrower incomes had declined by one-third because of the necessity to sell increased production on export markets where much lower unit returns were being realised. Senator Wriedt undertook to assist with revaluation adjustments but was reluctant to assist further; farmers must 'stand on their own feet'.43

Relations between primary industry and the federal government generally deteriorated through the remainder of 1973, fuelled by Labor plans to remove a superphosphate bounty, which was an emotional issue in the bush. Noel Hogan, as president of the AFF, secured a postponement, but farmers understood that the government would proceed. Hogan pursued the government on the issue, saying that farmers had lost $100 million in the federal budget and this would badly hit rural communities throughout Australia. Farmers would be turned into 'serfs'. The AFF President said that the revaluation had been a blunder, exacerbating problems with shifts in the value of international currency. 'Recent currency moves and the federal budget have cost exporters a total of $720 million.' A wages explosion encouraged by government policies was driving up costs everywhere. Increases in interest rates were presenting rural industry and farmers with overdraft problems, while inflation was further eroding such benefits as existed for farmers still struggling from the slump of 1971 and 1972. The 'fat cats' of Canberra were responsible for Australia's inflation problem, Hogan alleged, public servants and politicians, remote from the 'real world'.44

Meanwhile, Federal Treasurer Frank Crean, whose 1973 budget had deprived farmers of taxation concessions, subsidies and other assistance, kept telling farmers to fend for themselves, that they had '... led a charmed and sheltered existence for the past twenty-three years'. Al Grassby, now fearing for his Riverina seat, insisted that the federal government was genuinely looking after the rural sector but The Bridge, a Barham newspaper, made its opinion of Grassby and Labor clear by refusing to print any news at all about the Minister for Immigration (indeed, Grassby would not survive a double-dissolution and election in May 1974, which saw Labor returned with a reduced majority and vulnerable in the Senate).45

Labor Senator Wriedt was not moved. Farmers should stop bleating about the federal government and '... update marketing methods and improve marketing boards'. Appointments to boards should be on the basis of the contribution a person could make. The government wanted more academics and trades unionists on them because, Wriedt said, boards were full of 'dead wood' and farmers who knew nothing about world market conditions.
Responding with acid lucidity, Ian Davidge replied:

Farmers have fought too long to gain the right to control the sale of their products for them to willingly vacate the field to economic soothsayers and financial pundits who have nothing to lose but a paragraph or two of their pet theories.

The logical source of specialised information is from qualified advisers employed by the Boards and thereby responsible to farmers and not to a government's economic planning. A suggestion has been made that qualified trades unionists may have a place on marketing boards. This would be acceptable if farmers were also offered the right to sit on the councils of trades unions. It is axiomatic that if farmers have an obligation to consider the point of trades unions, then trades unions have an equal obligation to consider the interests of farmers. It would be patently undemocratic for farmers to have the opinions of trades unions imposed upon them if farmers do not have access to the decision-making processes of the unions. The principle of no rule without representation must be adhered to.

Possibly seeking to exploit uncertainties flowing from Minister Freudenstein's earlier warning about applying a 'user pays' principle in respect of water storage and supply systems, and in an effort to stem an anti-Labor tide running at federal level, Lin Gordon and Jack Hallam hit out at the Coalition in state parliament, pointing to the state's neglect of the CIA in the budget and to legislation planned for private irrigation (The Private Irrigation Districts Bill), which operated against CIA development. Gordon spoke of the hypocris of parliament and some in the rice industry:

It is strange to hear men who established themselves in life as irrigation farmers now condemning the policy of closer settlement. Today many people who came to the Irrigation Area with the "seat out of their pants" are living in luxury — luxury achieved under so-called "serf" conditions. Many of the farms which are condemned as being below a living area for one family, are in fact supporting two or three families. Other farmers who started with a larger area, say 1,000 acres, sub-divided thus getting two rice crops annually. Now the same gentlemen are complaining that their farm is too small. Could it simply be the old number one enemy of the human race, that which destroys individuals and nations — Greed?

As Gordon spoke, Jack Beale sat nodding his head in silent agreement.

The nature of water politics changes

Certainly, the water contest running in New South Wales and the one between that state and Victoria and South Australia over water quality and access had become decidedly more aggressive. Interstate water quality and hydro-electricity authorities were strongly pressing claims along with environmentalists and recreational water users. Tensions were building between water users in state Irrigation Areas and Districts, on the one hand, and between them and private irrigators, on the other. Riverina towns were protesting uncertain supply and water quality. Within the rice industry, friction between northern and southern growers and between Area and District producers was more pronounced. The nature of water politics was changing as limits to supply, environmental concerns mounted, production costs soared and markets were being buffeted by forces over which ricegrowers had no control.

CIA development and grower concern at the impact of expanded production there on the economics of the industry and access to the water resource continued as key issues. In March 1973, at a lively meeting in Coleambally, 353 people gathered to discuss the Area’s future. The CIA had been virtually 'on hold' since 1970 but now, the Coleambally Promotion Committee argued, as economic conditions were improving, development should resume as, it was claimed, the state government had promised. However, CIA farmers were themselves divided on the issue, some demanding a halt to further irrigation and calling for a re-design of farms to permit larger holdings. Farmers from the south of the Area organised in the Yamma New Settlers' Association, for example, were opposed to further development, not in principle, but because they did not possess sufficient soil suitable for rice. About one-quarter of ricegrowers there were therefore unable to utilise optimum rotations. On the other hand, some Promotion Committee members wanted more farmers and greater community development. President of the Murrumbidgee Water Users' Association Jack
Washington said that if the CIA was not proceeded with, development would occur elsewhere along the Murrumbidgee. Lin Gordon agreed, adding that the Private Irrigation Districts Bill would encourage the formation of private irrigation districts and schemes to take some of the burden off WCIC and, coincidentally, more water from the rivers. The CIA would certainly be disadvantaged if it did not take-up all of its water allocation from the Blowering Dam immediately. Gordon described how Joe Lawson was promoting the legislation to assist the Moira and West Corugan Schemes in the Murray Valley. The Moira system abutted the state Deniboota Scheme, but was higher and therefore required pumping. When the government had shown no interest in helping farmers there, farmers had formed a syndicate to construct seventy-seven miles of channels servicing 19,300 acres, bringing water security and economic stability to producers in a 100,000 acre spread. A trust had been formed to administer this and settlers ‘paid their way’ in respect of supply and use of water. The New South Wales government was vitally interested in promoting such private enterprises, exemplifying the 'user pays' principle. Gordon reminded them of Minister Freudenstein's warning about charging for capital costs. At Corugan, east of Deniliquin, adjoining the Berriquin Irrigation District (BID), Gordon continued, a larger system was developing. Water was not as dependable there as at Moira, and so the syndicate involved was demanding a greater allocation. Lawson was also calling for water to be diverted from the Murrumbidgee River via Yanko Creek into Billabong Creek and thence into the Murray River on the pretext that Murrumbidgee Valley water users had a plentiful supply from Blowering Dam and settlers along Yanko Creek should have their Riparian Rights respected. Lawson also claimed that private irrigators were disadvantaged because they paid water rates at the river pump but lost supply to evaporation and were developing schemes at no cost to the government. Gordon told the assembly how he had debated Lawson in parliament, arguing that water diversion between the rivers and support for private irrigation must surely impact badly on the CIA and that farmers there could become the 'meat in the sandwich' in a contest between MIA and Murray Valley water users. This prospect produced much consternation at the Coleambally meeting, where it was decided to form a committee and lobby state and federal governments for the immediate resumption of CIA development.48

Alterations to the Home Maintenance Area

But there was some good news for farmers. Unquestionably, the market 'pendulum' had swung back to favour Australian rice exporters. In March 1973 Minister Freudenstein announced (and Minister for Agriculture G R Crawford approved) that farmers in Irrigation Areas (not Districts) were to be permitted to aggregate larger areas for mixed farming. Where previous permissible acreages had been 425 to 575 acres on the CIA, 400 to 500 acres in Kooba Station, and 110 to 950 acres on the MIA, for example, the new provisions allowed 750 acres as Home Maintenance Area (HMA) under Section 5 of The Crown Lands Consolidation Act, including 200 acres for rice. Farms of less than 525 acres were considered 'too small' for rice for both economic and environmental (rotation) reasons. Prior to these reforms, over 70 per cent of all Area farms were smaller than 525 acres.

The RGA Central Executive and the RICC Economic Review Committee were delighted by the announcement, describing this new scope for aggregation as the result of three years' lobbying. The policy, Ian Davidge said:

... still guarded against the possibility of individuals accumulating large areas of irrigable land. That is, it allows rational build-up without cutting across the principle of closer settlement. ... If farmers can finance the purchase of a second farm from the framework of their existing assets, gross farm income could be increased substantially with only a comparative small increase in overheads. ... Some non-viable farms might not be able to raise the finance for such a purchase and it might be necessary for these growers to be assisted through such avenues as the Rural Assistance Board.49

Davidge predicted that land prices would rise as a consequence of the HMA reforms and farmers leaving the industry would benefit from this. The new policy would have particular benefits for parent-offspring partnerships, permitting one title instead of two with implications for probate, where a son or daughter held title. The president of the RGA applauded the New South Wales Coalition Government.
Resurgence of RMB–RCM tensions

By mid 1973, the rice industry economic crisis was over, for the time being. Almost immediately, edginess between the co-operative and the Rice Marketing Board, submerged until then, resurfaced. When the RGA Economic Review Committee raised the question of rationalising industry operational costs, Noel Hogan moved quickly to pre-empt any move prejudicing RMB. The tactics were the same: drive the political agenda and keep the co-operative on the defensive. Seizing on an RCM–RMB agreement, forged in a spirit of co-operation during the lean years, by which RCM undertook to pay surpluses above agreed bonuses to RMB for distribution to growers, Hogan sought to refurbish the idea that RMB was the ultimate industry paying body and, therefore, 'senior' partner in the relationship. In April 1973 Irrigator reported under the blazing headline, 'RICE BOARD PAYS FARMERS':

The RMB closed-off its books for payment of the first advance of the 1973 crop on Sunday night. ... The RMB is responsible for the receipt, storage and sale to the best advantage of growers of all rice produced in New South Wales and for payment of proceeds of the sale of the paddy to growers.50

Returning from a FAO Rice Committee meeting in New Dehli in May, the RMB chairman claimed he had obtained the 'green light' for Asian exports. Resuming the 'driver's seat' and applying the production throttle, Hogan predicted that rice acreages would be increased by an average of 10 per cent. The announcement brought many worried inquiries from the CIA and an angry response from the RGA Central Executive. The Australian reported that, 'Mr Hogan has confirmed the decision of the RMB to increase rice acreage in anticipation of a rice shortage [but when an] industry spokesperson had sought clarification in Leeton, Mr Hogan was unavailable'. The 'industry spokesperson', possibly Ian Davidge, told The Australian that RICC would 'meet tomorrow' to discuss next season's acreages and recommendations would go to WCIC in June — Mr Hogan's predictions were 'premature':

We will discuss the position with the WCIC and it may transpire that there will be an increase. But it is the Co-ordination Committee's decision [and] will depend on a number of factors, for example the ability of the industry to store and mill the increased production and the ability of the industry to remain on a sound basis.

Certainly, Davidge questioned Hogan's predictions about world markets. Indeed, unfavourable international climatic conditions were affecting production, but patchily, not uniformly as the RMB chairman was suggesting. Moreover, about 300 potential rice-growers on the CIA and in the Berriquin District had to be considered before any percentage increase in acreage could be contemplated. It was one thing to increase the size of existing farms to viable levels, but quite another to exclude farmers with a legitimate claim to enter the industry when long-term market conditions warranted this.51

Again the spectre of conflicting forecasts arose to confuse growers. Hogan recalls events in the following terms:

Another time of course getting close to the last few years was that in 1973 when I came back early in the year just before we decided on acreages and the price of rice was very low in '72, if you will remember, the lowest it had been for quite some time and didn't look like as if it was going to change. But with the knowledge gained on the Production and Estimates Committee level I could see we were soon going to have a rice shortage within the next few months and I called a meeting of the Co-ordination Committee the next day and put it to the committee that we ought to take advantage of the knowledge that was gained and go up in acres. I remember very distinctly some members of the mill directorate looking at me and smiling up their sleeves as if I was putting something over. But fortunately the majority of the meeting took notice of me and that was the first increase that was made or recommended to the commission and would have been worth quite a few millions to the growers and of course what I projected actually did take place and by 1974 we had the highest price for rice that we'd had for many a long day.52

RMB–RCM tensions spilled into already strained relations with the state government and WCIC when, in June, Minister Freudenstein announced rice acreages for the
following season. For the MIA, CIA and Tullakool Irrigation Areas, 80 acres were to be permitted. Increases of 15 acres were permitted in the Irrigation Districts amounting to: 80 acres in the Benerembah and Tabbita Irrigation Districts on land where rice had been grown prior to 1959; 75 acres in the Berriquin, Denimein, Deniboota and Wakool Irrigation Districts on land where rice had been grown prior to 1959; and 55 acres on holdings where ricegrowing had been authorised since 1959 in the Benerembah, Tabbita, Berriquin, Denimein, Deniboota and Wakool Irrigation Districts. All increases were subject to soil-type and surface- and sub-drainage conditions. Freudenstein specifically warned Murray Valley irrigators that ‘... no suggestion of an increased water allocation being available’ was implied by the increases. The enlarged growing area was expected to produce 350,000 tonnes of paddy with such water as was available. Inevitably, upward pressure on water prices could be expected. When the minister visited Leeton and Coleambally, however, expecting some approval for his HMA reforms and additional acres, he was engulfed by numerous deputations, mostly from ricegrowers, reflecting diverse and apparently conflicting priorities and directions. To the minister, the rice industry seemed disunited, divided even: one half wanting production at full throttle, the other half wanting moderation; some wanting new growers, others none but more rice acres for themselves; no-one wanting any development cutting across narrow sectional interests; and everyone wanting as much water as possible, as cheaply as possible, and more of the precious resource than was available. Here was a situation a skilful politician might usefully exploit in applying the ‘user pays’ principle as waterways reached full commitment.

Noel Hogan described Freudenstein as:

... the most powerful man in state cabinet as far as the MIA is concerned. ... He is all powerful [because] he controls the land and the area and water which makes the Area so productive. There are a lot of people jumping on to the [water] bandwagon now. We must receive enough water to take care of growth. We don't want to be selfish but we must retain the stability and growth of the towns such as Leeton and Griffith which are dependent on the Area.

Ian Davidge reminded the minister of Jack Beale's 1969 'king hit'. Such destabilising extremes, obliging the industry to respond immediately, exposing it to over-production in uncertain markets, must be avoided at all costs. The industry sought sound growth patterns and long-term sales potential. He was sure that the minister would assist in ensuring that the rivers were not over-committed. Already, the Murray River was approaching such a condition.

Freudenstein was elusive in reply but not unhelpful. He, had 'had enough' of waterways being over-committed, he said, and affirmed that he would 'sort it out'. The Murrumbidgee River, the minister reassured them, '... would never become over-committed'. There were still 200,000 acre-feet of water uncommitted in the system (later revised to 270,000 acre-feet), but the minister would not be drawn on whether that water would go to the MIA, the CIA, or be diverted via the Yanko Creek system into the Murray River. Neither would he give any guarantee that water costs would not rise substantially. Nevertheless, he undertook to give favourable consideration to further acreage increases if demand warranted it. Freudenstein then raised the matter of Riverina political representation and affiliation: the New South Wales government had been very helpful to the rice industry but did not hold one seat in ricegrowing regions! Why? Was there any point in the Coalition viewing rice industry submissions favourably? Was the rice industry, with its public irrigation, statutory marketing authority and co-operative, perhaps 'socialist'?

The minister's remarks may account for banner headlines in Irrigator: 'GOVERNMENT BLASTED BY RICEGROWERS "CHIEF"'. The accompanying article, briefly mentioned a scathing attack on the Whitlam Government made by RGA Yanco Branch President George Kayess but was mainly about Noel Hogan's plans for the rice industry. As RICC chairman, Irrigator reported, Hogan had approached Freudenstein seeking even more rice acreage than already announced, saying this was justified because:

... the industry badly needs to build-up a stock of rice. ... A carry-over of rice is badly needed to get us through years such as this year when the demand throughout the world is so great and the supply so limited.... All markets except one are selling our rice at more than $60 a ton and the RMB could sell far more rice than it has.
The rice industry definitely was not 'socialist' and the article flagged the chairman's renewed intention to up the ante in relations with RCM. Extra production, Hogan said, was impossible if the co-operative failed to provide additional storage sheds. That is to say, Hogan was urging greater production than actually requested by RICC while absolving RMB from any financial obligation in providing the necessary additional storage. The co-operative was supposed to store more, mill more, sell more, and all at RMB's behest. By so engaging RCM, it appears the RMC Chairman's intention was to divert attention from the board in respect of industry rationalisation. In a further poke at the co-operative, the Yanco Branch decided '... to ask the Central Executive to investigate the currency conversion method used by the RCM and then to refer their decision to the Minister for Primary Industry'. The insinuation was that the co-operative was speculating on currency markets as the Australian dollar, tied to the US dollar, lost value in political instability surrounding USA Nixon Government 'Watergate' disclosures but no evidence substantiating this has been located. Nevertheless, Ian Davidge was obliged to reject the idea in terse tones. Again, tiresome 'tit for tat' squabbling between the co-operative and the board began.

Hogan showed how effective he could be when Minister Freudenstein acceded to '... a RICC recommendation' for even more rice acreage than first approved. The MIA, the CIA and Tullakool Areas were now permitted 90 acres; the pre-1959 Benerembah and Tabbita Districts, 90 acres; pre-1959 Berriquin, Denimein, Deniboota and Wakool Districts, 85 acres; and post−1959 Benerembah, Tabbita, Berriquin, Deniboota, Denimein and Wakool Districts, 65 acres. The minister also secured transfer of control of the Hume Weir and related storage from the Murray River Commission to WCIC, ushered through parliament amendments to The Private Irrigation Districts Act, constituted boards of management incorporating features of The Water Act, sought to bring the Yanko Creek under WCIC control, and promised resumption of CIA development within three years, contingent upon market trends. Then, following floods in the Murray Valley, and prompted by Hogan who drew the minister's attention to a lack of rice seed orders, Freudenstein announced further temporary increases in rice acreage of 30 acres while warning that '... serious pressures on channel capacities and the water distribution system' might result. (Later, the long-term effects of these 'temporary' increases became apparent as the environmental impact of growing rice on inappropriate soils with inadequate drainage was made evident.)

Close the industry? The 1973 RGA Conference

There was plenty of political heat still in RGA politics. For example, a move by the CIA Branch to have the RCM board elected on a regional basis, that is, on the same basis as RMB, was strongly opposed by the Mirrool Branch on the grounds that it would encourage 'parochial interests'. North−south tensions were again building, intensified by northerner concern that the political balance was shifting southwards and by CIA insecurity over water rights. Recalcitrant southerners remained very vocal. Still 120 BID growers had not affiliated with the RGA Berriquin Branch and were becoming increasingly restive over water policies and the alleged 'northern' orientation of the RGA Central Executive. Calls for a Joint Utilisation Scheme guaranteeing equal distribution of Murray and Murrumbidgee waters in Irrigation Districts grew louder as did disapproval of growers deliberately flaunting industry decisions on rice acreages. Indeed, over-planting was widespread in 1973 as many ricegrowers attempted to produce their way out of economic difficulties. The hot issue of 'farm consolidation' versus 'closer settlement' still divided opinion, now focused on twelve farmers near Deniliquin seeking admission to the industry. Some affiliates continued to doubt the 'loyalty' of RGA Branch representatives on the co-operative board and RGA Central Executive. The sincerity of RMB was also questioned as construction of the RMB−Walsh shed dragged on, expansion of the Caldwell shed was delayed and the Equity Certificate Scheme continued to produce anomalies.

At a special meeting of the RGA Central Executive and CIA Branch delegates before the 1973 RGA Annual Conference in Coleambally, CIA delegates demanded reclassification of CIA farms to allow for a four-year rotation of 80 acres, the building up of farms to an agronomically and economically viable size and the admittance of new growers on the CIA. They also demanded assurances from WCIC that water from the Blowering Dam would not be diverted into the Murray Valley and urged decisive
RGA action on completion of the Dartmouth Dam to improve the water situation in the south and take pressure off the CIA.

Despite these troubling undercurrents, however, the 1973 RGA Conference was generally a cordial one, growers relishing the prospect of an improved year. Ian Davidge, confirming the dramatic upsurge of prices and brighter outlook, however, warned against throwing caution to the wind and reminded delegates of the situation after 1969 when 600 new growers entered the industry just as prices began to tumble. Now, the industry was expecting 50,000 extra tonnes after consecutive seasons of low investment and when some machinery, particularly farm machinery, was in poor working order or inadequate to handle the increased volumes. The RGA president repeated calls for tariff reduction in what he described as the 'mythical Australian rice header industry', recommending the import of second-hand machines from the United States. (Soon after this conference, RMB began importing rice headers, supplementing the board’s fertiliser and farm requisite supply service — displeasing competitors.) Reporting 'slow progress' with the RGA Industry Stabilisation Scheme proposal to the federal government, Davidge stressed that rationalisation of industry-operating costs was still firmly on the agenda. It was true that a major world food shortage existed, but conditions were so volatile that it was impossible to predict far into the future. Was the industry prepared to make the necessary investments to capture opportunities? Recent history had shown that short-term opportunity to expand could be out-weighed by a loss of profitability when a sudden downturn came. If the price of rice 'sky-rocketed', the impetus might be given for governments to assist rice production in other parts of Australia, as Australia was drawn more into the world of 'food politics'.

There were no congratulations for 'improving co-operation' between RMB and RCM this year but, nevertheless, Hogan, Bock and Davidge did agree that the industry should be closed for the time being and farms developed to optimum size before new growers were admitted. Speaking for the RGA Economic Review Committee, Hogan said, 'We don't want to be selfish, but it is necessary to stabilise the industry after such a period of instability'. Answering puzzled queries from CIA delegates as to the exact meaning of this statement, the chairman said it was better to have 400 viable farms on the CIA than 500 'serfs'. After energetic debate, the conference voted 200 to 3, 'To close the industry until demand is firmer, until long-term market demand is greater than existing supply'. Still the question remained: would Minister Freudenstein abide by this? That a politician should hold such power in determining an industry’s destiny continued to gall many, but industry leaders well understood that deregulating the system could precipitate unruly production and, probably, marketing pandemonium.

Confidence returns

It was clear by late 1973 that the rice industry had 'turned a corner' following panicky days after late 1969. Markets were continuing to firm. The outlook was solid and optimistic. Not only were markets improving but growers had made significant advances in acreages and HMA aggregation, enhancing profitability. RCM Director Graham Blight represented the co-operative in a New South Wales Trade Mission to Asia, taking in Singapore, Thailand, Hong Kong, the Philippines and Japan (where the party spent a month). RCM, a trail-blazer in Asian market research, played a prominent role in this expedition through its understanding of markets and extensive network of Asian contacts. There was no criticism of 'jet junkets' this time; on the contrary — justifiable pride in and appreciation for a job well done. The RCM Annual Report reflected the return of confidence, Production Manager Hugh Baird telling shareholders that the 1974 crop, expected to be 370,000 tonnes, represented a 77.7 per cent increase on the previous season and that the industry would require an annual production of 500,000 tonnes by 1980 to meet expected growth in export and domestic demand:

I forecast a growth in the New South Wales rice industry which did not seem practicable or possible two years ago. A level of production limited primarily by the availability of water and systems and facilities for its reticulation.
The ‘user’ must pay

Baird’s forecast was encouraging but everything still hinged upon the availability and pricing of water and the capacity of supply systems to deliver the resource. Within weeks (between Christmas Day and New Year’s Eve), Minister Freudenstein announced a 13 per cent increase in the price of water. He also permitted twelve farmers near Deniliquin seeking entry to the industry, to grow rice, against an RGA recommendation. When Ian Davidge told the minister he was ‘testing the relationship’ by allowing new growers, Freudenstein replied that the industry was being ‘selfish’. Rice markets were buoyant. The rivers were almost fully committed and demand for water would soon exceed supply. A tendency away from public irrigation systems and toward private systems had begun. The ‘user’ must now pay, the rice industry was no exception and, Freudenstein warned the RGA President, dramatic changes in water policies were to be expected.\(^5\)

Before going on to discuss events attending water and land-use deregulation in New South Wales, we digress to consider the development of a Queensland rice industry and the part played by the southern industry in this.
If one episode typified the negative aspects of the relationship between the New South Wales Rice Marketing Board (RMB) and Ricegrowers’ Co-operative Mills (RCM) it was the disagreement about developing the infant North Queensland rice industry in the Burdekin Delta. Ambiguous signals coming from RMB and RCM created suspicion and mistrust in Queensland and aborted promising early moves for co-operation between the two industries. The primary impulse was the intention of North Queensland farmers to develop a viable rice industry, following a downturn in alternative commodity prices, and the availability of good markets for long-grain rice. Ironically, the Queenslanders’ ability to create an industry was due in no small measure to practical assistance provided by southern ricegrowers.

Each of the players had a particular outcome in mind. Queensland farmers and the Queensland Department of Primary Industries sought a successful rice industry. Neil Fuller and Sons Proprietary Limited, agent in Australia for the American multi-national corporation, Riviana Foods, marketing rice under the ‘Mahatma’ label, sought guaranteed supplies of high quality long-grain rice. RCM and the RGA Central Executive sought to pre-empt Fuller and to extend to Queensland the Riverina system of democratic self-regulation and co-ordinated marketing, believing this to be in the interests of all ricegrowers. For some of the time, at least, many Queenslanders agreed. The New South Wales RMB wanted a Queensland Paddy Board subordinate initially to itself and, eventually, to a Federal Export Corporation in which both boards participated, also believing this to be in the best interests of growers, but, coincidentally, justifying its own continued existence.

Finally, Queensland ricegrowers and Neil Fuller and Sons Proprietary Limited reached agreement, talks with RCM broke off and no national co-operative handling, milling and marketing system co-ordinated through a Ricegrowers’ Association of Australia including Queensland representation, was forged. Neither was a federal rice marketing board ordering markets and equalising returns to ricegrowers wherever they functioned established. On the contrary, the Queensland industry, tied through Neil Fuller to Riviana Foods, developed into an intense commercial rival. And for RMB the unthinkable happened: Queenslanders amalgamated the rice milling co-operative and the marketing board!

There seemed little reason for concern in the New South Wales rice industry in the mid-1960s as ricegrowing experiments continued in the Northern Territory and Western Australia. Results were disappointing. Already the ARI subsidiary, Northern Developments Proprietary Limited, had begun to retreat. Nevertheless, after 450 tons of long-grain rice produced at Wyndham and Derby from the Camballin and Ord Irrigation Areas left for Papua-New Guinea in late 1965, and as shortages of long-grain rice arose, North Queensland farmers seeking a lucrative cash-crop replacement for sugar cane watched with interest. The Queensland Department of Primary Industry, reporting failure elsewhere and the predations of ducks on a two-acre experimental crop at the Millaroo Research Station, concluded that rice was not recommended as a crop, particularly as it was a copious user of water. The department did believe, however, that rice could be grown successfully when the Burdekin Dam was completed. No-one knew when that would be. The Burdekin Development Council, anxious that the dam should proceed sooner rather than later, believed that the existence of a rice industry might expedite this.\(^1\)

Irrigation and conservation schemes for irrigation were again coming under attack, particularly from Sydney University’s Agricultural Economics Department and the federal parliament. The Federal Coalition Government, concerned at the escalating costs of Northern Territory irrigation projects, was demanding an economic viability study as a prerequisite to further investments. The issue was politically sensitive. Dr R Patterson (Dawson, Queensland) protested strongly, arguing that no such scrutiny had been made of the Blowering Dam and that conservation works in the tropics should proceed immediately to support production of long-grain rice varieties since New South Wales seemed unable to produce these successfully. Indeed, the Riverina industry was producing quite small quantities of Blue Bonnet.
50, an American long-grain variety, as a 'stop-gap' measure until an acclimatised variety could be produced, but results were not encouraging.\(^2\)

For its part, Neil Fuller was anxious to find an alternative supplier of long-grain rice as United States supplies were diverted to Vietnam. Discussions were held with the New South Wales industry but proved inconclusive, largely due to the indifferent performance of Blue Bonnet 50 and the reluctance of many growers still enjoying good returns from better yielding, traditional medium- and short-grain varieties, to make the conversion. Moreover, available long-grain varieties were unsuited to southern Riverina producing zones.

Observing that two crops a year might be possible in Northern Queensland, and the economic benefits this promised, Neil Fuller looked closely at supporting the introduction of ricegrowing there. The prospect of a rice industry developing in Northern Queensland, better placed geographically to serve Asian and Papua–New Guinean markets, was viewed with some concern in the Riverina. Already, as discussed in previous chapters, the southern industry was beset by serious problems at the heart of which was concern about the impact of over-production on profitability and land values.\(^3\)

In August 1966, RCM Chairman Jack Woodside visiting Brisbane on ill-fated cotton business, briefly discussed rice with the then Director of Marketing Services K S Lewis. Lewis told Woodside that his department was not enthusiastic about rice in Queensland because of earlier failures in Western Australia and the Northern Territory, but given the down-turn in alternative crops and forecasts of international famine, considerable interest was building in the north of the state. Woodside undertook to keep inquiries about rice production as low key as possible to avoid triggering premature and, perhaps, unrealistic expectations.

Some weeks later, Burdekin Agronomist Don Seton visited the Yanco and Mirrool Areas to inspect the rice industry and subsequently the Queensland Marketing Services Branch released a 'guarded report' on the marketing potential of Queensland long-grain rice, emphasising domestic markets and leaving exports to the New South Wales industry. It was a crucial point for, so long as export markets remained firm and domestic markets relatively less important, Riverina short- and medium-grain production and Queensland long-grain production might not be incompatible. This would require careful co-ordination, however, and was contingent on export prices not falling below domestic prices. Few then could have predicted the severe market distortions of 1969 (just as Queensland rice was entering markets) when overseas prices actually fell below domestic prices.\(^4\)

Over the Summer of 1966, John Rolfe, a farmer from Dalbeg, near Ayr in Northern Queensland, visited the Yanco and Mirrool Areas with his family. RCM Manager Alex Middleton introduced him to RCM Directors Jack Woodside, Keith Pyke and Charles Sharam. Helpful and friendly, directors showed Rolfe everything — how to prepare land, grow rice, harvest and mill the grain. Sharam sold Rolfe a small Hindustan planter's mill nicknamed the 'Nutcracker Suite' which he had worked in a cowshed at Echuca in the 1940s, taking advantage of Section 92 of the Constitution, to mill and supply rice 'on the side' through a period of quotas and shortages. Rolfe paid $180 for the mill. It appears that Rolfe also met Noel Hogan who enthused about 'massive potential for rice in a hungry world' and undertook to make Blue Bonnet 50 seed rice available for further trials in Queensland.\(^5\)

When Rolfe returned to Northern Queensland late in January 1967, his encouraging talk about rice attracted the attention of several farmers. Blue Bonnet 50 seed from the RMB was made available through the Millaroo Research Station and seven acres adjoining Dalbeg Airstrip was sown to rice. Throughout the entire growing phase, John Rolfe and brother Tom were in frequent contact by telephone with RCM directors seeking information. The results of the planting were excellent: approximately three tons per acre and of good quality which milled well, albeit slowly, through the 'Nutcracker Suite'. One ton of seed rice was eagerly snapped up by thirty growers in the Dalbeg and Brandon districts. Proceeds from sales were directed to the Burdekin Development Council.\(^6\)

The Queensland Department of Primary Industry watched cautiously as enthusiasm for rice developed among farmers. Already, signs of a leadership
contest were evident in the proto-industry. Joe Ostrenski, for example, a Polish-German and highly capitalised passion-fruit farmer, who apparently had grown rice in 1966, possibly in association with the Millaroo Research Station, saw rice production and milling as a financial salvation for the district and was keen to establish a private mill. Neil Fuller (Senior), who was in the area at the time, observed the successful crop and began talks with farmers, including Ostrenski, for the supply of long-grain rice. Markets were assured, Fuller said. It appears also that Tom Rolfe had made contact with Associated Rural Industries Limited (ARI), owners of Australia Rice Proprietary Limited, and that ARI had indicated a willingness to buy at least 50,000 tons of long-grain rice at satisfactory prices. Various interest groups now hastened to seize the initiative, talking to merchants and seeking to develop a new industry, just as MIA ricegrowers had done forty years earlier.7

Still the Department of Primary Industry counselled caution. But after Noel Hogan returned from a FAO visit in July 1967, announcing that, 'There is less rice available for hungry people than at any time in the past twelve months', Burdekin Delta rice enthusiasts cited this as justification for speedy production arguing that if such a massive shortfall in world rice production was anticipated then there was no way in which Queensland production of long-grain might conflict with New South Wales production. Moreover, the Rolfe brothers reasoned, if the Queensland and New South Wales industries co-operated, everyone would benefit. What no-one knew then was that the anticipated shortage would soon turn into a glut bringing consecutive seasons of plunging prices and forcing the first carry-over in more than forty years in New South Wales.8

In response to correspondence from the Rolifes and Ostrenski, and anticipating questions at the RGA Annual Conference, Jack Woodside and Ian Davidge decided to look into developments in the Burdekin. Honouring the undertaking given to Director of Marketing Lewis to 'go quietly', Woodside and Davidge simply wished to discuss the possible dangers of over-production in the absence of an orderly marketing system and evaluate the region's production potential. They knew that the Burdekin situation, unlike failed Western Australian and Northern Territory rice ventures, was developing among experienced farmers on established properties.

Early in August 1967, Davidge and Woodside arrived in Townsville anticipating a quiet tour of inspection and 'low profile' discussions. Instead they found themselves at the centre of an organised press conference convened by the Burdekin Development Council and guests of honour at a public meeting in Clare Town Hall, which was attended by potential ricegrowers, local businessmen, bankers, financiers and politicians. Both Riverina men spoke freely and frankly, providing much useful information on all aspects of the industry. On the question of milling, Davidge and Woodside suggested that spare equipment might be made available through RCM, provided an 'approved co-operative' was the recipient. It was true that an ARI mill was available for sale in Western Australia; Jack Woodside had seen it; but RCM could offer a better price and technical back-up. Queensland growers might form an association, affiliate with RGA and work with the New South Wales industry to achieve 'orderly marketing'. While the Rolfe brothers endorsed working with RCM, Ostrenski was determined to build a mill and expected local growers to support him. Heated debate followed indicating to the visitors that if RCM did not act promptly to assist farmers wishing to co-operate with the New South Wales industry, Ostrenski would steal a march. Moreover, the press had picked up the issue and was giving it wide coverage in Townsville and Ayr. Inevitably Riverina newspapers would catch wind of this. Speedy action to assist the embryonic northern industry, therefore, was both necessary and unavoidable.

On 24 August Davidge reported to RCM directors. He proposed that staff cost a two-ton per hour mill based on plant recently removed from the redeveloped Echuca Mill with a view to assisting Burdekin ricegrowers, recommending that the project receive priority treatment and that a flow sheet, equipment schedule and itemised costing be prepared immediately. Directors, however, decided to defer action until after the question was aired at the RGA Annual Conference on
30 August Davidge was requested to present a full report in that forum. Jack Woodside undertook to keep the Rolfe brothers informed of developments.9

Davidge told the RGA Conference that the region’s climate seemed ideal for ricegrowing and that ratooning appeared possible. Certainly, two crops a year were achievable. A huge area was available and the ‘narrow levy area of the Burdekin Delta is backed by … impervious clay referred to as ‘Barrata’ [which] appears to be unsuitable for all crops, except rice’. He reported that water prices were high by Riverina standards and, as little was available for rice, it appeared unlikely that a ‘violent expansion of ricegrowing’ would occur in the foreseeable future, but, the RGA President continued, if and when water storage works were completed on the Burdekin River, Northern Queensland possessed massive potential for rice production, making Riverina output ‘infinitesimal’:

We were quite frank with these growers, withholding no information about our own industry and sincerely attempting to give them information which we thought would be useful to them. Mr Woodside and I took the view that it would be best to establish good relations … right from the start and we felt that it would be illogical to put artificial barriers in the way of their ricegrowing project.

Given the future potential of Burdekin rice production, Davidge continued:

... [this] could seriously disturb the Australian market if it was released without any reference to our own marketing arrangements. We feel that it is logical to give these new growers assistance so that they will not find it necessary to take independent action to sell their own rice. Any independent action of theirs will obviously come into conflict with our own marketing program and cause significant embarrassment to our Australian sales structures. It is our recommendation that RCM Limited make an immediate attempt to give some practical assistance to ricegrowers in this area ... in the form of milling equipment and technical advice or the establishment of a North Queensland division of our company. If we don't help them they could be sucked into some arrangement which would be ultimately unsatisfactory to them and to us.

I don't see any way of amalgamating any of our projects with Ostrenski and I feel that he will continue to be a thorn in the side of any co-operative starting in the area. He has claimed that he is co-operative-minded but I feel that he would only be co-operative-minded if he was Chairman of Directors.

Davidge concluded that co-operation with the Burdekin would 'pay dividends in the future' and was in any event 'unavoidable'. His report provoked long-running and often heated debate. Noel Hogan strongly attacked any suggestion of helping the Queenslanders: it was obvious they could grow and harvest rice; but could they mill and sell it? If New South Wales helped with this, 'they would be selling in direct competition. ...The time to help them is if and when they produce large tonnages of rice'. The RMB Chairman was also furious that Woodside and Davidge should 'abuse procedure' by reporting first to RCM and RGA, by-passing RICC.

George Kayess, President of the Yanco Branch, then called upon the conference to recommend to RICC: 'That no section of the industry assist the Burdekin River Scheme until after the matter is investigated by the Mills, the Board and an independent grower'. This motion, designed to slow progress, was only narrowly defeated: 50 votes to 42; indicating considerable uncertainty about helping the Queenslanders. The conference also ruled that the question be discussed fully by RICC.10

Soon after the RGA Conference, RMB began a scare campaign concerning developments in Queensland. This was eagerly picked up and broadcast extensively by the press. The Sun, for example, reported Noel Hogan as saying that the Burdekin rice industry would 'wipe-out' the New South Wales industry and 'spell the end of self-governing in this field'. The newspaper reported a meeting convened by the RMB Chairman at which:

Growers endorsed his claim in a statement released yesterday. Mr Hogan is trying to save the Riverina rice industry which he and a dedicated band of men have built up from nothing over forty years until today it is Australia's most progressive primary industry. He sees a successful challenge from Queensland as one of the causes of declining Riverina production. [Burdekin] is the death-knell of the
industry in New South Wales. A greatly swamped domestic market will mean that it becomes nullified as a steady factor in the export market. An industry which sells the majority of its product at close to production costs, or even less, is headed for extinction.

That such a view was credible is not questioned here, but Hogan's argument rested on an assumption that New South Wales and Queensland growers would never be able to co-operate, that they inevitably would engage in damaging price-cutting. The chairman of the board apparently saw no advantage in co-operating with the Queenslanders, believing that, if left alone, the Burdekin industry would 'sink'.

Queenslanders were astonished, an Ayr newspaper, Advocate, for example, carrying stories of 'Southern Scare-Mongering On Burdekin Rice Hopes' and saying that Hogan must be 'joking' when claiming that the Burdekin Delta would become the 'rice bowl' of Australia. The idea that a Queensland rice mill and marketing system would destroy the New South Wales industry was 'ridiculous...and only men of the calibre of Mr Woodside and Mr Ian Davidge [are] in a position to judge'. Queensland growers supported the idea of a single marketing authority and it seemed incomprehensible that the chairman of the New South Wales RMB should indulge in such 'massive over-reaction' considering that next season a mere twenty-three growers in the Burdekin region would be growing a maximum of five acres of rice each:

It is a pity Mr Hogan could not have made the trip north with other MIA gentlemen. He would have a different impression to impart to fellow rice-growers. At least it would not be a mass of unsubstantiated surmises. Hogan should stop playing local politics.

The Daily Telegraph, said that '...mutual advantage might be gained by exploring the possibility of tying the Burdekin project in with well-established production, milling and marketing techniques in New South Wales', arguing that a need for controlled and orderly marketing clearly existed and could best be achieved through farmer co-operation. Burdekin growers were justified in accusing the New South Wales RMB of 'trying to establish a southern monopoly in the industry'. Already they had received 'big offers' from overseas and Australian interests to build mills and market paddy and could 'go it alone' without the board. Queensland growers were eligible to join the RGA and have a democratic voice in industry decisions 'because it is a national body' whereas RMB was not. The Telegraph scolded Hogan, its Farming Editor adding presciently:

The alternative to the established Australian rice industry's co-operation with growers at Burdekin or anywhere in the country is to have more industry in Australia taken-over by overseas interests. That must be definitely avoided.

Tom and John Rolfe accused Hogan of 'inconsistency'. The chairman had come back from Rome the previous year almost pleading for additional production to 'feed a hungry world' and was now opposing a Northern Queensland rice industry. Hogan should remember:

Northern Queensland growers are much closer to the great markets of the East and [it] does not cost $14.50 per ton to rail our rice for shipment because we have two ports at our doorstep. ... The MIA could be of immense assistance to us but if Mr Hogan's attitude prevails it will not hinder our progress. We believe in a controlled Australian industry where no-one should have anything to fear and we think it wrong for Mr Hogan to want New South Wales to completely dominate the rice industry. He let the horse out when he gave the Burdekin growers seed. We have caught the horse, can see it is a winner, and intend to flog it past the post.

As far as the Rolfe brothers were concerned, the Riverina rice industry had been developed by people who were the 'salt of the earth' and Northern Queenslanders had no intention of harming them. The demand for long-grain rice existed and Burdekin farmers were willing and able to satisfy that demand. Hogan was simply grandstanding to curry favour with those in New South Wales opposed to rice-growing in Queensland in order to further his own ends. 11

These and similar articles were published by Riverina newspapers, giving rise to controversy and uncertainty in the south, the fracas reverberating at the official
level. New South Wales Director of Marketing Charles King, for example, to whom Hogan was ultimately responsible, was in frequent contact with his Queensland counterpart, monitoring developments. It is possible that through this contact the Queensland government reached a view that co-operation between Burdekin growers and RCM was unlikely and leaned towards a model including a role for RMB, but the evidence is inconclusive.\footnote{12}

When finally RICC met to discuss the Burdekin question, Hogan tried to slow developments arguing that great caution was necessary. He was not being simply obstructive, he said, but insisted that a Select Committee of two delegates from each of the three representative bodies, RMB, RGA and RCM, be set up to investigate the situation and report back to RICC before any further action was taken. Davidge's report on the Burdekin industry should be circulated and discussed at meetings of the five RGA Branches and, following that, the results of the Select Committee inquiry would be presented to growers coinciding with the annual round of Chairman's Report meetings. This would not be until well into 1968. Through such a process, Hogan argued reasonably, New South Wales growers would be given an opportunity to voice opinions and pass any resolutions thought necessary. It was democratic, but slow. In the interim, Hogan planned to travel to Northern Queensland accompanied by the entire board, managers and proposed Select Committee so that 'all the issues' could be aired.\footnote{13}

As Hogan organised this elaborate deliberative process, events in Northern Queensland sped ahead. Discussions between the Rolfe group and RCM proceeded. When the Townsville Daily Bulletin reported the Rolfe brothers as saying that RCM would be milling and marketing Burdekin rice for an 'initial period', Hogan denied this in Wagga Daily Advertiser, claiming that Davidge had told him no such undertaking had been given. That was true; no formal contract existed; everything was still on the basis of a 'gentleman's agreement'.

At a meeting of the Lower Burdekin Development Council in Clare, chaired by Dick Rossiter, delegates considered forming a co-operative, ambivalent signals emanating from the Riverina and the planned visit by Hogan and party. It was agreed to form a co-operative of ricegrowers, the 'Lower Burdekin Rice Producers' Co-operative'. However, Joe Ostrenski confirmed an intention to build a mill in association with Frank Santalucia and other backers, saying that negotiations with Neil Fuller and Sons were proceeding. John Rolfe also announced that 'in about two weeks we expect representatives of a giant American rice milling company [Neil Fuller and Mr Larsen of Riviana Foods] to visit us'. It is clear that the Queenslanders were keeping all options open. The Clare meeting decided to defer action until after Hogan's visit.\footnote{14}

A man with a major bearing on outcomes now moved into prominence: Joe Tapiolas; a substantial businessman in the Burdekin region. Tapiolas had impressed Davidge and Woodside on their visit, at least relative to Ostrenski, with whom it seemed impossible to work. Tapiolas recalls:

The beginning for me and the co-operative was a phone call from Dick Rossiter, the then president of the Burdekin Development Council of which I was a member, saying, "Joe, I need your help. The Development Council is supporting the Rice Growers to form a Farmers' Co-operative. We are calling a meeting to decide the issue. I want you to present the case for the co-operative and Joe Ostrenski will argue for private enterprise." I thought to myself "Hell, what irony! Here I am strongly entrenched in private enterprise and hating anything socialistic, including Farmers' Co-operatives, being asked to argue for a co-operative, against a farmer, who was pushing the case for private enterprise". I accepted the challenge, but at that stage all I knew of rice was, as a Spaniard, it made a very tasty national meal called "paella". I knew nothing of growing it, nothing of milling it and least of all co-operatives; but what I did know, was how farmers think. If I could show, that a co-operative could pay the farmer in excess of $60.00 per ton, the price being offered by the private miller, I would swing the farmers.

I spent the afternoon before the meeting phoning Leeton getting all sorts of costs, milling yields, selling prices for rice etc. and it was clear in my view that a better price could be offered to the farmer than $60.00 per ton.
I remember in my opening address, I said 'Gentlemen, I know a lot about saw milling, nothing about rice milling, but I can show that a co-operative well run, can pay $80.00 per ton for your paddy'.

Tapiolas, a businessman promoting co-operation because it promised to pay rice farmers $20.00 a ton more than a private miller, would guide Burdekin negotiations with RCM over the next few crucial months. The advocacy also provided entrée to technical and financial assistance which RCM, eager to develop goodwill and orderly marketing, was in a position to provide.

As Noel Hogan's Select Committee visit approached, Jack Woodside tried to calm things. There had been much 'unnecessary and exaggerated talk', he said. Cool heads were required to ensure orderly marketing in the best interests of a national rice industry. Assist the Queenslanders in order to maintain an orderly and co-ordinated system was sensible and pragmatic. RCM directors would be accompanying RMB to safeguard the co-operative's position in Northern Queensland. The cost of the visit equalled 'half a [two-ton] mill in the Burdekin' and, the RCM Chairman concluded, 'apparently Messrs Woodside and Davidge are prophets without honour in their own land'. Woodside's reading of the situation was sensible but, finally, the Riverina-Burdekin compact hinged on a spoken undertaking. Everything else was presumption or wishful thinking.

With the benefit of hindsight, RCM General Manager John Kellock believes that the co-operative made a number of tactical errors through this period. Jack Woodside should have been nominated as a delegate to the RMB Select Committee mission to Queensland because of the camaraderie he enjoyed in both states. The visit should have been under the aegis of RGA and not RMB and Ian Davidge and Jack Woodside should have accompanied the party. (Neither was available to travel to Ayr.) Consequently, Kellock believes, the visit became an 'RMB safari, an oversized, over-visible cavalcade'.

On the way to Ayr, Hogan stopped in Brisbane to meet the then Director of Marketing Des Lappidge, telling him that he was not opposed to the growing of rice in Queensland or any other state, but RMB considered it unwise to 'risk funds' from the New South Wales industry on what was still an unproved venture. The issue of support or otherwise for Queenslanders was still to be decided in what the chairman described as 'RGA Branch Meetings'. While this advice was reasonable, it was really not any of Hogan's business. RCM was qualified to make independent commercial decisions in the interests of shareholders and RGA was competent to reach democratic decisions in a federal setting. Moreover, Hogan appears to have given the impression that the New South Wales RMB would not finance advances to farmers for a Burdekin crop.

At a public meeting in Ayr on 8 November 1967, almost sixty interested Queenslanders met an RMB Select Committee contingent of thirteen. John Rolfe pointedly asked Hogan whether RCM should be involved in the Burdekin industry. Hogan avoided the question while expressing the personal view, 'You could establish a mill here and manage it yourselves'. When queried about the necessity of such a mill, Hogan replied that the risk of disease from tropical varieties entering the Riverina was so great that a separate mill was essential. The chairman said he had held discussions with the federal government indicating no obstacle to a federal authority controlling the Australian rice industry. A precedent existed in the tobacco industry, where a Queensland Commodity Board handled the crop for New South Wales farmers. Hogan advocated a separate Burdekin rice co-operative, a 'strong' ricegrowers' association (not an RGA Branch) and the use of RMB 'temporarily' until a federal authority was constituted: anything but co-operation with RCM.

A tape recording of that meeting was made, testifying both to the great respect with which Hogan was regarded and the chairman's inclination to dominate. No attempt was made to hand proceedings over to the RCM representative, Harry Robson, or any other speaker who might put an alternative view point.

It appears that Hogan's resoluteness made Queenslanders even more suspicious of southern motives. Two days after the Select Committee meeting, Townsville Daily Bulletin reported that the Burdekin Development Council had concluded, 'An
analysis of the remarks made by the visitors ... leads to the conclusion that the dominant interest is the protection of the industry they have built up'.

It was true that some Riverina growers favoured co-operation with the Burdekin but many did not. Indeed, some were hostile and did not wish the Queensland industry to succeed. Nevertheless, talks between the Rolfe group and RCM continued, the former still needing help, the latter indicating the possibility of price-cutting if a proprietary miller got into the industry. If Burdekin growers were not going to use RCM facilities, RCM directors and executives advised, efforts to form a local co-operative should proceed post-haste. Indeed on 30 November 1967, 'Rolfe's Burdekin Rice Mills' was registered with a capital of $10,000, designed to secure the name 'Burdekin' and pre-empt Ostrenski. The Rolfe brothers were confident of RCM support, but uncertain about how to proceed.

Relations between RMB and RCM had meanwhile plunged to new depths. As discussed earlier, a glut developed, prices overseas plunged and markets evaporated. The board attacked the co-operative for the prices paddy was fetching, insinuating that RCM was deceiving growers, and criticising RCM's 'unpalatable' assistance to the Burdekin industry. In this toxic atmosphere, New South Wales ricegrowers being asked at a round of RICC-orchestrated consultative meetings whether they should support a new Burdekin Delta rice industry. There were marked changes in RCM policy now, brought on by dramatic changes in markets. As prices overseas fell below those of the home market it seemed only fair to RCM directors that the Queenslanders should take a reasonable share of export markets in exchange for continued RCM technical help and the marketing of Burdekin products. The revised position varied from the original 'gentleman's agreement' by which RCM undertook to cater predominantly for export markets and Queensland for the long-grain home market. This was not deceitful, as some Queenslanders claimed, but was simply recognition of structural change in markets and a request for fair dealing. RCM also acknowledged that a role for RMB existed in making advances to new growers, provided the board confined itself to on-selling to the Burdekin Co-operative and did not negotiate with Ostrenski.

Finally a resolution went from the RICC Select Committee to New South Wales ricegrowers, recommending:

Co-operation in principle with the Burdekin Growers through the Queensland Department of Primary Industry, the RMB and the RCM, it being a condition precedent to such co-operation that the Burdekin Growers form a co-operative to handle milling.

Hogan was still uncomfortable with this. He knew that a Queensland co-operative under The Rural Credits Act could approach the Reserve Bank independently for finance, rendering RMB's role irrelevant. The precedent of a rice industry functioning without a statutory marketing board could rebound on the southern industry, calling into question RMB's role. Hogan responded by mounting an independent resolution for consideration early in the new year at RMB's Chairmen's Report meetings. This called for immediate RMB involvement in the receival, handling and storage of Burdekin rice on condition that, within two years, arrangements be made by the Queensland Department of Primary Industry to have legal agreements drawn up, or legislation in place, to control the marketing of paddy rice produced in Queensland in conjunction with the New South Wales RMB. So, John Kellock says, Hogan was prepared to risk use of RMB collateral to obtain Reserve Bank funds for Burdekin growers while opposing RCM investments as 'unnecessarily risky'. The RGA Central Executive reacted strongly to Hogan's proposal, insisting that such policy initiatives were its prerogative. Neither did the arrangement make any reference to an equitable sharing of domestic and foreign markets between states.

There were now two contradictory industry resolutions flying about the Riverina and between the Riverina and the Burdekin Valley. Confusion reigned. Attempting to stabilise the situation, on 21 December 1967, RCM directors committed the co-operative to buying any Burdekin rice available in 1968, transporting the de-husked paddy to its Rozelle plant and polishing and whitening grain for distribution
through RCM’s network. They wrote to the Rolfs, Ostrenski and Dick Rossiter, advising them of this.\textsuperscript{21}

Meanwhile Neil Fuller had not been idle. Riviana Foods Incorporated (Houston) and Fuller Holdings Proprietary Limited (Melbourne) had become joint shareholders in Riviana (Australia) Proprietary Limited. Early in 1968, with the New South Wales industry still divided on the Burdekin question, Edwin Fuller (Fuller Holdings) and Mr Larsen (Riviana Foods) travelled to Townsville to meet Jack and Tom Rolfe. They told them that they were still keen to market Northern Queensland \textit{Blue Bonnet} under the ‘Mahatma’ label and could pay above world market prices (equal to those received by Riviana growers in the United States) with the additional bonus for Queensland farmers of dealing direct with Riviana exempting them from marketing board appropriations. The Queensland rice industry could be a totally ‘free market’. Mr Larsen expressed interest in developing a ‘proper mill’ in Northern Queensland, if required, and undertook to help with all matters relating to growing and milling. In other words, as far as Riviana was concerned, neither RMB nor RCM was necessary. The Rolfs continued discussions with Riviana well into 1968, drawing the ire of some Lower Burdekin Co-operative Directors, who were still committed to co-operation with RCM. On 27 March and 21 May 1968, Fuller wrote again to the Rolfs confirming the offer and the option was kept open as discussions with RCM proceeded.\textsuperscript{22}

Seeking to precipitate events, Joe Tapiolas broadcast (several weeks before an official announcement) that the Queensland government had obtained $35,000 for the purchase of the ARI mill at Kununurra in Western Australia and transhipment to Northern Queensland. The promise of government assistance served to swing Burdekin farmer opinion away from the proposed RCM Sydney arrangement and towards a local mill. The implication was that RCM was now obliged to match the Tapiolas’ announcement or watch hopes of co-operative relations with the new industry fade. Around this time, Tom Rolfe travelled to Leeton to discuss RCM interest in designing, supplying and erecting plant in the Burdekin area. RCM directors and staff advised that the Kununurra plant would be incomplete and that it would be sensible and more economical for RCM to construct a mill. Nevertheless, they agreed, the government offer would be hard to match.

Later, RCM General Manager John Kellock, on his way to Papua–New Guinea, stopped off in Townsville to resume discussions with the Rolfe brothers and inspect the industry. Upon returning to Leeton, Kellock recommended to RCM directors, ‘In its own interests the New South Wales industry should offer preliminary assistance with management, operating efficiency and even some capital’. Kellock said the situation in the Burdekin was like that in the CIA, where RCM had hastened to establish plant to pre-empt proprietors; that is, build a mill to protect itself. The Rolfe group, now engaged in the Lower Burdekin Rice Producers’ Co-operative (LBC), was similarly trying to head off Ostrenski and whatever action RCM proposed to take would need to be taken soon. Kellock proposed a five-year plan designed to benefit all growers and avoid price-cutting if Riviana (Australia) did manage to get into the industry via Ostrenski. ‘In order to enable the LBC to use initial capital resources in the immediate provision of proper bulk storage it is envisaged that RCM will provide both the mill and the operating personnel.’ RCM was to grant LBC a five-year purchase option on the mill and assist it to achieve independence. RCM would purchase the 1968 crop through the agency of the LBC with prices set at the average price for long-grain paddy paid by RCM to RMB. Kellock believed that this would provide a monetary advantage to the Burdekin growers because they would be receiving ‘the gross price paid to RMB by RCM rather than the net price paid by RMB to New South Wales growers’. Possibly, the general manager added with relish, LBC would serve a similar function in Queensland to that of RMB in New South Wales.\textsuperscript{23}

Despite misgivings about RMB’s probable reaction, RCM directors approved the Kellock proposal as a basis for further talks. On 18 April Kellock and solicitor Dennis Greissier left for Brisbane to meet Director of Marketing Lappidge and Water Supply Commissioner F B Haigh. Lappidge was extremely busy and when Kellock finally got in to see him the bureaucrat remarked that LBC would do exactly what he told it to do: purchase the Kununurra mill, install it and mill the available 1968 harvest as soon as possible. Lappidge preferred New South Wales
RMB involvement and requested Kellock not to go to Northern Queensland to 'confuse the situation' further. Lappidge also indicated that, as he was organising finance, the RCM proposal to assist with a mill was 'superfluous'.

Returning to Leeton, Kellock played down the rebuff, saying that he did not see any strong competition immediately arising from Northern Queensland rice on local markets because the expensive irrigation system and limited availability of water in the Burdekin at present prohibited this. He also believed that a 'common marketing policy beneficial to all growers would be evolved to co-ordinate selling [of the 80 per cent of production exported]'. But exactly what this meant or how it would come about remained unclear.

With the Queensland harvest due, events accelerated. Both LBC and Ostrenski's Burdekin Rice Mills Proprietary Limited at Brandon were now well advanced, although the latter was still waiting for key parts being brought in by sea. Joe Tapiolas visited the Riverina in May 1968 for an extensive inspection of all aspects of the industry. At an Ayr meeting on 22 May, he provided a detailed report. A fortnight later, components of the Kununurra mill arrived from Western Australia. Jim Hollywood, a retired chief engineer of the Inkamans Sugar Mill, commenced construction. As RCM had warned, however, the mill was incomplete. Again, RCM assistance was sought. The RCM's Rozelle plant was hurriedly cannibalised, rendering it inoperative, and parts trucked to Northern Queensland, RCM's Leeton technical team assisting with design modifications.

Meanwhile, the first of the Burdekin long-grain crop was coming in — 150 tons. On 5 August, RCM's Quality Control Officer Chris Jennings arrived to assist with the milling operation. By 14 September the milling was complete and RCM undertook to market the products in Northern Queensland.

Joe Ostrenski's mill was still on the wharf at Townsville and he had been unable to raise finance to make advance payments to growers. Accompanied by financial backer, Tom Young, and Mr Gooden, Ostrenski went to the Riverina to meet Jack Woodside and Noel Hogan. Neither Woodside nor Hogan was prepared to help: RCM was committed to assisting LBC. Hogan told Ostrenski to form a growers' association which 'could then form a Paddy Marketing Board with access to Reserve Bank finance'. He proposed another visit north seeking support for such a board akin to the Queensland Tobacco Board, which would give the New South Wales RMB control over a federal industry and sale of milled rice for exports.

In November Hogan sought another meeting with RCM directors to discuss the Burdekin situation. Ostrenski's mill was by now nearing completion and Riviana (Australia) had undertaken to purchase all of its milled products in 1968. Ostrenski still lacked the necessary finance to make advance payments to growers. Hogan was inclined to support him but RMB was divided on the question, the chairman said, adding that he did not want to see 'any ricegrowers go broke (including Ostrenski). ... This may not be the board's opinion but it is mine'. What did RCM think? Ian Davidge argued exclusive support for LBC. RMB Government Nominee Stan Lanham said the industry should show a 'united' front, proposing a joint RMB−RCM visit to the Burdekin. Woodside interpreted this as a ploy to create an impression that RCM condoned the idea of a board in Queensland, and declined, saying it would serve no useful purpose. John Kellock pulled no punches. 'You are working for your own power structure, not for the benefit of the ricegrower. To support Ostrenski is not to the benefit of the New South Wales industry. Whoever has the best storage will survive.'

Hogan and RMB Manager Charles Dalton left for Ayr unaccompanied. In Brisbane they met Lappidge to discuss the Queensland Tobacco Board as a model for the Burdekin rice industry. At Townsville they were met by K N S Lewis, deputy chairman of LBC. Lappidge was already there. A meeting between the visitors and most LBC directors followed. Interestingly, Tapiolas alone opposed the idea of a Paddy Marketing Board, giving an impression that he took a pro-RCM view. In the light of subsequent events, however, it is more likely that he was concerned at the impact board appropriations would have on the $80 a ton he had promised growers and keen to retain favour with RCM for the practical help it could provide. In any event, it was decided to defer action on the Hogan proposal for twelve months.
After the Townsville meeting, Hogan and Dalton, accompanied by Tom Young and Frank Santalucia, visited Ostrenski who was unwell in hospital. They agreed to push for an immediate Paddy Marketing Board to 'ensure orderly marketing' and come to some arrangement to get a federal marketing board operational as soon as possible. Ostrenski possibly believed that co-operating with Hogan would solve his problems with finance and achieve quotas, optimising benefits through the Fuller arrangement.29

Hogan returned to the Riverina emphasising, as Kellock before him, the smallness of the Burdekin industry but underlining its massive potential for expansion. He also pointed to interest in ricegrowing in the Ingham region and to the commonwealth government's decision to take a fresh look at the Burdekin Dam scheme. Seeking again to take the policy lead from RGA and RCM, the chairman said:

[It is] imperative that controlled marketing is achieved in Queensland before any price-cutting between the various factions takes place. And undoubtly the only way of achieving this is through a Paddy Marketing Board that allocates the paddy at fixed prices to all millers, who if they are allowed only a fair margin of profit cannot afford to cut prices on the milled product. ... It is quite apparent that if the RMB and RCM could reach complete agreement on the policy to be adopted towards the Burdekin rice, orderly marketing in both states could be achieved without disruption to rice sales. However there is a wide divergence of opinion on this controversial subject.30

To which RCM Chairman Jack Woodside noting that Hogan had visited the Burdekin region, replied:

... during the past few weeks to endeavour to obtain some control over Burdekin rice. ... It is quite evident that the majority of Burdekin growers are not going to agree to being controlled by the New South Wales RMB and I think they have convinced their own government on this point. As far as I can see the only control that can now, or ever will, exist in this area is the goodwill and co-operation between two farmers' co-operative milling organisations, an attitude which the representatives of Ricegrowers' Mills have always adopted and fostered and which I am sure will pay off in years to come.

Woodside believed that the existence of Ostrenski's Brandon mill, which seemed unlikely to be absorbed into LBC, meant that there was: '... little chance of controlled marketing [and] I venture to say that before long top quality "Blue Bonnet -Burdekin" rice will be competing in southern markets with our Kulu'.31

Ostrenski, proceeding on the basis of the understanding reached with Hogan, called a closed meeting of Brandon mill suppliers on 4 December 1968. He was elected chairman of a steering committee to form an association of ricegrowers to organise support for a Paddy Marketing Board. Two weeks later he convened a public meeting to this end. In stormy scenes, Ostrenski was evicted from the chair by Dick Rossiter of LBC. An independent chairman was installed. There were rowdy altercations and punches were thrown. The Rolfe brothers had organised a 'visitation': 'We gathered up our boys and went to the meeting which was to say the least very noisy. Tom Young [Ostrenski's backer] tried to hit John [Rolfe] over the head with a chair'. The outcome of this rowdy 'punch-up' between disciples of private-profit, state socialism and co-operation was a Growers' Association, which was predominantly LBC in orientation. KN Lewis was elected chairman. According to John Kellock, 'Ostrenski's plans were upset and Hogan's idea of a subordinate marketing board went equally awry'.32

Meanwhile, RCM kept Joe Tapiolas informed of New South Wales developments as preparation began for Woodside and Kellock to visit Queensland and finalise marketing arrangements with LBC. A meeting was planned for early January 1969. However, due to the many problems then besetting RCM, this was postponed until late February by which time Jack Woodside, committed to crucial trade talks in Japan, was unable to attend. Instead Deputy Chairman Fred Bock accompanied Kellock and Harry Robson to Northern Queensland. In Brisbane, en route, they explained to Director of Marketing Lappidge that, owing to dramatically changed market conditions and falling prices (export prices were only 75 per cent of
domestic prices), the need for orderly marketing and equitable sharing of export and home markets between producers was now acute. Bock hoped that LBC would agree 'to be paid on their share of all markets so they will receive the same as New South Wales growers [and] this will have to take place in the next year through RCM'.

Here was a test for co-operation. LBC was well aware of Fuller's offer to market all Queensland milled rice on local markets, which were now more lucrative than exports. Acceptance of the Fuller proposal, therefore, meant exclusive sale in better paying markets while acceptance of the RCM proposal meant a sharing of domestic and export markets and hence lower overall returns to Queenslanders.

On this question of the equitable sharing of markets, negotiations between RCM and LBC came unstuck. Joe Tapiolas and Tom Rolfe told the RCM delegation that Neil Fuller had 'offered them ten cents a pound ex-Home Hill for up to 2,500 tons'. LBC, they said, had rejected this because of a prior commitment to RCM, but now Ostenrski's shareholders were enjoying better conditions and, naturally, LBC suppliers were asking questions. Bock sought to explain what he called 'Riverina political issues', that is, resentment among particularly CIA and Murray Valley growers that RCM was helping Queenslanders who were benefiting from better paying long-grain markets while they languished on lower returns for medium- and short-grains: why should southerners help Queenslanders if they were not prepared to 'share the profits'? On the matter of market-share, Tapiolas said that Queenslanders expected eventually a share of around 20 per cent. Bock said that RCM could not guarantee that.

At this critical stage in discussions Kellock and Bock were obliged to leave for a previously arranged meeting in Sydney and only Robson remained to finalise terms. Reporting these discussions later, Robson said he firmly believed that an agreement on shared overseas and domestic markets was reached and that LBC had undertaken to provide some proportion of export rice. John Kellock believes that Tapiolas produced a compromise formula saying that sales in excess of 2,000 tons would be progressively scaled from 30 per cent down to 15 per cent of home market price. Robson's report together with Tapiolas' request for a $100,000 short-term loan for an aeration plant were submitted to RCM directors.

In the midst of these intricate negotiations, indeed, on the very same weekend, Jack Woodside died in Tokyo. Stunned by the loss, RCM directors met on 27 March, with numerous urgent matters to consider. In respect of the Burdekin situation there was general relief that agreement appeared to have been reached on the matter of a national marketing strategy, which would see export and domestic markets shared equitably. Ian Davidge moved that Robson's recommendations be accepted and 'further effort be made to maintain the co-operative spirit now existing with the Lower Burdekin Rice Producers' Co-operative Association Limited and that the matter be discussed with members of the RMB'. As Hogan was overseas, individual members of the RMB were advised of the agreement and a copy of Robson's report and the RCM resolution were sent to LBC. RCM took immediate steps to organise further technical assistance for the Queenslanders, making arrangements for the overhaul and dispatch of an automatic packing machine, for example, and arranging a further meeting with Tapiolas to finalise details of the arrangement.

On 17 April, Kellock and Robson went to Brisbane to meet Reserve Bank and Development Bank officials regarding finance for the Burdekin crop and capital finance. Upon returning to Leeton, Robson noted a letter from the LBC secretary concerning his report. He was astounded to read that LBC had taken exception to the word 'would' in the phrase 'the following basis would be acceptable' and had substituted 'could'. Perhaps it was simply semantics reflecting a traditional northern mistrust of southerners but the alteration caused great consternation in the RCM camp. It seemed to directors that LBC was again being elusive, retracting from an earlier understanding, forever dangling the promise of co-operation but never actually delivering it. Moreover, the apparent reversal put new RCM Chairman Bock's credibility in sharp focus. John Kellock remembers that the 'Directors of RCM were confused and frustrated'. A week later directors considered the Burdekin situation at length resolving 'that RCM should be free to negotiate in
any way they desire with the Manager of the (Ostrenski) Brandon Group'. Ian Davidge, until then a firm supporter of LBC, seconded the motion. John Kellock believes 'The LBC letter of 16 April altering the record of negotiations ... effectively destroyed the faith of RCM in the bona fides of their Burdekin colleagues'.

RCM was now convinced that there was deliberate intent in LBC's evasiveness, that the northerners were out for what they could get without making any real commitment themselves. When Joe Tapiolas arrived in Leeton to meet RCM directors on 26 April, he was astonished to discover an unfriendly and intransigent reception. After being made to wait for a long time in an ante-room, Tapiolas was invited into proceedings. Bock read a letter offering LBC limited home market share, Tapiolas objected to the terms and the meeting broke up at midnight in a stand-off position. Kellock coldly drove the northern businessman to his motel room.

Tapiolas recalls events somewhat differently:

... The [Burdekin] farmers believed in tying in with their fellow farmers of New South Wales and the 1968 crop was sold through them. Then in 1969 [RCM] showed their hand.

Directors and executives of RCM came to the Burdekin in early April 1969 and amongst other things, we negotiated (not easily) a price for our rice, that was viable to our farmers, the price to be ratified at a meeting at Leeton on their return. A date was fixed for me to go to Leeton and sign the contract, and away I went innocently, to bring home the contract. When I landed at Leeton I knew something was wrong. The weather was cold and so was the welcome. Instead of someone being there to meet me at the plane and take me to the motel, as was the practice — no-one. Eventually I got a lift to Leeton and found my motel and sat tight. The next morning around 9 o'clock, John Kellock the manager phoned me, and the tone of his voice told me there was a change of heart. He said they could not pay us the price previously negotiated. He offered a much lower price and intimated either take it or lump it. I quickly decided the latter.

I phoned Ken Lewis, told him the result and we agreed that Tom Rolfe should phone Ed Fuller of Neil Fuller and Sons, and make an appointment to meet and negotiate a contract. The result was a meeting was held the following day in Sydney. Tom came down and Ed Fuller came up from Melbourne. The result was a 5 year contract with prices that gave the farmers attractive prices for their paddy ($80.00 per ton, as promised).

A week later Harry Robson flew to Ayr to discuss with LBC a $50,000 RCM loan for mill management, packaging and bridging finance and to suggest another proposal for market allocation. Kellock recalls, 'By then, however, LBC directors had switched their favours to the Neil Fuller organisation and co-operation between the co-operatives was at an end'.

Noel Hogan, his own plans overturned, commented:

Some fantastic and mostly unreliable information has been distributed about the Burdekin. The only true fact is that apparently they are selling all their rice at Australian Home Consumption Prices and we in New South Wales are exporting four-fifths of ours at prices by which we are suffering a loss of at least $80 per ton [equal to a loss of] $320,000 to New South Wales growers.

Under the present system and without any Federal Rice Marketing Board whereby Queensland growers would take their share of the export market, the position must only get worse. For the right as stated by the Chairman of the Co-op to be able to sell so-called high quality Queensland long-grain rice, New South Wales ricegrowers and shareholders of the co-operative mill are paying a very high price. As Burdekin production increases this figure must get higher because every ton they sell on the home market displaces a ton from New South Wales which must be sold on markets which do not give us the cost of production.

RCM wasted no time in responding to the breakdown in negotiations with LBC, purchasing Ostrenski's Brandon Mill. This was seen as an 'unpardonable sin' by LBC directors who, in the acrimonious atmosphere, were now convinced that RCM
was moving in for the 'kill'. Talk hurriedly returned to the formation of a rice marketing board for Queensland to 'protect' the industry from southern inroads.

In late 1970, Ian Davidge told the RGA Central Executive that Queensland was:

…anxious to see that the production of rice is rationalised and excess production discouraged. They are in the process of forming a Queensland RMB in an effort to restrain further expansion in that state. In time a federal RMB should be set up so that both states can sell in conjunction and without destroying each others markets. However, it must be realised that a federal RMB would not be a tool with which one state could manoeuvre growing within another state.

In November 1971, the Queensland Rice Marketing Board was formed under The Primary Producers Organisation and Marketing Act (1926), comprising five members, three from LBC and two from RCM. Tom Rolfe was elected chairman. Ken Lewis describes the board's invention as a 'necessity' because the Queensland industry would have preferred to keep all business in LBC hands. However, rapid increases in Burdekin production compelled the imposition of some controls, quotas and regulation in the interests of logical growth and orderly marketing as LBC itself confronted depressed prices in export markets into which it was now obliged to place products surplus to a home market shared with RCM Brandon Mill products and Riverina long-grain producers. Lewis continues:

There was a further inducement to form an RMB as a means of ensuring that control of our industry remained with our Queensland growers. When the RCM purchased … the Brandon Rice Mill and set up in opposition to our local co-operative it was crystal clear to us that their intent was to absorb us into their organisation and either close us down or control our production and marketing. It was a similar tactic to the one used by the RCM to eliminate the privately-owned mills in New South Wales.

The reader might wonder at the accuracy of this statement: the New South Wales RMB (at least until 1949) was manipulated by a cartel of proprietary millers and merchants as an instrument for their economic advancement. The welfare of growers was of secondary importance. RCM did not 'use' RMB to eliminate private mills, on the contrary, the co-operative mounted superior competition earning grower support and RMB quotas. Certainly RMB helped, Jack Brady in particular, but to imply on this basis that RCM sought to 'capture' the Burdekin rice seems unreasonable. Certainly RCM took steps to defend market share in the interests of shareholders but no evidence has come to hand suggesting that the co-operative sought anything more than a fair commercial relationship with LBC.

The fact was, however, RCM had failed to do so. Noel Hogan would not let the issue go, declaring:

Take home price for [Queensland] paddy is almost twice as high as New South Wales growers will receive for short-grain. Our own New South Wales ricegrowers' co-operative … will pay their Queensland shareholders $95 a ton for long-grain paddy, this compared with around $60 they will be paying RGA for Kulu this year.

Late in 1971 he said:

As chairman of the RMB, a board that is being forced to sell paddy at almost nil value, the tie between the New South Wales RCM and the Queensland rice industry is beyond comprehension and what benefit we in New South Wales are obtaining from the tie-up is still a mystery to me. Two years ago approximately 1,500 tons of milled Blue Bonnet rice was coming in from the USA and meeting strong and effective competition from New South Wales Calrose and Kulu. This … has been superseded by Queensland long-grain with a big proportion not only meeting no competition but sold by our own mill on behalf of Queensland ricegrowers.

RCM, the RMB chairman believed, was 'costing growers $650,000' and by selling Burdekin rice, 'robbing us blind'. It was a 'fairy story to say that RCM had gone into Queensland to control prices'.

The issue of RCM participation in Queensland sorely divided southern growers and drew strong criticism to the co-operative. In April 1972, in an attempt to 'clear
the air’, another New South Wales rice industry contingent travelled to Queensland to meet the Burdekin industry. A confrontation was widely predicted. Hogan demanded that RCM get out of Queensland. Tom Rolfe agreed, saying it was a ‘mistake’ for two mills to be operating there. RCM officials complained that, as LBC was taking an unfair share of domestic markets, the co-operative was obliged to compete.

Nothing was resolved at this meeting. By June, price-cutting had begun on both sides. No grower could benefit from this. The Queensland RMB responded by cutting the RCM quota to 25 per cent of the harvest. By early July Ian Davidge was saying that RCM policy was to stay in Queensland ‘only as long as is necessary and until a quality long-grain variety can be produced to equal Blue Bonnet’. Following allegations that the Queensland rice industry, which had been badly hit by cyclones, was importing diseased rice to fill shelf space, another round of recrimination began through which John Kellock and Harry Robson resigned from RCM, fed up and bitterly disappointed.44

The New South Wales RMB persisted:

It is obvious that New South Wales RCM can now no longer mill Queensland rice at an economic cost figure. The Queensland RMB are surely taking steps that must force the New South Wales co-operative out of Queensland. Our own mill on account of the economics of the situation thus being forced into a position in which the only decision can be to leave Queensland rice to Queenslanders.45

The Queensland RMB was equally determined: ‘We are going to be masters of our own industry and no-one from outside [is] going to interfere’. Ken Lewis recalls:

With the introduction of the Queensland RMB, the directors of RCM realised that their excursion into Queensland had not achieved its purpose, and we entered into negotiations with them for the purchase of their Brandon Complex.

It was not a matter of ‘if they wanted to sell’ but of ‘how much they wanted for it’.

Obviously it was a ‘buyer’s market’ and we were in no hurry to commit money to a second rice mill and 6000 tonnes of storage capacity, when we didn't need them.

We let them know that we would buy them out at a price that we could afford and that was nothing like their asking price.

It was obvious that they were going to lose heavily on their Queensland investment. We just had to give them time to get used to the idea.

Finally, RCM said it would sell the Brandon Mill for $300,000. In no hurry to accept, some months later D H C Dunn and Joe Tapiolas suggested $150,000. A price of $180,000 less some aeration equipment was eventually agreed upon.46

Soon after RCM’s departure from the Burdekin, LBC entered an arrangement with Riviana (Australia) Proprietary Limited to market Queensland rice in Australia and RCM launched its own long-grain (‘Sunlong’) on to domestic markets to compete. Then in 1974 the unthinkable for Noel Hogan happened: the Queensland RMB and LBC amalgamated!47

What are we to make of these events?

Edwin Fuller believes that RCM’s primary motive was to keep the Riviana–Fuller connection out of Queensland rather than control or extinguish the industry there:

Fuller … had a great bargaining power and was assured by Rolfe that with patience eventually they (LBC and Fuller) would get together. It appeared that the objective was to gain as much technical help as possible from RCM but not commit themselves to a RCM National Marketing Authority [sic]. They probably also realised that Fuller could pay a better price and that the conflict of interests between the eventual grower-members of the Burdekin Co-op and those of RCM could only result in a disaster for the Burdekin industry should such an alliance be consummated.48

The first part of this statement suggests duplicity by some Queenslanders without supporting evidence. The second part is constructed on the untested assumption
that a commercial relationship between two co-operatives, LBC and RCM, necessarily meant 'disaster'.

Tom Rolfe believes that the 'whole attitude of RCM changed towards LBC when Jack Woodside died':

The RCM knew that our guarantee from the government depended upon an agreement being signed with them to sell our product at a fair price. So when ... Joe Tapiolas went to Leeton to sign this agreement they then offered us a price that made it totally uneconomic. This meant we would get no finance for buildings that were almost built. We would go broke before we started. This, in their opinion, would spell the end of rice on the Burdekin and still leave them as the only rice producers.

It is true that RCM's 'attitude' did change after Jack Woodside's death but this appears to have related to a perception that LBC was being disingenuous, rather than a wish to deceive. Indeed, RCM was still prepared to assist financially and with technical support even after talks with Tapiolas broke down in April 1969. Rolfe's explanation of events, therefore, seems doubtful, particularly if Fuller's assessment of northern motives is correct.

Ken Lewis thinks that RCM Quality Control Officer Chris Jennings' report on the LBC mill was influential in moulding events:

We had the impression that he was not over-impressed with our operation. This is not surprising for he was dealing with a "Model T Ford" and he was accustomed to a "Rolls Royce".

His report to his directors undoubtedly had an impact. When they declined our product on terms that would not keep us in business our chairman, Joe Tapiolas, told them that we would have no option but to market through Neil Fuller and Sons, their opposition.

They refused to take this simple fact seriously for they were confident that our mill would not be capable of producing milled rice of the standard required by the "Mahatma" brand.

They actually stated this fact to Joe Tapiolas. It was an error in judgement that has cost them a great deal of money and was probably based on Chris Jennings' report.

A reading of Jennings' report gives no such impression. Jennings was very impressed by the way Jim Hollywood had got everything to work at the LBC mill, despite minor hiccoughs. It seems unlikely also that Jennings' commentary on a mill, the operation of which was guided by him self would cause RCM directors to think ill of it.

The Noel Hogan version of events, delivered not long before his death in 1977, is revealing:

A very big argument took place of course with the co-op mill and certain board members when the co-operative decided to go into the Queensland industry. And I think the story is worth telling in this respect that Joe Ostrenski, who was the Chairman of the Provisional Directors of the new operation in Queensland, came down to the board with one of his co-members and put it to the Rice Marketing Board if they would take over this new rice industry in Queensland. Well, of course, looking into the distance some of us could see that if a very successful rice industry was set up in Queensland, even a small one, it would only be a thorn in the side of the New South Wales industry for all the years to come, because they could produce very good quality long-grain which we could not at that stage and the Rice Marketing Board very reluctantly, with the long-term picture in view, refused to have anything to do with the Queensland industry.

We seemed perhaps a bit selfish, but certainly it was more business-like and with the growers' welfare in mind. But the same people went to the Ricegrowers' Co-operative Mills, of course, and invited Mr Davidge and Mr Woodside up to the Queensland areas and before we knew what had happened, the Ricegrowers' Co-operative Mills had taken over the Queensland rice industry and made it a part of
the New South Wales rice-growers' industry. And as history has shown, of course, they invested $400,000 in a mill in the Burdekin, and as history has also shown eventually the Queenslander took that over themselves and that mill became a white elephant and I don't know how much of the $400,000 was retrieved for the industry, but I would not say a great deal of it.

As history has also proved, that industry is a thorn in our sides because they can still produce American Blue Bonnet and the production and sales were taken over by a Victorian firm who imported rice direct from America and distributed in Australia under the "Mahatma" brand. Well they have taken over the product from Queensland and they still distribute it under the "Mahatma" brand and this means we're getting competition from the Queensland people on the home market. They are selling much more of their percentage of rice on the home market than we do, of course, and up until this last year [1975?] their growers have been paid a higher price because of the home market sales percentage than we have here in New South Wales. Anyway, perhaps the industry up there will not go ahead — it certainly hasn't gone ahead in leaps and bounds and it seems to have reached the stage where, if anything, they're only of nuisance value to us. But it certainly highlighted the fact that the decision made by the Rice Marketing Board was correct and that the decision made by the Ricegrowers' Co-operative Mill was a very doubtful one.51

In a reflective mood, Ken Lewis came close to expressing what many remembering those turbulent days still believe:

It is a great pity that the counsels of John Woodside and Ian Davidge were not allowed to prevail in the New South Wales industry for they established a great deal of trust between the two industries by their frank and obviously genuine discussions with the people who were to lay the foundations of the Burdekin industry.52

The north Queensland rice industry, centred on the Burdekin Valley, Ingham and Mareeba grew to involve 127 growers by 1971. By 1986, this number had fallen to twenty-three. Paddy production peaked at 24,779 tonnes in 1980, declining thereafter to around 19,000 tonnes in 1987. The area put to rice reached 2,857 hectares in 1981, fell to around 1,800 hectares in 1987 and, by the early 1990s, the north Queensland rice industry had virtually ceased to be.53
A progressive industry

In 1924 eight MIA ricegrower pioneers harvested 157 tons of paddy using Clydesdales, primitive headers and sickles and sold the grain to any miller offering the best spot price. Fifty years later, in 1974, the New South Wales rice industry was one of the most sophisticated and efficient of all Australian primary industries, a major exporter operating within a complex regulatory framework blending voluntary co-operative and binding statutory elements and employing thousands of people in farming, handling, transport, manufacturing, processing, marketing, research, construction and associated works. Thriving communities had grown up around the industry. RMB Chairman Noel Hogan claimed with justifiable pride:

[The rice industry] is the most soundly based primary producer industry in Australia. We have just about full equity in our own industry and owe very little to anybody else. We are progressive and grower-controlled and all growers are getting a good living from the industry.1

There were 1,695 rice farms in 1974, plus 324 share farmers, a total of 2,019 ricegrowers. The area under rice in New South Wales was 64,867 hectares, comprising:

- **The Murrumbidgee Irrigation Area (MIA) and Districts:**
  25,218 hectares consisting of 601 farms and 137 share farmers

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<tr>
<th>Region</th>
<th>Hectares</th>
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<tr>
<td>Yanco Area</td>
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<tr>
<td>Merrool Area</td>
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<td>Benerembah District</td>
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<td>Tabbita District</td>
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<td>Warrawidgee District</td>
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<tr>
<td>Widgeilli District</td>
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- **The Coleambally Irrigation Area (CIA):**
  14,721 hectares under rice, comprising 312 farms and thirty-seven share farmers.

- **The Murray Valley:**
  24,927 hectares developed for rice, comprising 782 farms and 150 share farms

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<tr>
<th>Region</th>
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<tr>
<td>Deniboota District</td>
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<td>Denimein District</td>
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<tr>
<td>Tullakool Area</td>
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<td>Berriquin District</td>
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Paddy production had reached 403,438 tonnes, up from 237,000 tonnes only two years previous. The MIA accounted for 170,492 tonnes of this, the CIA, 93,761 tonnes and the Murray Valley, 139,184 tonnes.
World record average yields were still being achieved in New South Wales at 6.5 tonnes per hectare. The Australian (and world) record individual yield was 11.5 tonnes per hectare. Australia was the third largest world exporter of quality rice and seventh overall in volume. Prices in 1974 were up 102.7 per cent on 1967 levels; the best prices ever received; up from US$200 a ton in 1973 to US$600 a ton. A worldwide shortage of rice (long predicted by Noel Hogan) had produced 'explosive' markets, described as a 'one-off commodity trade boom'. The industry was exporting approximately 85 per cent of total product in early 1974 and 98 per cent by the end of the year (worth around $70 million) to a network of markets including:

<table>
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<tr>
<th>RCM MARKETS 1974</th>
<th>PERCENTAGE</th>
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<tr>
<td>Australia</td>
<td>16.9</td>
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<tr>
<td>South Africa</td>
<td>3.4</td>
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<tr>
<td>Hong Kong</td>
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<td>Indonesia</td>
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<td>Papua-New Guinea</td>
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<tr>
<td>United Kingdom</td>
<td>8.7</td>
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<tr>
<td>Other</td>
<td>5.8</td>
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Industry investments in storage, mills, equipment and facilities, at written-down prices, equalled approximately $15 million (RMB $9.3 million; RCM $5.6 million). RMB employed 53 permanent workers and 109 seasonal works. RCM employed 630 permanent workers and 20, seasonal workers.²

Mounting economic and political problems

Notwithstanding these impressive trade figures, the industry’s mounting cost structure remained problematical with a worrying erosion of farm profitability continuing and the southern rivers, in particular, attaining optimum commitment. Nervous debate about the future of the industry and sharp politics were the order of the day. The rice industry was also acutely vulnerable to sweeping international economic distortions attending huge oil price increases introduced by a cartel of oil producing nations (OPEC), which precipitated structural change in world financial markets. A combination of inflationary pressures and mounting interest rates coming in the wake of the OPEC hikes, on the one hand, and successful and large wage claims by Australian workers, on the other, saw rural production costs climb steeply. Input costs for such items as contract harvester charges, cartage, freight, services, packaging, stevedoring, shipping, administration, communication and workers' compensation all rose sharply. Moreover, Federal Labor's 25 per cent 'across the board' tariff reductions of mid-1973 saw a flood of imports, now burdened with OPEC-related costs. Machinery costs, fertilisers, chemicals and other imported inputs all increased. Water
prices rose by 15 per cent in 1974 alone. And still gnawing at the vitals of the industry were those subterranean killers: rising water tables and salination; which were now reaching dangerous levels in some parts of the irrigated system.  

A Bureau of Agricultural Economics (BAE) National Outlook Conference in 1974 noted a sharp fall in real growth in developed countries and predicted an ‘... uncertain future and instability in agricultural trade and prices’. The BAE believed it was impossible to know where the balance of world trade would fall when the OPEC reverberations finally stabilised, but prices for basic foods were predicted to decline and markets would become more subject to ‘human interference’ and less responsive to supply and demand. There were great hopes for a General Agreement on Tariffs and Trade (GATT) liberalisation of trade, which might alleviate the situation, but the EEC in particular was prevaricating. In this context, New South Wales farmers, especially small irrigation farmers who had bought land and invested in plant and machinery to take advantage of the HMA relaxation and upturn in rice prices, found themselves facing a protracted cash-flow problem. The only antidote was to apply tighter and tighter management controls, but there were limits to this. Even the most efficient operations were finding it difficult to counteract huge on-farm costs flowing from increases beyond the farm gate. Land prices were soaring as rice farmers sought to reduce unit costs by buying larger tracts. There was talk of Labor introducing a Capital Gains Tax, widely seen in rural communities as heralding the end of the family farm, or at least impeding farm amalgamation to an economically viable scale of operations. As indebtedness climbed the spectre of bankruptcy haunted more and more farmers. Despite big increases in paddy prices, farm profitability, generally, continued to fall. The purchasing power of US$100 per ton of paddy in 1974, for instance, was less than for US$80 per ton of sales in 1953. Uncertainties about profitability were exacerbated by dizzy shifts in currency value with the federal government revaluing the Australian dollar in December 1972, devaluing it by 13.6 per cent in September 1974 and, in November 1976, devaluing it again by a further 17.5 per cent.

In this ‘pressure-cooker’ economic environment, growing uncertainties in rural Australia translated into political heat. A federal government announcement in February 1974 that it would phase out a $12 a tonne superphosphate bounty, a relatively modest withdrawal, provoked a violent reaction in the bush, harming Labor’s electoral prospects. In March 1974, the National (Country) Party of Australia formed out of the Country Party, seeking to broaden its electoral base to include the mining and minerals industries as farmer numbers dwindled and the contribution of farming and agriculture diminished as a proportion of the GNP. President of the Yanco Branch of RGA George Kayess (a National [Country] Party stalwart), blasted the Whitlam Government:

> Any party that sets out deliberately to divide the country people from the rest will be condemned. ... Such treachery can only lead to revolution. Primary producers must organise themselves so as to remove support from those wishing to make second-rate citizens of country people.

Kayess called upon the RGA Central Executive to take steps to bring all primary producer organisations together to form a militant national organisation combating adverse political decisions affecting primary production. The Australian Farmers’ Federation (AFF) (Noel Hogan, president) was too ‘gentlemanly’. Kayess wanted ‘... some kind of action which would disrupt the general public and so focus attention on the farmers’ plight’. 

Signs of deepening political instability were evident. In April the Federal Government was forced to the polls when hostile state governments and the Federal Opposition combined to force a double dissolution on the issue of Supply. Labor won the ensuing election (although Al Grassby lost the seat of Riverina) but political instability continued with Labor now depending upon Independents in the Senate.

**The RMB in focus: a co-operative or a statutory authority?**

In this context, rice industry committees subjected the functions of the RMB and the RCM to close scrutiny. The whole question of the competitiveness of statutory marketing authorities in world markets was explored, the perception emerging from this that co-operatives could do anything a marketing authority could do, possibly
better. The International Co-operative Alliance (ICA), based in Stockholm and representing about 600 million co-operators internationally, had designated the 1970s the 'Decade of Co-operative Development'. To this end the ICA affiliate, the Co-operative Federation of Australia (CFA), had organised a series of Co-operative Conventions in Canberra to galvanise the Australian co-operative sector, particularly farmer co-operatives, around the issues of improved international trading performance and to develop a Federal Farmers' Co-operative Service and a Co-operative Bank. Federal Labor was interested. Indeed Minister for Agriculture Senator Ken Wriedt had commissioned a study of rural co-operatives to identify a possible role for them in enhanced trade with Asia. Wriedt was pro-co-operatives, seeing them as an element of a 'marketing revolution, driven by the changing nature of demand'. Departmental research indicated a tendency to vertical integration by food converters, on the one hand, and backward integration to offset uncertainties associated with bargaining in a wide range of markets, on the other. The minister interpreted this as the harbinger of a struggle between 'farm power' and 'market power', meaning that farmers would find it increasingly difficult to assume assured markets as the power of food converters extended back to the farm. Potentially, everything in the 'food chain', including farms, would be owned by international food agribusiness and co-operatives had a role to play in resisting wholesale corporate and, probably, foreign ownership. Drawing on United States experience, Wriedt saw four types of market structures emerging by the end of the 1970s:

- farmers bargaining with food converters;
- large integrated food converting corporations completely integrated from the ultimate consumer back into farms;
- large multiple product farm co-operatives completely integrated forward from the farm to the final product; and
- joint ventures between farmer co-operatives and food converting corporations.\(^5\)

The minister saw virtue in regional multi-product supply and marketing co-operatives possessing supply-purchasing and processing and marketing divisions combining in policy and management decisions and driven in their actions by market conditions, not production. A co-operative's marketing division should spell out volumes and describe the production required (as RICC had been trying to do for many years often stymied by political considerations). Co-operatives might offer growers a contract for particular commodities delivered at a specific time and place (as RMB had been doing for years). Inputs could be purchased by the co-operative, which could also help shareholders obtain operating capital against the collateral of marketing contracts. (RMB already performed these functions.) Small co-operatives could amalgamate to rationalise and realise economies of scale. Large marketing co-operatives might join with big regional supply co-operatives. The minister predicted joint ventures involving production-oriented co-operatives and marketing-oriented co-operatives, for example, long-term agreements between co-operatives supplying raw materials and a co-operative or corporation marketing this, with the partners jointly owning processing and distribution facilities. In such a vision, clearly, there would be little scope for statutory marking authorities.\(^6\)

Wriedt's analysis was enthusiastically endorsed by Ken Edwards, the general manager of the huge Western Australian grain and farm requisites co-operative company, Westralian Farmers' Co-operative Limited, who went one step further, openly questioning the point of statutory boards:

"Are they necessarily good marketeers in a competitive situation? ... It is important to draw a distinction between the marketing of commodities which are sold in bulk or in an unprocessed state and the marketing of commodities which are packaged or processed for sale in the retail store. ... Surely the presence of any active co-operation in the market place under producer-control will exert an influence and ensure producers that their product gets its share of the market and that the margin of profits throughout the industry is not excessive. The co-operative is also closer than a statutory board to the suppliers of the raw material. It is directly accountable to them and is more flexible than a single marketing authority. It can and does enter into partnerships for producers who want to iron out the fluctuations in a season or period. A co-operative can arrange a pooling system or it can arrange contract selling. It can provide..."
alternative systems which can be accepted or rejected on a voluntary basis. Competition in handling, processing and marketing is often the soundest method of achieving maximum penetration of markets and ultimately the best return to producers. A co-operative is in the market to get a better return for the farmer. Obviously its scope for achieving savings is greater if it operates right along the chain from the farm gate to the retail shop.

Edwards believed that market-oriented co-operatives possessed an ability to reach forward from the production base very quickly and secure responses in order to adjust to market needs or influence the market, more adequately reflecting the producers' ability to supply that market with a particular product. Such co-operatives also ensured that the farmer-producer shared in the 'profits' of 'middle men'. Nevertheless, Edwards acknowledged that statutory authorities did have a role to play in setting quality standards and were sometimes well placed to establish a worldwide market information service. But when it came to the sheer hard work and imagination necessary to sell a range of packaged products or farm foods to retailers or supermarkets around the world in competition with the rest of the world, co-operatives had a marked advantage. Therefore, co-operatives should be 'unfettered' by regulation so that they might diversify and become more responsive in the dramatically altered post-OPEC world conditions. This was music to RCM director ears. The co-operative's journal, Rice Mill News, gleefully reported Wriedt's and Edwards' ideas together with those of Ian Hamparsum, chairman of the Australian Coarse Graingrowers' Association, who said:

Boards must live in the market place. There is no place for personality cults, sentimentality or the Old Chums' act in marketing on behalf of growers. After all [a board] is not a shire council or farm policy-making body.

The federal government pledged to assist co-operatives and considered legislation '…to ensure that co-operatives would respond constructively to the challenge of a multinational corporation'. Tragically for the co-operative sector, these promising developments were engulfed by a constitutional crisis following the dismissal of Prime Minister Gough Whitlam by Governor-General John Kerr in November 1975.

'Keeping one's ears to the grass roots': RMB responds

No one in the rice industry wanted to do away with RMB altogether just yet. The reliability of supply and 'single desk' orderliness it brought to the industry were simply too valuable to discard peremptorily. Nevertheless, it was clear disaffection was growing. Criticism was particularly strong in the Murray Valley where discontent was still rankling over RMB premiums paid for long-grain varieties impossible to grow in southern latitudes. There were complaints also about shortages of herbicides supplied through the RMB merchandising department, some growers seeing this as a deliberate ploy to keep southern yields down. Private retailers of farm requisites, including superphosphate and machinery suppliers, also resented RMB intrusion into markets.

A drawn out harvest, lasting until October and producing grain which, in the RMB Chairman's view, was 'worth very little to our industry', saw the board revive talk of a 'Two-Pool' system, which southern growers saw as yet another attack on them. Many resented RMB's refusal to accept paddy from growers who had deliberately over-planted to produce their way out of economic difficulties. Suspicion of the RMB Appraisal Scheme deepened as grain was rejected. The Equity Certificate Scheme came in for further criticism as contributions soared to a record $12 a tonne. With costs of providing storage sheds rising from $40 to $70 per tonne in two seasons, growers were now openly questioning the wisdom of having more storage than was actually required. Hogan sensibly replied that it was essential to have some excess to deal with market fluctuations, reminding them of the 1971 harvest when production surged to counteract low prices and storage did not exist to receive grain. There was also growing resentment in the south about RICC's refusal to recommend new growers and RMB's endorsement of this. Berriquin Rice Development Association Secretary B Boldiston, for example, said:

We were told by the chairman, Mr Noel Hogan, that he had paid $3,000 to $4,000 over a period of time for storage and he would not subsidise ninety-four farmers
in the Berriquin there by giving them a rice permit. Meanwhile the rice industry gave themselves a big increase.

Hogan replied:

... for the immediate future ... not too many growers will be allowed into the industry so that the board can have a breathing space in its building program and upgrade some of the old receival pits. 8

Liberal Party elements in the rice industry and some sections of the National (Country) Party believed that the RMB Chairman had become 'too cosy' with the Whitlam Government. Indeed, as president of the AFF and contributor to major Green Papers on Australian Primary Industry, Hogan was in frequent and close contact with the government and the prime minister himself. There is no evidence, however, suggesting that he had 'gone soft' on Labor, only that he went about the business of lobbying on his constituents' behalf in a characteristic direct, affable and effective way. Nevertheless, such rumours might account for Hogan failing to gain pre-selection for the National (Country) Party in 1974. Illness may be another reason, for the chairman was harbouring a terrible cancer, the seriousness of which was not yet comprehended. 9

There were key personnel changes in RMB at this time. Realising that he would be hospitalised and convalescing for a long period, Hogan assembled a strong pro-board team to 'mind the shop'. 'You've got to have your ear to the roots', he told a Land reporter, 'or you're gone'. RMB Vice Chairman B M (Bruce) Holloway was a personality not unlike Hogan himself, though dedicated particularly to the promotion of Murray Valley interests. There was no telling what he might do while Hogan was away. Charles Dalton, Hogan's loyal manager, had retired at the end of 1973 after twenty-three years. His replacement, Dick Hayne, took a broad 'industry view' and seemed 'close' to RCM. (He had been sighted playing golf with the co-operative's general manager!). Following bitter disagreements over his management-style, Hayne was 'forced into retirement' in mid-1974 and replaced by John Tagliabue, who had served as the board's accountant and secretary between 1971 and 1973 and had resigned following disagreements with Hayne. Hogan was delighted by Tagliabue's return, seeing him as wholly dedicated to the board's interests. Earlier, RMB Member Robert Blake, a CIA representative, had resigned from the board to take up the position of RMB Commercial and Promotion Manager in Sydney. R G (Rod) McCleary, who had sought unsuccessfully election to the RCM Board, replaced him. A keen advocate of co-operation and co-operatives, serving at various times on the boards of the Letona Cannery and the Leeton Fruitgrowers' Co-operative, McCleary took an 'industry' view of issues and was very serious about his powers as an RMB board member. With this group, Hogan had a dedicated team to keep 'an ear to the roots' while he was in hospital. 10

**RGA politics**

Meanwhile, in the approach to the 1974 RGA Annual Conference, the branches jockeyed for position. The Yanco Branch maintained its traditional pressure on the co-operative, Mr Cotterill, for example, chiding RCM directors for their overseas trips and ‘carpeting’ RGA President Ian Davidge to explain. Davidge said the trips were necessary for effective marketing. When fresh demands arose for a Whitton mill, Davidge said this was unnecessary because plans were under way to revamp the Leeton Mill at a cost of $1 million and that this would be capable of handling all paddy in the Yanco Area stored at Whitton, Murrami, Gogeldrie and Leeton. He also urged Yanco delegates to support a RGA Central Executive recommendation to RICC that the number of new growers entering the industry be limited to around twenty-five per annum. The Mirrool Branch, still concerned with broader industry issues, including water policy, rising costs, diminishing returns and the disposal of by-products, was highly suspicious of RMB’s intentions in sending Robert Blake to Sydney (close to government). Again, the board's generic promotion of 'rice' and not specifically 'Sunwhite' products was contentious, as competition with the Burdekin industry intensified. On the CIA, where farmers were selling properties as mounting costs outpaced profitability, RGA membership was dwindling, affecting Central Executive representation. CIA Branch Secretary and RCM Director Robin Williamson appealed for grower support in retaining a fourth CIA Central Executive delegate which, he said, was essential for a high profile in the industry and defence of water entitlements.
The Deniliquin Branch remained concerned by the lack of a suitable long-grain variety for the Murray Valley and at RMB slowness in receivals. The branch believed that new growers should not be precluded from entering the industry, as such, but considered in the light of prevailing economic and market conditions. At Berriquin, the allegedly inequitable application of the RMB Equity Certificate Scheme continued to irritate as did the growing army of river pumpers and increased WCIC charges. Wakool Branch continued to accuse the Central Executive of deliberately ignoring branch recommendations.

The dominant issues at the 1974 Conference were water access and pricing together with the worsening waterlogging and salination problem. (These are discussed in Chapters Thirty-Six and Thirty-Seven.) Focusing on economic questions, Ian Davidge noted a drop in the purchasing power of the Australian dollar and predicted prices to fall by at least 10 per cent in 1975. The RGA President estimated that a production goal of around 450,000 tonnes, including between 140,000 and 170,000 tonnes of long-grain, could be reasonably shifted in ‘highly competitive markets. … Long-grain is what the world’s markets demand, so long-grain we must grow’. He urged growers to move away from the dependable, high-yielding Calrose, for which markets were tight, and produce poorer yielding long-grains, for which markets existed. Growers were very reluctant to do so for, with costs continuing to rise, the cultivation of dependable, high-yielders seemed basic to the retention of net returns. Davidge repeated what he had been saying for some years, that tighter management and greater productivity were essential and reiterated that there were limits to this in dealing with price increases beyond the farm gate. Conditions were fair at the moment, but Davidge said, gloomy predictions of an approaching world rural recession were reaching him. Many countries were clearly facing a situation where they could not afford to buy food. Moreover, it was impossible for rice farmers to produce cheap food, or cheaper food, because of rising costs incurred beyond the farm gate. Rising transport costs, for example, were ‘… a major source of exploitation of food deficient nations’. It now cost 20 per cent more to load a tonne of rice from rail to ship in Australia than it did to mill, manage, operate and market that same tonne of rice. RGA was currently involved in a dispute with contract harvesters in respect of hourly rates, with the latter accusing the association of ‘profiteering’ and the association defending its position as necessary for the industry to remain viable. Davidge referred to mounting farmer pressure for improved political representation, while warning against ‘firebrand stuff’ and urging RGA to remain independent of party politics, operating ‘straight down the line’, open to all growers on a democratic basis. Farmers should stick together and co-operate, that was his simple message. The profitability of ricegrowing was ‘falling all the time’ and growers could not afford to be complacent. Federal government plans to introduce a Capital Gains Tax would complicate farm amalgamation and was regressive and inequitable in any event since it applied to all gains including inflation. Ricegrowers should resist the temptation to over-produce as eroding monetary value coupled with increasing prices for all inputs could leave them seriously exposed in the event of a sudden market decline. Greater Australian harvests than seemed possible or practical only two years ago were now being forecast. Production was not the problem; that had been solved; but the capacity of the industry to produce was limited ultimately by water supply and the ability of the reticulation system to meet grower demand. Key questions of immediate concern, the president continued, were the industry’s ability to service expansionary infrastructure costs, cope with escalating input costs, deal with inflation and locate and hold markets, while remaining profitable. Growers must unite around policies governing entry by new producers; any ambivalence would be seized upon by WCIC to further a political agenda with possibly disastrous consequences similar to those following the 1969 increases.

As soon as Davidge had finished his speech a Berriquin Branch delegate moved that more growers be permitted into the industry. The motion was defeated.

Like old times

In this complex and uncertain setting, the New South Wales rice industry celebrated its fiftieth birthday in reasonably good shape. The average sale price for the 1973/74 crop was $159.74 per tonne. RMB was engaged on its biggest construction program ever, which, augmenting RCM construction, saw an increase in storage capacity by 50 per cent, equivalent to 200,000 tonnes. Mill modernisation was under way. Fred Bock, Noel Hogan and John Tagliabue had negotiated a new five-year deal with the
PNG government and the RCM-PNG subsidiary based at Lae, Rice Industries Proprietary Limited, was well placed to take advantage of this. After N H (Harley) McAllister from the Murray Valley replaced A D (Alan) Malcolm on the RCM Board, southern acceptance of the co-operative improved significantly. RCM Manager Neil Donaldson was authoritatively detailing what quantities, quality and varieties should be grown and what levels of excess production should be carried in cultivating demand. Indeed, demand and supply were in equipoise and 95 per cent of the 1974 crop was sold before it had left the fields. RMB Manager John Tagliabue was confidently pegging out the Board's 'turf' in order to defend it against attack. Ian Davidge was re-elected RGA President, Noel Hogan, Senior Vice-President, and Greg Graham, Junior Vice President. For the first time ever, RGA's delegates to RICC were elected from the Central Executive in relation to RMB electoral districts, which saw the appointment of Messrs Davidge, Kayess, Whelan, Hawkins and McAllister. RGA General Secretary Bruce Caldwell took over from Dick Hayne as secretary of the RICC, strengthening the association's voice on that body.

It was like old times, industrial harmony after a tumultuous period of uncertainty, but no one expected it to last. Indeed, the New South Wales rice industry was about to be overtaken by a three-year recession in which prices plunged from US$600 a ton to US$250 a ton and world markets tightened appreciably. Inevitably, this would swing attention back to industry operational costs and the vexed RCM-RMB relationship. And questions about water supply and other environmental concerns awaited answers.14
Chapter 35

‘Booting the agricultural goose’:
Rice and the Rural Recession, 1975–1977

Introduction

The optimism of late 1974 did not last for long. On the second day of the new year RCM Director and RGA Central Executive Member Graham Blight was telling The Land newspaper:

As farmers progress into 1975 they must all be limping after receiving so many knocks in what started out to be a "boom" year and which in reality for many has ended up a disaster.

My area, with its viability based on rice and stock, has suffered badly. Excited farmers receiving first advance rice payments in excess of the total 1970/71 returns were joyous and so were bank managers, merchants and stock agents.

So, with farmers on their way to paying their bills, the market looking steady, the whole dream was suddenly shattered: wool, beef and lamb tumbled; then budgets upon budgets; water increases up 95 per cent; expected Shire rates up 40 per cent. As quick as people could rob us of a little cash they did by issuing some edict or other. They even scared people out of dying [a reference to Probate].

Rice production costs in the past six months have gone up 60 per cent. The year 1975, therefore, will issue the greatest challenge to irrigation farming we have ever had to meet. … So with confusion reigning supreme we charge into 1975.1

The 'confused charge' was not confined to 1975, continuing to 1977 and not until 1978 did markets and prices substantially recover. In the interim, farmers, including rice farmers, weathered the economic storm as best they could. For purposes of our discussion, three themes are discernable through those difficult years: structural change in the economy precipitating a rural recession; the deterioration of Noel Hogan's health; and a bitter contest between irrigators focused on water entitlements and land use. Each theme is considered separately in the following chapters.

Economic and political uncertainty

There were record rice harvests all over the world in 1975. Prices plunged. An expected 10 per cent downturn looked more like 20 per cent in the first quarter. So erratic were prices that predictions of more than a few weeks ahead were impossible. The only thing growers could be certain of was that rocketing inflation and spiralling costs would eat into returns.

There was little the industry could do about it. Every effort was being made to increase efficiency and improve productivity but costs beyond the farm gate and inflation were simply sprinting away. The oil producing (OPEC) nations had extracted $60 billion from oil importing nations, slowing economic activity in developing countries and reshaping international monetary markets. Interest rates climbed and a curious 'stagflation' developed as costs and inflation outstripped sluggish markets, producing structural unemployment.

With the Federal Labor Government now embroiled in a destabilising 'Loans Affair' controversy involving international borrowings of uncertain source and dubious protocol, commonwealth spending suddenly contracted. States' borrowings were curbed severely in late 1975 but did little to dampen a demand for credit. Farmers, seeking to produce their way out of difficulties and achieve viable farm sizes through farm aggregation, found themselves 'geared' dangerously in respect of bank debts as input costs rose. Farm inputs were soaring, as Blight had told The Land (though perhaps nearer to 30 per cent than the 60 per cent he suggested), while production actually fell by 16.7 per cent in 1975, representing an $8 million loss to the rice industry. Many farmers, keen to grow rice for the relatively better return, simply could not afford to do so, faced with a growing liquidity problem as indebtedness climbed and incomes plunged. Many were obliged to take outside jobs to retain the farm, a practice already common in the United States. It was becoming increasingly expensive to start rice farming (an average CIA rice farm cost $250,000 to set up by 1980). This
was only manageable so long as farm values held up. An RGA estimate in 1976 suggested that 20 acres of rice now cost $20,000 to produce — more than RMB’s first payment! Farmers, all farmers, were vulnerable to a crash (and this would come in the early 1980s).²

Although the New South Wales rice industry was a tiny producer in world terms, it was not an insignificant player in trade, being then the ninth largest rice exporter. Ultimately, however, it was a ‘price taker’ and the rising cost structure of Australian industry was seriously disadvantaging RCM in markets. The ‘user pays’ principle, now thoroughly entrenched at the political level, was being applied to an ever-widening range of government charges and services. Hard pressed farmers, observing government and industry officials arguing over which costs could legitimately be computed into charges, nervously followed debates as WCIC computed the capital cost of dams and water supply systems and converted these into water charges. Water rates increased sharply through the period; by about 100 per cent in the three years to 1977. Shire rates also shot up; by 500 per cent in some instances. The Federal Government abolished many taxation concessions to farmers. Depreciation and investment incentives were removed and payroll tax became a big concern for farmers and small business. With tariffs down, imports swelled and the costs of imported machinery soared, affected by OPEC increases. There were huge increases in transport and communication charges. Shipping costs out of Australia rose by 170 per cent between 1974 and 1976. The farm workforce fell by 33 per cent in the three years to 1977 as employers were caught in a ‘scissors’ of rising costs and contracting demand. The cost of employment shot up, as did unemployment. Industrial tensions between farmers and unions grew as average wages increased by 28 per cent in 1974 and a further 21.3 per cent in 1975 while workers’ compensation costs increased by 65 per cent in the same period. Generous leave loadings added to job costs. Most costs were simply passed on, exacerbating the cost spiral. The gross value of Australian rural production fell by 9 per cent in 1975, although the volume of production remained virtually unaltered.

The emphasis was now on doing everything quicker and cheaper, cutting corners, dragging more out of every resource, including water and the soil, in a relentless pursuit of improved productivity and ‘staying ahead’. Even so, rice yields actually fell through the period, due in part to the large-scale conversion to lower yielding long-grain varieties for which markets existed, but also because of a higher incidence of ‘dead heads’ (sterility) as agronomic ‘short cuts’ were taken. Moreover, a poor mill-out for long-grain was common. Nevertheless, New South Wales rice yields were still the highest in the world. Gross returns for the 1974/75 crop were the highest ever recorded, but only marginally above 1973 levels when adjusted for successive shifts in currency values. It was evident to anyone looking that bigger harvests and exports did not necessarily mean improved returns. Indeed, mounting operational costs often meant quite the reverse. On the other hand, if production fell to match markets, capital intensive infrastructures would be left expensively idle.

Most farmers, however, did not consider such economic matters to be their concern. Storage was RMB’s responsibility and milling and marketing, the co-operative’s — and growers owned both!

The question of federal aid for farmers loomed large in 1975. Minister for Social Security Senator Wheeldon promised to give consideration to the possibility of paying farmers Social Service Benefits. The Industries Assistance Commission (IAC) conducted a full scale review of all forms of aid to rural industry: stabilisation schemes, rural research, fertiliser bounties, taxation and drought relief; recommending ‘sweeping measures’ to help stabilise farm incomes, including taxation considerations to alleviate the inflation–depreciation squeeze. There was little in the IAC recommendations, however, of real benefit to smallholders, including rice-growers. The Whitlam Government, clinging to a flimsy mandate and increasingly unstable, tried to woo back disaffected farmers with assurances that it had rural interests ‘at heart’ and that the future ‘looks bright’ but most saw the future as downright gloomy and not only for farmers. Following the blocking of Supply in the Senate, the governor-general dismissed the prime minister in November 1975 and Malcolm Fraser formed a ‘caretaker’ Coalition government, subsequently winning an election.³
Death of Fred Bock

The gloom of 1975 was deepened by the unexpected loss of one of the rice industry's great leaders: RCM Chairman Fred Bock. He was only 63 and in good health until shortly before his death on 10 April in Alfred Hospital, Melbourne. A malignant stomach cancer claimed this modest, greatly respected and hard-working architect of the post-World War II rice industry. The funeral was held on a freezing day in St John's Church of England, Barham. After 'Last Post' and 'Reveille' were sounded, the casket was borne away by the Holden brothers; Clive, Tom and Bill; and Ian Davidge, Hugh Baird and RGA Secretary Bruce Caldwell. Noel Hogan was unable to attend, himself ill and receiving treatment for spinal cancer in a Canberra hospital. The Area News recorded that, 'Fred Bock's recognition of human values and the importance of the individual highlighted his sincerity and endeared him to every person with whom he was associated'. The sudden death of the RCM Chairman was a severe blow to the industry in a period of great uncertainty. Hurried steps were taken to appoint a successor and Ian Davidge was elected unanimously to the chair. Clive Holden of Deniliquin was elected vice chairman. Davidge retired as RGA President and was replaced in early May by Graham Blight.

Ian Davidge: RMB Chairman

The new RCM Chairman launched into the task with characteristic vigour and decisiveness. Imbued with the gregarious optimism of his father, Charles, the quicksilver intelligence of his mother, Vera, and prudence learned from Alf Bowmaker, Davidge believed in something he called 'benign procrastination': waiting quietly and patiently, arguing logically, setting the pieces, and then moving with lightning speed and purpose when the moment to act arrived. On accepting the new position, Davidge warned of growing uncertainties and of 'alarming increases' in costs not wholly related to volume. This breakdown in the relationship between volume and costs was extremely worrying, he believed, and '... a challenge that must be faced'. Costs were in two categories: those within industry control, and those outside it (beyond the 'mill door'). Not a great deal could be done about the latter, Davidge reiterated, while leaving no doubt in anyone's mind that his targets were firmly set on RMB's big building program and, indeed, on rationalising the board itself.

One can only imagine the conversation passing between Ian Davidge and Noel Hogan on the plane travelling together to attend the 18th Annual FAO Conference in Rome early in 1975. Hogan, by all accounts, was an amiable and agreeable travelling companion and the two men, despite the sparring of organisations they headed, respected each other enormously. The party would later travel to Britain. There Davidge presided over a board meeting of RCM's British subsidiary and reviewed progress of 'Sunwhite' products in British markets. A joint RMB−RCM and Department of Overseas Trade delegation later embarked on a fact-finding mission to the Middle East, visiting Iran, Kuwait, Turkey, Saudi Arabia, Quata and the United Arab Emirates. Davidge reported strong demand for long-grain rice, but added, 'Overseas customers are just not interested in digging deeper into their pockets to compensate Australian growers for the sagging purchasing power of their dollars'. The new co-operative chairman again implored growers to produce long-grain varieties as prices for medium-grain plunged from US$130 a ton to US$80 a ton in July 1975. A price-cutting war had erupted in Hong Kong, brought on by Thailand and Communist China:

It appears in the short-term, as has happened on occasions in the past, the market cycle of good and bad years is going to operate against us again and we will see a fall in returns to the growers. The impending situation could be similar to some of the low years in the past, especially when the value of returns is related to what it will actually buy. We are bracing ourselves to face the difficult task of maintaining our market position.

Graham Blight: RGA President

Upon assuming office the new RGA President Graham Blight told rice farmers in a typically forthright manner that they were in danger of becoming uncompetitive:

Our problem is: how can the world afford our products? Australian rice is the highest priced in the world. We are bleeding every cent we can out of the
markets and this is a fair achievement. You cannot consistently get the best prices across world markets unless you spend money on increasing your efficiency.

It is probably time that someone started to take notice of people who run businesses within guidance and principles set down by nerve-pains from the hip-pocket. Philosophical book economists and the great equality myth have proved to be a disaster for this country. Too many people are bludging on the too few who are willing to work. Those people have to be encouraged to get off their tails and contribute.

How unfortunate it is that the farmers … who have the capacity to produce food cannot produce and deliver it at a cost that those who need it most can afford. How gloomy it all can become. But farmers must be optimists.

A bleak outlook

It was hard to be optimistic in late 1975 for the outlook was bleak indeed. Prices were as 'low as they could go', plunging below production costs for some varieties. Secure markets for only 133,000 tonnes existed in Papua–New Guinea, the Pacific Islands, Hong Kong, New Zealand, Tahiti and the Home Market. Possible optional markets for 83,200 tonnes existed in Indonesia, Malaysia, Singapore, Fiji, Mauritius, the Seychelles, Guam and the World Food Program. Small 'chance' markets of around 7,000 tonnes had been located in Africa, Japan, Poland and the Middle East. Government restrictions on trade with South Africa were affecting RCM parboiled rice sales there. Increased protectionism attending the UK's entry to the EEC was badly affecting sales. Many farmers, particularly in the Murray Valley where water was scarce, were turning to wheat which was then at least as profitable as rice. The prospect of RCM being unable to supply such markets as existed, once more arose to furrow brows.

It was easier to sell rice in 1976 after the Fraser Coalition Government devalued the dollar (by 17.6 per cent). World demand was still rising, up from 160 million tonnes in 1961 to 230 million tonnes in 1975. The problem in New South Wales was fetching prices to justify production costs. Prices had to stay ahead of inflation or the industry could collapse. Again there were record crops in the northern hemisphere and United States' and Thailand surpluses were flooding on to markets. The Thais were engaging in price-cutting and the Americans still subsidising exports. India and the Philippines, ordinarily big rice importers, were exporting. Markets were again becoming intensely 'picky' and specialised.

RCM adjusted to this volatile situation by making smaller sales to more countries, rather than relying upon large volumes for a few outlets. Most of the 1976 harvest was committed in this way, though the possibility of a 17,000 tonne carry-over still existed; prices simply did not justify sales. The industry was uncertain about what to do: hold the grain in store or dispense with it at 'meet the market' prices. Storing surplus grain was no solution. It was expensive.

Appeals for assistance

The devaluation of the Australian dollar coincided with a dropping of the tariff on rice imports into Australia (estimated to be about $35 a tonne, comprising $22 a tonne tariff and a duty of 7 cents a tonne) to comply with the General Agreement on Tariffs and Trade Treaty (GATT). Rice imports were making a greater impact on the now crucial home market as production in the Burdekin Delta plunged due to seasonal factors. Neil Fuller was obliged to import sizeable tonnages from Pakistan and the USA, simply to maintain supplies. A shudder went through the industry when diseased imports were found in a Griffith shop, in the centre of the Rice Quarantine Area.

Nervousness characterised rice industry appeals for federal assistance in 1976. The pace of cost increases was simply beyond the capacity of the industry to adjust. Every efficiency measure was being negated by the cost spiral. Farm viability was really threatened. The rice industry faced a crisis and was being 'throttled' out of business. Joining with other primary industries the industry lobbied the commonwealth for a 'rural adjustment scheme' to assist unviable farmers leave the industry. RGA also sought an export subsidy to compensate for cost increases and tariff reductions enabling New South Wales producers to match competitors. The commonwealth ignored all of these calls other than making a few adjustments to taxation schedules.
As RGA and RICC Secretary Bruce Caldwell dryly observed, 'It is necessary to go broke before they notice you'.

**Farmers organise**

Certainly the political influence of farmers was waning relative to the mineral resources, construction and manufacturing, finance and service sectors of the economy. Indeed, the contribution of agriculture to the GNP had fallen by 50 per cent since 1957, notwithstanding huge increases in volumes. In 1953, 80 per cent of all exports had been in primary production; now it was less than 56 per cent. With the Bureau of Agricultural Economics (BAE) suggesting that farm costs would continue to rise faster than farm product prices and predicting a fall in farm income by 9 per cent and real farm income by 16 per cent, farmers were leaving the land in droves. Moves to galvanise waning rural political representation began in earnest. The Australian Farmers' Federation (AFF), for example, attempted to organise the Australian Woolgrowers' and Graziers' Council, the Australian Wool and Meat Producers' Federation, the Australian Wheatgrowers' Federation, the Australian Dairy Farmers' Federation and the Australian Horticultural Growers' Council, under the one umbrella, moves which eventually saw the formation of the National Farmers' Federation (NFF).

Tensions between farmers and the union movement worsened, Ian Davidge, for example, lashing out at unionists and city-based journalists and economists who were blaming farmers themselves for their plight:

> Exporters have been sucked dry by the wonderland of inefficiencies, feather-beddings and go steadies that have been building up year after year in the transport industry, the seaboard and shipping lines that have to toe the union line at Australian ports.

> No new efficiencies, production break-through, market initiatives can overcome the appalling wastefulness of the transport, wharf and shipping industries. The system has financed its needs by booting the agricultural goose and every time this patient bird has strained and grimaced and laid the required golden egg. But now that bountiful bird is unable to cope and unless the system it has been supporting gives it some pretty strong nourishment and force-feeding the creature will die. The weight of the dead carcass of agriculture will cause a lot of Australia to die too.

> Australian farmers are the last of the amateurs. Our agricultural exporters are the last of the free traders trying to match muscle not with other farmers but with other governments. John Citizen has been "copping it sweet" with wages. It is now his turn to "row the boat".  

Graham Blight spoke of 'sabotage in our own backyard' and blasted 'sweetheart' deals between unionists and companies. Farmers were 'at the end of the line'; they were doing everything possible to be efficient producers but their efficiency was being destroyed by wage claims, the cost structure of production, job on-costs and indulgent work practices. He appealed to union leaders to think about what they were doing. They seemed hell-bent on pushing claims to the degree that farms were failing, Blight said, and this would have a terrible impact on entire communities, not just 'the boss'. Pay increases should be linked to productivity and union leaders should encourage improved productivity:

> This industry has endeavoured by effective management and controls to try and determine its own policy. Conservatism has kept people in agriculture quiet for far too long about a crippling problem hoping it will resolve itself and go away and leave us to get on with our business. If people in Australia don't want profitable agriculture then let our death be quick.

An Arbitration Commission wages decision early in 1977 meant an increase of $360,000 to the RCM wages bill in twelve months, making it necessary to retrench employees or pass on the additional cost. Industrial tensions peaked. The Storemen and Packers Union, for example, placed a ban on the movement of rice within Australia, holding up $6 million of sales and exports. The reason for this dispute is unclear, but appears to have stemmed from union retaliation to a threat by RCM to take it before the Trades Practices Commission (TPC) for refusing to handle the co-
operative's products. Mr Landeryou (MLC, Labor, Victoria) promoted the issue, as did D Quanchi, the general manager of 'Millers', an organisation possibly associated with Neil Fuller, although this is not clear. The matter was finally resolved in the Industrial Commission with both the RGA and Labor Member for Murrumbidgee Lin Gordon (who had sought the assistance of the Australian Council of Trades Unions [ACTU] President Bob Hawke, via the New South Wales Wran Labor Government), taking credit.\textsuperscript{13}

**Guarded optimism**

In early 1977, a huge crop of 518,000 tonnes was waving from the fields to be harvested. Markets looked slightly more encouraging, but only slightly. Farmers had responded to calls to produce long-grain rice but now there was a world surplus and prices were down. About 900 tonnes a month of subsidised American rice was entering Australia, sold cheaper here than in the United States. Perhaps the greatest market worry was the PNG Government's intention to alter a rice agreement with Australia and reduce its $12 million annual rice imports bill, which was equivalent to 320,000 tonnes in 1975/76. PNG was already talking to the government of Thailand. Although RCM was able to dispose of the 1977 crop at reasonably good prices, prices in PNG and Indonesia were 'worrying'. On a brighter note, 20,000 tonnes of brown rice from the Murray Valley went to Spain that year.\textsuperscript{14}

Despite such uncertainties, the rice industry again did better than other agricultural sectors in 1977 and the indications were that it could look forward to a bright 1978: Thailand had virtually ceased exporting; a drought in Indonesia and plant diseases elsewhere had reduced harvests; and a US drought saw the production of Calrose plunge. With the New South Wales industry well placed to take advantage of these competitor misfortunes, Ian Davidge sounded much more confident, saying, 'The market prospects look very good indeed. I feel confident that the crop presently growing could return up to 20 per cent more than the last harvest'. Again ricegrowers were optimistic. Perhaps a corner had been turned and things would settle down.\textsuperscript{15}

Indeed, 1978 was a good year but the real problems were only just beginning. Foreign government intervention in markets was increasing, competition for scarce water resources was intensifying, waterlogging and salination were reaching alarming levels and a process of irrigated water and land use deregulation was gathering momentum. Faced by these prospects, RGA President Graham Blight appealed for solidarity and drive:

> The successful cocoon that we have built around ourselves has indeed protected us from many of the normal vagaries of agriculture. That cocoon needs to be protected against external pressures, internal dissension and ultra-conservatism ... The rice industry is your industry, built with your money for you. I encourage you to participate in its development by attending your branch meeting and letting us hear and discuss your ideas for its improvement.\textsuperscript{16}
Chapter 36
The Southern Water Rebellion, 1974-1976

Introduction
We have observed that peculiar symbiosis of ricegrowers and the Water Conservation and Irrigation Commission (WCIC), a special, historical relationship with regard to water entitlements and land use shared from the earliest days of the MIA and the rice industry. This evolving, complex regulatory framework generally served the partners well, notwithstanding periodic farmer discontent and the occasional 'king hit' from the commission, specifically, political masters. Now this relationship was about to be demolished. In barely a decade, the once mighty 'Lord of the Water', WCIC, would see its powers of irrigated land use, water access and pricing stripped away to be transformed into simply a water supply and drainage authority with an environmental watchdog role.

In the gradual process of deregulation attending this, questions of water resource allocation were subjected to market forces. Irrigated land use became primarily a matter of satisfying economic determinants and environmental suitability than farmer or industry need. For the rice industry, dealing with a raft of problems in respect of the industry’s structure, spiralling costs, declining farm profitability and an international rice marketing crisis, the consequences of radical change in the availability of 'life blood' water, were profound. Adaptation required a fundamental shift in thinking and significant change in the shape and geographic dispersal of the industry.

The following two chapters examine water-control deregulation as this impinged upon the rice industry between 1974 and 1977. Discussion does not pretend to be a comprehensive analysis of the deregulatory process, for that would require more specialist research than has been possible in the present study. Neither does it expertly consider mounting waterlogging and salination problems in parts of the ricegrowing areas and to which deregulation, in part, was a response. Rather, discussion focuses upon rice industry politics centring upon contenders for the increasingly scarce water resource and how this tested the democratic structure of the industry.

As the Murray and Murrumbidgee rivers achieved optimum commitment in the service of humanity, the contest for water sharpened. Competitors included public system irrigators, private irrigators, river and land water pumpers, hydro-electricity authorities, water quality authorities in several states, flood mitigation groups, urban consumers, recreational water users and environmentalists. Conflict was not confined to rivalry between these groups but was also endemic within them.

Essentially water policy friction in the rice industry centred on tensions between 'southerners' in the Murray Valley, for whom water supply was frequently uncertain, and 'northerners' on the MIA and associated Districts and CIA. The division, however, was seldom clear cut: Area irrigators tended to identify with each other as did District irrigators; the CIA struck an independent path; and southerners rarely presented a unified face. Disputes revolved around demands for water security, allegations of WCIC favouritism towards the north, resentment, especially in the south, of the commission's alleged dictatorial powers, and demands for greater flexibility in water and land use to help irrigators overcome mounting economic problems. Opinion on such matters tended to revolve around inimical poles in industry policy. On the one hand, some favoured the continuation of a regulatory model confining industry participation to levels commensurate with water supply, irrigation system capacity, industry financial resources and markets. On the other side were those favouring the elimination of rigidities in respect of water access, land use, production levels, milling and existing marketing arrangements in a deregulatory environment. Tension between advocates of various regulated versus unregulated positions drove rice industry politics. A ‘user pays’ principle in respect of water control, favoured by governments, was only a step away from an open market situation and marrying easily with the emerging political orthodoxy of economic rationalism. It was wrong, economic rationalists argued, that water supply and, therefore, ricegrowing entitlements, should be determined by an individual's ability to pay (or more precisely, inability to pay) or by farm location in respect of industry infrastructures. Resources should go to those best equipped to make profitable use of them and market force was the appropriate
mechanism to determine this. The allocation and pricing of water should be determined by markets, not commission edict, and moderated by environmental considerations in respect of soil suitability and drainage.

With public concern mounting over waterlogging and salination, linking economic with environmental imperatives was politically potent and a compelling argument for change. The irony was that with farm production and administrative costs spiralling and demand for water growing exponentially, the ability of farmers to pay water price increases varied inversely as the commission’s appetite for funding. Eventually a tipping point was reached where traditional pricing mechanisms became dysfunctional, triggering the breakdown of the old industry-commission relationship. By the early 1980s, hundreds of discouraged ricegrowers had left the industry. For every grower who left, however, there was another eager to join for the still better than average gross returns achievable. In the process, the demography of the rice industry changed radically, applying new tests to the democratic fabric. Waterlogging and salination, ruining previously productive land, forced further adjustment. As arguments raged over whose ultimate responsibility this was, some blaming inefficient or faulty irrigation system design and others, farmer mismanagement, politicians dodged and feinted while passing the environmental ‘buck’ back and forth among contenders. The combined effect was to bring on deregulation.

The ‘southerners’

It is helpful at this point to revise some background to the southern irrigation Areas and Districts. The Murray Valley rice producing regions comprised the Tullakool Irrigation Area and the Denimein–Deniboota and Berriquin Irrigation Districts. The Tullakool Irrigation Area (Tulla Station District of Wakool), where irrigation began in 1935, lay between the Wakool and Edward Rivers, centred on the township of Moulamein. Rice production began there on a ‘temporary’ basis during World War II. Approximately 30,000 hectares of paddy fields were developed. The Denimein Irrigation District lay between the Edward River and the Yanko Creek, around Deniliquin. The Deniboota Irrigation District lay between the Murray, Wakool and Edward Rivers, serviced by the township of Barham. Both Districts had commenced rice production in 1954/55. Perhaps the most militant of the southern rice-producing zones was the Berriquin Irrigation District (BID), east of Denimein between Yanko Creek and the Murray River, embracing the settlements of Conargo, Jerilderie, Finley and Tocumwal. The BID commenced limited ricegrowing in 1967 when WCIC introduced a water allocation scheme based on 440 acre-feet for the standard 600 acre farm, accepted by the Berriquin Irrigators Council (BIC) on the understanding that more water would be provided as it became available. BIC represented 1,300 holdings in the Berriquin Irrigation District from Deniliquin in the east to Mount Gwynne to the west, 125 kilometres in length and 50 kilometres wide, embracing 350,000 hectares. BIC was a branch of the powerful Southern Riverina Irrigation Development Council (SRIDC), the largest irrigation group in New South Wales, linking water user associations in all Murray Valley irrigation Areas and Districts and covering an area served by the Berriquin, Wakool and Deniliquin Branches of the RGA. No new ricegrowers were admitted in the BID between 1968 and 1973. Noting this, the Berriquin Rice Development Association (BRDA) formed to resume the work of the moribund Jerilderie Rice Development Association, which had disbanded after ricegrowing permits were issued in 1967 and following formation of the RGA Berriquin Branch. BRDA elected to take independent action in the matter of gaining new rice permits, arguing that RGA represented only ‘current ricegrowers, [not] the have nots’.

Generally speaking, controls on land-water use in the Murray Valley were less stringent than on the CIA and MIA. Southern farms were generally larger, permitting a more flexible rotation of irrigation and dry-land products and making southern ricegrowers less dependent upon the commodity than their northern confreres. But rice was just as important in the south in helping new farmers establish as it had been (and continued to be) in the north. On the other hand, water availability was more uncertain in the Murray Valley than in the Murrumbidgee Valley and would remain so until the Dartmouth Dam and Hume Weir were completed. More worrying was a growing waterlogging and salination problem in the Wakool–Burramboi–Tullakool region, already affecting 170 farms in the early 1970s.
Southerners, often dealing with water rationing enviously regarded what they saw as a generous water flow in the Murrumbidgee Valley. Many resented the fact that the headwaters of the Snowy Mountains had been harnessed to replenish the Murrumbidgee River, while in dry seasons Murray River irrigators faced shortages, affecting land values. As noted elsewhere, some believed that the RGA Central Executive unfairly represented the interests of northern growers, a sentiment shared by many on the CIA, 'sandwiched' as they were between northern and southern producing zones.

For their part, some northern growers resented what they saw as southern 'interlopers' who had bought up cheap, dry land, demanded irrigation, sub-divided profitably and then politically contrived permission to grow rice. They believed southern irrigation sub-division exceeded the water supply necessary to grow rice reliably and that the resultant 'stop–start' staccato production put the whole industry under financial strain and presented marketing problems. Moreover, northern irrigators, 'landlocked' by old Home Maintenance Area (HMA) Regulations, were more dependent upon rice for economic viability and confined by stricter rotation conditions than their southern counterparts. There was a different 'mentality' on those broad southern acres, many northerners claimed, influenced by pastoralist thinking, more individualistic than the egalitarian ethos of the north, springing as it did from the roots of closer settlement, co-operation and public planning.

**Deteriorating relations with WCIC**

Relations between the rice industry and WCIC, already strained, worsened in late 1973 when the commission approved new rice permits in the Hartwood Estate near Tocumwal Airport, expressly against RICC recommendations. As noted in earlier discussion, (then) RGA President Ian Davidge declared his disappointment with Minister Freudenstein, saying:

>[It is] hard to imagine why the minister should have granted such political favours which affected the structure of the industry [and] could open up areas of serious implications in its future relationships between the rice industry and the Commission.

The additions made no economic sense, Davidge said. It appeared that the minister, and in turn WCIC, seeking to fund commission deficits, had succumbed to political pressure from the National (Country) Party in the state seat of Murray. The commission should pay more regard to environmental factors in determining entry to the rice industry; listen to the industry and consult more openly; and not simply sell water to mask inefficiency. Farmers were being told constantly to improve efficiency — all industry partners, including the commission, had a responsibility to improve efficiency. Twelve months earlier the minister had agreed to set up an investigation committee to examine the administration of WCIC and identify where economies might be achieved. RGA had supplied a list of names for possible inclusion on this committee but nothing had happened and now new permits were unexpectedly announced. RGA would protest, Davidge said, and the minister could not count automatically upon the association’s co-operation.

But Freudenstein knew RGA did not enjoy the support of all growers. Speaking on behalf of Hartwood settlers, for example, John Hogan applauded the minister for not letting the association 'close the industry'. 'The history of the rice industry has shown that any effort by particular groups to participate in [it] have met with intense opposition from Areas already in the industry', Hogan said. Growers in the BID had only got in after intense political pressure, he continued, adding that up until two years previous, 'viability' in the industry had been defined in terms of acreages. With both rivers now virtually at full commitment, that formula must change. The critical test now was *water availability*. Those already inside the industry, Hogan inferred, were simply 'tying-up' access to water to lock out other farmers.¹

BRDA and BIC insisted that they would press for new rice permits and, by dint of greater numbers on the RICC and Central Executive, achieve changes to rice industry policy. Pressure would also be mounted on the government to speed up construction of the Dartmouth Dam, divert water from the Blowering Dam into the Murray River via the Yanko Creek tributary system and promote construction of Lake Mejum near
Narrandera for flexible reticulation south of the Murrumbidgee. In short, southerners undertook to take an independent stance on all issues relating to water.

Minister Freudenstein was adamant, however, that since the rivers' limits were being reached, southern proposals could not be justified on financial (not environmental) grounds, telling BIC members that if they wanted a more dependable water supply they could pay for it themselves by renovating the BID's inadequate drainage system, which was contributing to a salination problem. BIC replied that drainage was the commission's responsibility. And so it went.

A shiver passed through the industry in 1974 when a world irrigation authority, Dr Fallah Aljibury, Professor of Water Science at Fresno University, California, visiting Australia as part of an international study tour, broadcast that Australians were wasting water and being charged too little for it. Australian irrigators were over-watering unnecessarily, he said, and being under-charged for the luxury. In the United States, irrigators were paying $40 to $50 per acre-foot, more than four times the rate of irrigators in New South Wales in the driest continent in the world. News of Aljibury’s statements hatched rumours on the Riverina that the federal government was about to press for big increases in states' water charges. Now fighting for his political life in the approach to the May 1974 federal election, Member for Riverina and Minister for Immigration Al Grassby (assisted by campaign organiser Jack Hallam) addressed a noisy meeting at Deniliquin. The rumours were a complete fabrication, Grassby said, totally untrue and 'mischievous, designed to confuse'. Water policies were solely a New South Wales matter. Grassby was obliged to acknowledge, however, that northern irrigators were paying less for water than their southern counterparts. RGA Vice President and SRIDC Chairman Greg Graham (then preparing to run as an Independent for state parliament) replied that he had overheard Freudenstein say that the federal government was pressing for increased powers in respect of water use and, while the state minister would resist this at all costs, there was no denying federal powers tied to grants and loans. Who were farmers to believe?2

As noted above, Labor narrowly won the 1974 election, aided by Independents, but Grassby lost his seat, the only minister to do so. John Sullivan (National [Country] Party) replaced him, vowing to join with Liberals to bring Whitlam down.

The RGA Central Executive watched developments apprehensively. Already the Berriquin Branch was the largest of the association. There were more ricegrowers in the south than in either the MIA or the CIA. Soon the Murray Valley would be the largest single producing area. It was clear that the democratic balance was shifting southwards and that this would inevitably drive institutional change more favourable to southerners.

'Socialistic irrigation schemes'

Debate on water policy occupied much time at the 1974 RGA Conference, centring on notions of 'water right' versus 'water allocation'. Established growers argued that they had a right to receive reliable and adequate water supply and should not have to 'beg' WCIC for it. For their part, BRDA and BIC elements in the Berriquin Branch insisted that water should go to those who could make best use of it and that the industry should not be 'closed' to new growers.

Soon, attention swung to a parliamentary outburst by Freudenstein, which had left the whole industry agog, especially MIA irrigators. The minister issued a scalding attack upon public irrigation systems and the MIA in particular, which, Freudenstein alleged, was:

... expensive and socialistic, the most expensive area in Australia to administer and provide water to. Not only is the taxpayer of New South Wales having to provide money for the great Burriunjuck and Blowering Dams, but they have to pay for the Snowy Mountain Scheme in order that water might flow down the Murrumbidgee. Also the taxpayer has paid for channels leading from the Murrumbidgee out to the Irrigation Areas. ... New South Wales charges are too little for water coming from the Murrumbidgee, in fact the charges do not even meet the cost of maintaining the supply in that tremendous socialistic scheme ... No more will the government finance socialistic irrigation schemes.3
Freudenstein had decided: ricegrowers with their co-operative and statutory marketing board definitely were 'socialistic'. The minister wanted a 'user pays' principle applied; that is, those benefiting from services should pay for them; and insisted that he would in future support private enterprise development of irrigation. Many on the MIA could not believe reports of Freudenstein's diatribe and ordered copies of Hansard to read it for themselves. Labor Member for Murrumbidgee Lin Gordon, however, said that the minister was simply showing his 'true colours' and that irrigators everywhere should prepare for big increases in water charges. Furthermore, any hope that Freudenstein might resume development of the 'socialistic' CIA should be abandoned.4

Coalition supporters in the south, concerned primarily about reports of water price increases, closely questioned the minister at a Finley meeting in October. Freudenstein confirmed that price rises for water were imminent, but would not be drawn on the extent. The increases were necessary, he said, because of rising administrative costs caused by a 'socialistic' federal government and poor water sales in the previous two years, due to floods. He pacified an irate audience by announcing additional RICC-approved acreages for the 1975 season and granted permission for a 'closer' three-year rotation, abolishing the previous four-year regime. Not all ricegrowers approved of this on environmental grounds, but most were appreciative of the opportunity to grow more rice and produce their way out of economic difficulties. The minister was examined on the meaning of 'private' irrigation systems. All rice-growers, north and south, were concerned at the proliferation of river pumpers and the apparently favoured treatment they received from the government. Indeed, WCIC did appear to be favouring river and land (bore) water pumping, probably because this involved the commission in less expense while generating greater revenue. An American millionaire, Paul Mariani, at Balranald, working six pumps on 500 acres, for example, was planning a huge pump irrigation project for fruitgrowing. Was that what the minister meant by 'private enterprise'? Treading carefully else he aggravate Coalition cross-factional tensions while Premier Askin's succession was being negotiated, Freudenstein announced that the Balranald scheme would not proceed (in fact, a feasibility study was continuing and the Mariani project was not officially abandoned until mid-1975).5

Tensions centring on water policy were not confined to the Coalition, extending to Labor ranks as well. For example, ALP Rural Committee Secretary Jack Hallam (Legislative Council), following an inspection tour of the Northern Territory, spoke of 'huge potential' for ricegrowing on the coastal plains of the Adelaide River near Darwin. Despite past failures at Humpty Doo and elsewhere in the tropics, Hallam reckoned that fifty to one hundred experienced New South Wales ricegrowers could set up a successful rice industry up there, where water was 'free', unlike New South Wales. The imputation was that Hallam was dubious about if not opposed to further irrigation water allocations for ricegrowing in that state. Hallam also called for the remainder of Kooba Station to be resumed and the dispersal of land and water rights there to existing irrigators on the MIA. Kooba soldier settlers occupied 47,000 acres of river frontage between Willbriggie and Darlington Point irrigated by river pumps but attracting a total water bill less than most individual settlement blocks on the MIA. In 1972/73, Hallam pointed out, Kooba Station had used 15,625 acre-feet of water, paying only $5,500 for it, while MIA settlers paid $121,000 for the same amount of water. Kooba was 'copping it sweet'. But the other side of the argument, clearly, was that the cost of public irrigation water was too high and that exposing the resource to market forces would rationalise that. Lin Gordon quickly distanced himself from Hallam's statement, saying that the Kooba Station provided a comfortable living for thirty families and was a 'show piece'. To 'carve it up' as Hallam was suggesting, was not ALP policy and neither was it ALP policy to encourage river pumping at the expense of public irrigation. Pointing to the Coalition, Gordon said that Freudenstein was planning to reconstitute WCIC, and that river pumpers would almost certainly get 'special attention' resulting in the removal of concessional water charges for irrigation properties with a basic water right — mainly small farms between 400 and 500 acres on the MIA. Minister Freudenstein was simply 'gearing up' for huge increases in water charges and the 'privatisation' of water.6
The ‘proper use of water’

In fact, Freudenstein stayed his hand in imposing water price increases. Following a torrid leadership tussle in the wake of Premier Askin's retirement in November 1974, Tom Lewis emerged as premier. Leon Punch (Deputy Leader, National [Country] Party) was appointed Minister for Public Works and Ports with responsibility for WCIC. Freudenstein was moved to the position of Acting Minister Department of Agriculture. Launching into his portfolio with gusto, Punch floated the idea of a separate Department of Water Resources postponing a final decision until after community consultation had been completed, which, he said, '... would take a long time'. The idea was to get everything to do with water under the one minister. Water was the scarcest resource in primary production and the new government wanted it '... rationalised and used to the best effect', which, Punch emphasised, was not the current situation. The new minister predicted greater reliance on water control at the local level. Intensive surveys of thirty river valleys had been completed over the past decade, he said, and, 'We are looking at the proper use of water in these valleys'.

Then the minister stunned irrigators everywhere by announcing water charge increases of up to 90 per cent, more in some cases! At $4 an acre-foot, Punch said, water was still 'cheap'. Ricegrowers were shocked and angry. Water might be 'cheap', but it was still the largest single production input at a time when every other costs were tearing away, inflation was rampant and all indications were that rice prices were about to take another nose-dive. Southern ricegrowers were particularly angry. Not only were there huge price increases but the commission could not even guarantee the volume of water it might or might not deliver!

North–South tensions

The WCIC price hikes exacerbated already polarised opinion in the rice industry. Some growers thought the increases were both realistic and unavoidable. Others, mainly southerners, urged militant action. If RGA would do nothing about the situation, southerners warned, they would mount an independent action. With still forty growers in the Berriquin Irrigation District not RCM shareholders, the threat of a dissident group leaving the industry was real enough and it was evident in parts of the south situation. The new minister predicted greater reliance on water control at the local level. Intensive surveys of thirty river valleys had been completed over the past decade, he said, and, 'We are looking at the proper use of water in these valleys'.

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Ian Davidge hastened to scotch such rumours. Whoever was spreading them, the president said, was 'totally irresponsible'. RICC had indeed recommended fifty new permits amounting to 5,000 acres, but no decision had yet been made about which groups should receive priority. Davidge expressed disappointment at 'completely false rumours' designed to pit farmer against farmer, offering a personal view that most of the new rice farms would be in the Murray Valley and pleading with southern irrigators and ricegrowers to support the industry and mount rational arguments for the reduction of price increases, not squabble.

Water user groups from all regions energetically lobbied the minister over the price increases. RGA, the Northern Water Users' Association, the Murray Valley Water Users' Association, SRIDC and other southern water user associations collectively and individually deputised Punch and Chief Commissioner Mackintosh to request a 12 per cent reduction in the charges. The minister replied that this was impossible without massive retrenchments in the commission, rendering it inoperable. Davidge argued that according to the 'user pays' principle, 'someone else' should foot the bill, not landholders, not farmers who produced food and exports and were being 'hit on all fronts'. Punch replied that the state government could no longer afford to 'subsidise' farmers; everything was being done to rationalise commission expenditure at the administrative and delivery ends; perhaps the federal government might be approached for assistance. The minister understood that farmers were improving farm water management but the fact remained that water was the scarcest resource and more and more groups were seeking access to it. It was not inconceivable that water costs might multiply five times in the next five years! Punch reiterated that it was the government's intention to decentralise water administration and give greater autonomy to local groups in managing water distribution.

**The water rebellion begins**

SRIDC was disgusted. In March 1975, SRIDC President Greg Graham accused the government of selectively studying submissions from water user associations and giving insufficient attention to his council's proposals. The SRIDC submission was nothing like the Northern Water Users' Association's submission, he said, but had been lumped with it. His organisation's position now was: 'That until some satisfaction is received from the minister on the SRIDC submission, this council recommends to landholders not to pay the WCIC charges'.

Later in March, BIC joined with SRIDC in urging irrigators not to pay water rates or charges. Speaking for BIC, Geoff Wright said that the council would engage consultants to mount a case for the urgent restructuring of the commission and formulation of an equitable basis for water pricing, adding that the recent increases were '... a complete denial of natural justice'. Nevertheless, Wright commented, he expected most farmers to pay-up despite the protest, as farmers were not naturally inclined to united militant action.

Political pressure for an independent 'probe' into WCIC grew. Tom Eskine (Liberal, MLC), a Griffith farmer, for example, told parliament that growers had done everything possible to improve yields and efficiency but charges and costs kept outpacing them. Salaries and wages had increased astronomically. Now farmers were expected to cover for this. The commission had contributed much over the years, but should now be scrutinised by management experts. The Member for Murray, Mary Meillon, (Liberal), who had replaced Joe Lawson (her father), spoke on behalf of SRIDC and BIC seeking urgent action on WCIC's decentralisation plan and concessions on water prices, similar to those given by the Victorian government. By May, however, it was evident that Eskine and Meillon had made no impression on Punch: the price increases would stay.

With the Lewis New South Wales Coalition now paralysed by faction fighting, Lin Gordon upped the ante for Labor. The government, he claimed, was '... giving huge quantities of water to overseas companies while failing to do anything about the development of the CIA.' Punch replied that rural industry had not yet stabilised sufficiently to justify further CIA development, which would occur '... at the appropriate time'. Nevertheless, politically obliged to be seen to be doing something, and skilfully driving a wedge through irrigator ranks, the minister announced $400,000 of expenditure on reconstruction of the Yanco Weir System. This delighted Bruce Jeffrey, secretary of the Yanko Creek and Tributaries Development League, who
described the announcement as the culmination of nine years' work. The project would take two years to complete and allow about 400 new acres to be irrigated on properties in the immediate vicinity while ensuring adequate supply for landholders occupying a million acres from Narrandera to Jerilderie, Conargo and Moulamein. The possibility of transferring water from the Murrumbidgee River to the Murray River via the Yanko Creek System was also canvassed, a point not lost on nervous northern irrigators.15

Around the same time, WCIC introduced a new allocation system for licensed river pumpers in the Murray Valley, a volumetric system allowing 'parcels' of water to be made available in bulk to various locations for internal allocation. The idea was to provide a more equitable basis to water distribution while encouraging regional administration of the resource, foreshadowing conditions where a market for water might be developed while indicating the government's interest in dealing with private irrigators.16

Meanwhile, rumours about the RGA Central Executive’s motives continued to fly in the south, insisting that the association was opposed to fifty new rice permits of 95 acres each, going to Murray Valley farmers. Davidge assiduously countered these rumours, assuring southern growers there was nothing prejudicial in RGA policies: it was simply economics; each farm of 95 acres involved an industry investment of $35,000 for storage and milling equipment; fifty new farms would cost $0.75 million to service; this had to be financed by existing growers until new growers reached their equity ceiling; the cost structure of farming and the industry was climbing alarmingly as every farmer knew; it was possible that the government might use the pretext of new growers to strip rice acreage away from established growers; big investments had been made in farm and industry infrastructure on the assumption that production would grow; this was the nature of RGA’s concern about new permits; the Association was not being negative just for the sake of it.

But Doug Drew of BRDA rejected Davidge’s explanation, saying that the retiring RGA president (about to become RCM chairman following Fred Bock’s death) was ‘… conducting a witch hunt on costs to try and prevent additional growers from entering the industry’ and claiming that Daveidge’s comments could ‘… needlessly jeopardise the future of many District landholders trying to gain licences to grow rice’. Drew challenged Daveidge to show where the additional costs would be involved, saying that 125 growers on 40 acres, each, would achieve the 5,000 additional acres recommended by RICC, the same as fifty growers on 95 acres each. Farms in the southern Riverina needed rice to stabilise because rice still gave the best gross margin foot of water. It would be fairer, he said, to fix the maximum at 40 acres and admit twice as many growers. Was RGA deliberately ‘juggling’ numbers to keep control? The industry, Drew continued, should be ‘… less selfish and more equitable. It is not Mr Daveidge’s prerogative to nominate the number of new growers but only to recommend the overall acreage the industry can handle’.

Davidge replied that Drew was ignoring the matter of viability for existing growers. The tendency, unavoidably, was to farm aggregation, that is, larger areas of rice in established areas, to reduce unit costs. Pegging new rice acres at 40 acres to permit more farmers into the industry was of doubtful economic merit and would probably not stop there. Soon new growers would be pressing for greater rice acreages simply to stay abreast of the cost spiral. It was evident to Daveidge, on the other hand, that if farmers wishing to grow rice were unable to enter the industry, breakaway tendencies would grow, particularly in the BID. The whole democratic fabric of the industry could be torn apart, reintroducing the ‘every man for himself’ principle.17

An appeal for unity

In his first public statement as RGA President in May 1975, Graham Blight appealed for unity. Ricegrowers should be directing grievances to the government, he said, not attacking their own association. RGA was not engaging in some ‘mere cost witch hunt’. By terms of The Water Act, WCIC was required to grant new licences periodically and this had to be managed sensibly because increases in water charges, inflation and rising costs for fertilisers, chemicals, machinery parts and general farm overheads, could force growers in any producing area into bankruptcy. Both rivers, the new president continued, were reaching, had possibly attained, maximum commitment. Indeed, the Murray River was probably already over-committed due to
river pumping. Sensible regulations had to be applied or a 'free-for-all' would break out. MIA growers were 'landlocked' in a way virtually unknown in the south. Fair comparisons could not be made between generally smaller MIA and CIA farms and the larger area southern farms. Everyone was facing farm viability problems, including ricegrowers. Rice was not the panacea some imagined it to be. The future of all ricegrowing centres and communities was at stake. Ricegrowers should unite to meet new challenges together and not fight amongst themselves!18

The changing nature of 'water politics'

A fortnight after Blight's rallying call, Minister Punch announced new rice permits for eighty farmers in the 1975/76 season, sixty-five of them in the BID. Established growers, however, were not to have their acreages reduced. Farmers, who had been applying for rice permits for some time on land previously adjudged unsuitable, but subsequently found to be suitable, were granted 95 acres. The remainder were permitted 40 acres each. The overall increase, amounting to 5,000 additional acres of rice, steered a tactful path through the various RGA and BRDA positions. Punch hoped that the allocations, representing the first significant increase in grower numbers since 1968/69, would satisfy the industry and encourage southerners, threatening to withhold payment for water, to reconsider their position. Speaking as RICC Chairman, Ian Davidge said he was 'fairly pleased' and that the commission had 'come close' to RICC recommendations 'but he would have preferred to see new growers given 95 acres in the interests of viability'.19

Later in June, Minister Punch visited the southern regions of the Riverina. At Deniliquin he spoke to a meeting of delegates from SRIDC, the Murray Shire Council and local branches of the National (Country) Party. Questioned on the matter of WCIC being replaced by a Department of Water Resources, Punch said that this was far from resolved. He understood fears expressed by 'resident action groups' that disbanding the commission might see some future department amending limits on irrigation farm size, especially on the MIA, ostensibly in the interests of rational water distribution but with potentially disastrous consequences for MIA communities and businesses. The Deniliquin audience, however, was mainly concerned with recent water price increases. Punch would not budge and:

... fiery and at times heated discussion took place. "I am not going to alter the water prices under any circumstances," Mr Punch said. Mr Greg Graham replied, "We are tired of the attitudes of Mr Punch and his predecessors in relation to their unilateral approach to the problems of irrigators in this district. It is now time for the Minister to view the interests of irrigators as having equal importance to an administrative and financing aspect of the WCIC".20

At Finley the minister told an RSL Club audience of 600, 'Nothing will be gained by confrontation'. The real culprit, he said, was the Whitlam Government, which had presided over record inflation and a cost and wages explosion. Farmers should cooperate in the conduct of a 'trial' local-control irrigation operation, he suggested. Punch was himself concerned at the increase in water charges. Nevertheless, the economics of the situation compelled this. Someone said that the inflation rate was 25 per cent while water price increases were in excess of 90 per cent: where was the 'economics' in that? Minister for Revenue Max Ruddock, who was accompanying Punch snapped back, 'Forget emotions and concentrate on cost analysis. Costs should decide water charges. ... It is an accountancy job', adding that he would ask Punch to scrutinise comprehensively the cost structure. For example, he continued slyly, should the original capital costs of installing irrigation systems be included? A ripple of alarm ran through the Finley hall: was the government intending to make irrigators pay for the construction of dams and supply systems, as well?

Punch spelt out details of a proposed WCIC restructure. It was grossly inefficient, he said, that the state's water resources should be shared by four authorities: the Metropolitan Water Sewerage and Drainage Board, the Hunter District Water Board, the Department of Public Works and WCIC. The minister spoke of a statutory authority, a Water Resources Commission, one single body managing the development, use and control of all of the state's water resources. He envisaged advisory groups of regional water-users co-ordinating a long-term strategy for the deployment of water resources. A group of farmers would be selected and given total control over the operation and maintenance of local water resources. Such advisory
bodies, with direct links of communication to senior commission representatives at operational and local policy levels, would be organised on a river-valley basis. Their emphasis would be on areas of intensive irrigation and they would canvass 'appropriate interests' under the direction of a local senior commission officer. A trial of such a scheme would be conducted in an irrigation area yet to be decided to ascertain whether local water users could operate more economically than the proposed new authority; indeed, to compete with the authority and provide a possible alternative framework to it. Punch would give no clue as to which group might be selected. That carrot would be kept dangling in the approach to a state election.

The proposed reforms, simultaneously acknowledging that both rivers had virtually reached full commitment while addressing farmer complaints about bureaucratic remoteness, marked a fundamental shift in government thinking. The emphasis in dialogue between water user groups and WCIC, now, was switched from one occurring between government instrumentality and specific agricultural industry to one of minister and generic groups of water users in particular locations, whether public or private, Murray or Murrumbidgee valley, and so on. Ricegrowers, for example, could now expect to liaise with government not as participants in a specific industry but as generic water consumers attached to a public or private irrigation system in a particular location.

**The rebellion quickens**

SRIDC continued to urge irrigators not to pay WCIC water bills until reductions were effected. Opinion was far from unanimous. BIC voted to 'pay nothing'. Deniliquin irrigators decided to get behind SRIDC and BIC and 'not pay a cent', although a group from the Blighty-Mayrung area elected to pay 'a bit more than last year'. Deniboota growers decided they would pay 'the same as last year'. Denimein irrigators agreed, 'It is not considered fair or logical for us to maintain that there is no case for some increases in water charges' and chose to apply the 'RGA formula', by which different zones paid according to their ability, with Areas paying more than Districts. SRIDC leaders claimed that the commission would swallow up more than $1 million of farmers' money if irrigators did not fight and launched a fund-raising campaign. In a colourful speech, giving a clue to passions aroused, SRIDC Secretary Mike Spry said:

> Now is the time to tell the people who govern this State from a city many miles away from here called Sydney that somewhere in the south of New South Wales, is a district called the Riverina.

> OK, so we have been provoked. We are going to win this fight and let's tidy up our backyard first. Where do we start? We start with the word "Unity". It is time to stand united and fight.

> Are we to be judged as a toothless nonentity? Are we unprepared to fight for our rights? Are we to sink into oblivion, branded as talkers, whingers and belly-achers? I call upon the people of the Riverina to act.

Eric Davies, a Deniliquin Council Alderman and former SRIDC executive, however, characterised Spry's declaration as 'wild threats', which would achieve nothing. He believed the Denimein Irrigation District should volunteer to be Punch's 'trial' location for a locally-run water distribution and maintenance body. That was the way to rationalise WCIC, he said. Irrigators should co-operate to manage water themselves, leaving control of the head waters to government. 'Firebrand' talk should be seen for the political 'tub-thumping' it was.

Indeed there was much 'tub-thumping' as political instability shook governments at both federal and state levels. In the New South Wales parliament, Lin Gordon roundly attacked the state government for permitting a 'disease threat' on the MIA following the discovery of Kernel Smut (*tilletia barclayana*) in shipping containers at Leeton. The National (Country) Party was the 'arch enemy' of the MIA and the CIA, Gordon said, evidenced by Freudenstein's 'socialist' outburst and Punch's obvious preference for river pumpers and private schemes. The way to reduce water charges was to elect a Labor Government in New South Wales, headed by Neville Wran QC.

Early in July 1975, Opposition Leader Wran addressed a rally organised by Gordon in Griffith. The Member for Murrumbidgee reminded him that the MIA was a Labor Party 'brain child' (which was not quite correct) and that the CIA had been initiated by
George Enticknap, a Labor minister. It was ridiculous that Punch should blame the Whitlam Government for water charge increases; water charges were a state government matter. Not surprisingly, Wran agreed, promising to include two irrigators in WCIC to consider future changes, and to reduce water charges by 40 per cent, if elected. The audience was delighted.

Disapproval of Punch was not confined to the Labor Party. The Griffith Branch of the Liberal Party, for example, demanded that the premier sack the minister because he was always 'too busy' and 'out of touch', calling for a fully-fledged Ministry for Water Resources. Punch's idea would lower the priority of existing WCIC functions and possibly harm the MIA. The CIA Branch of the Liberals agreed. In the Murray Valley seats of Sturt and Murray, a vicious three-cornered political battle was under way as the National (Country) Party sought to unseat the sitting Liberal, Mary Meillon. Regional President of the Liberal Party Bill Letheren said that WCIC and the minister were deliberately provoking a crisis in the Riverina, where 'farmers had not faced such hardship since the last depression'. Water charges as a percentage of total rice production, Letheren continued, had climbed from 24 per cent in 1973 to 36 per cent in 1975. He supported the RGA position and joined Tom Eskine (MLC) in a deputation to the premier and Punch. The state government was sympathetic to complaints about increasing costs and reduced returns but insisted that the blame rested with the federal government. If local grower organisations provided submissions detailing costs, the premier said, he would refer these to Canberra, but the water price increases would stay; WCIC could not maintain basic functions without them and the state could not go on 'subsidising the provision and distribution of irrigation water'.

With the state election looming, Punch tried to 'hose down' the volatile situation. The minister met representatives of SRIDC and RGA, apparently separately, to consider submissions and find a way out of the impasse. After meeting SRIDC Chairman Greg Graham, Secretary Mike Spry, Legal Adviser Norman Sheehan and BIC President Alan Hawkins, and following 'long, frank and fruitful discussions', it was agreed that SRIDC should prepare submissions to the federal government for assistance to water users in meeting water accounts and that the Premier's Department would relay these to Canberra. In a concessionary move, the minister agreed to form a committee to investigate the basis of the increases and to waive interest on outstanding debts. Substantially accepting the RGA position, Punch said that individual farmers able to pay the increases should pay in full. Greg Graham called it a 'breathing space'; the minister had at least 'opened the door'. RGA officials agreed to put Punch's 'package' to the RGA Annual Conference in August.

A 'breathing space' was all it was. By mid-July Area News was shouting 'No Deal'. Punch would retain the price increases and SRIDC's submission had 'bogged down' in the premier's office. At this point, Greg Graham resigned as SRIDC Chairman to run as an Independent for state parliament. BIC President Alan Hawkins of Tocumwal replaced him, immediately re-activating the SRIDC fighting fund and urging irrigators to '... stand up and fight intelligently or be drowned by these enormously escalating costs'. BIC and SRIDC were going to stand firm and not pay WCIC a cent until the dispute was resolved. Moreover, the council would take legal action challenging WCIC's authority to set prices.

WCIC was conciliatory, promising to take all steps possible to reduce costs and to confine itself to a $9.8 million budget, the same as the previous year. The commission also undertook to phase in an '... era of participating administration in which irrigators and the commission would work together on the problem of water charges' and proposed a [three-tier] sliding scale of water charges designed to reduce overall water cost in a yearly period. Concessions would accrue to large users subsidised by increases in prices to smaller users. The system would have '... direct application in the Murray Valley', commission officials said, a broad hint that large area farmers would be advantaged.

SRIDC and BIC considered the proposal, concluding sensibly that it would merely encourage greater water use without providing any effective control over the number of users and that the scheme would be divisive, pitting smaller irrigators against large area farmers. Hawkins rejected the commission proposal, but agreed to reconsider it when the 90 per cent increase in water charges was dropped. The southerners were not prepared to take the political heat off Minister Punch with an election imminent.
A split appears: The 1975 RGA Conference

The atmosphere as delegates filed into the conference hall for the 1975 RGA Annual Conference in Leeton in August 1975 was electric. Southern branch representatives were bristling with purpose. A showdown was expected. The Berriquin Branch, large enough now to warrant four members on the Central Executive, announced that it intended to ‘shoulder full responsibility’ on a range of issues including; improved RMB receival performance; research priorities; suitable long-grain varieties for the Murray Valley; and, in particular, WCIC water policies. The Wakool Branch attacked the association’s ‘chronological list’, by reference to which the Central Executive recommended new growers to RICC. The Deniliquin Branch was fed-up with RCM−RMB bickering and the apparent unwillingness or inability of the Central Executive to do anything about it. CIA Branch delegates castigated everyone, convinced of a conspiracy between the MIA and the Murray Valley to isolate the Area and stop that Area’s development. The Yanco Branch was adamant that no new growers should be introduced. The Mirrool Branch tried to stay focused on economic issues but patience was wearing thin.

There was uncertainty, too, about the RGA’s presidency. Graham Blight had become embroiled in a controversy involving a shipment of nitrogenous fertiliser (urea), produced by Consolidated Fertilisers (Queensland), which had found its way to a ‘large company’ in Leeton before being transported to a shipping terminal for export by Primary Export (Australia) Limited. The price paid had been $120 a ton, the selling price, $300 a ton. The syndicate involved made a profit of $370,000 for a product in short supply and subsidised by the federal government. Rumours circulated about the identity of the ‘large company’, which turned out to be MID Co-operative Society Limited, of which Graham Blight was a director. When Minister for Overseas Trade Frank Crean had been questioned about the deal in federal parliament, he made it known that the government was ‘displeased’ but would take no action, because, ‘No offence has been committed. But the government will watch very closely to ensure no repetition’. Delegates to the Leeton conference were concerned that the incident might prejudice an Industries Assistance Commission (IAC) inquiry into the pricing of superphosphates and some sought Blight’s official censure.

‘I have a clear conscience,’ Blight said in his first speech as RGA President to a General Assembly and launched into a compelling account of economic and political problems facing the industry. Again he appealed for unity, warning delegates that the cost structure of the industry was such that rice farmers were in danger of becoming uncompetitive in international markets. This was no time for the industry to turn in upon itself in unproductive point scoring. The concept of irrigated closer settlement was under threat. WCIC’s cost structure was becoming dysfunctional. Water costs and availability were the greatest challenges facing the industry. A whole new politics of water use and conservation was emerging and rice growers would have to participate in this and win, if the industry was to progress. He alluded to Punch’s compromise plan, saying it was not the rice industry’s responsibility to go to the federal government seeking extra funding for water. Irrigators should ask why they were required to contribute so much, so peremptorily, to cover a government department’s costs. If farmers were in a position where they were obliged to demand a sudden price increase of 90 per cent, everyone would accuse them of being poor managers. Was this the case with the commission?

They should now, if necessary, accept a loss for a few years and in the meantime exercise every possible efficiency and begin "marketing" water. In other words, let them cope with inflation, the fluctuations of market demand and declining labour productivity as all businessmen have to. How nice it must be to run a business that shelters under the umbrella of the words ‘Government Department’.

Blight believed there was room for further industry rationalisation. Something had to go and the president made it very clear that it would not be the co-operative. Everyone knew he had RMB in his sights.

Debate followed on water policy. The CIA Branch called for legislation strengthening WCIC control over water commitment in the Murrumbidgee Valley and demanded that RGA defend the industry against attacks on so-called ‘socialistic’ irrigation systems. The association should take river pumpers to court, if necessary, to prevent
an over-commitment of the Murrumbidgee. On the vexed question of WCIC charges, the conference endorsed the RGA position of payment according to ability and urged the Central Executive to support Punch's approach to the federal government for financial assistance. SRIDC and BIC, if they so chose, could 'go it alone' on the water charge question, there was nothing RGA could do to stop them other than warn of the consequences of a split on water policy.27

A 'complete breakdown'

Relations between SRIDC and WCIC deteriorated further between September and October 1975. Declaring a 'complete breakdown' in talks, Hawkins called a meeting at Finley on 22 October. A kind of panic was building in some ricegrowing communities in the Murray Valley. Adverse weather conditions had delayed planting as gloomy forecasts on the future of rice prices circulated. Farmers were nervous and touchy as newspapers whipped up a frenzy of competing opinion in the approach to the state election. 'Fireworks' were expected at the proposed October Finley meeting. It appears that the minister was in attendance, but the sources are unclear as there were several meetings in quick succession and these are confused in the reportage. At one, Punch declared that Hawkins and SRIDC had 'closed the door' by proceeding with legal action against WCIC and if growers did not pay by 30 October, interest payments on debts outstanding would be payable. In any event, the minister added rather lamely, inflation had reduced the increases to only 75 per cent in real terms. Attempting to defuse the situation, Tim Fischer (MLA, National [Country] Party, Sturt), declared that 1,500 water users had already paid accounts. When Punch went on to say that the commission would give irrigators who paid accounts on time a 10 per cent discount, Graham Blight welcomed the news, saying the concession, representing a saving to ricegrowers of several hundred thousands of dollars, was the result of fifteen months of RGA activity. With discounting, the president continued, trying to hose down flames, WCIC increases amounted now not to 90 per cent but only 60 per cent after adjustment for inflation. The minister promised better consultation in future and implementation of a sliding scale of charges as soon as possible. Blight urged irrigators to be reasonable and accept Punch's offer but Hawkins denounced it as merely an 'inducement'.28

The Pastoral Times described the Finley meeting as '... a massive and sometimes emotional display of unity [where] 1,100 southern Riverina irrigators decided to "tough it out". SRIDC received a resounding mandate to continue negotiations with Punch while members held out on payment. In response, Chief Commissioner T A Mackintosh threatened to withhold or discontinue water supply to farmers who did not pay in full by 30 October for water delivered during 1974/75, or did not have in place with the Rural Bank arrangements to effect payments.

A slanging match erupted in the press. The minister's offer of a discount was described as a 'carrot, a bribe, a trick'. The threat to cut off water was phoney. 'If you can't get water from a channel running past your place you shouldn't be here', Arnold Dickens said. Tim Fischer was mistaken in believing that 1,500 irrigators had paid up; only about 10 per cent had done so in the Murray Valley. SRIDC Legal Adviser Norman Sheehan said that southern irrigators should '... opt out of the public sector' and operate an irrigation scheme along the lines of a rural co-operative society. This would mean water users could '... marshal their fate and be steward of their own monies', obviating the 'dictatorial' behaviour of the commission. Legislation existed to enable this, Sheehan said, and Punch wanted to see such a 'trial' scheme work. But Tim Fischer replied that SRIDC was playing dangerously and could be 'left out in the cold', possibly jeopardising government proposals to share control of irrigation systems with farmers. Farmers knew that WCIC was required to give three months notice before cutting off water and an election was due, early in 1976. Southern farmers should wait and see what happened: benign procrastination.29

The dispute now took an industrial turn. Following an announcement that twenty-four WCIC employees were to be sacked in Leeton and Darlington Point, forty commission employees struck at Finley. The Australian Workers' Union (AWU) became involved and the dismissals became a hot political issue in the pre-election atmosphere. Not only was the commission slugging farmers with big price increases, press reports said, but now it was laying-off staff! Over 250 commission employees

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struck on 19 October and did not return until the first week of November. The issues of commission efficiency and its regulatory authority threatened to run out of control.

Punch pleaded with the recalcitrants to pay up. 'You only have to pay 90 per cent of your bill and you still get the discount', the minister said, extending the cut-off period by another week.30

Lin Gordon, declaring the water fight 'lost', urged irrigators to accept the minister's discount offer for payment on time. Also hoping that SRIDC would soften its position, Blight urged association members in the Murray Valley to '… confer with the SRIDC on how to handle their accounts', which Southern Riverina News translated in the following terms:

Negotiations between the RGA and the state government on the water charges issues have broken down. The RGA has been forced to back down on its previous recommendation to ricegrowers not to pay the increased water charges. President of the association, Mr Graham Blight, said the association is now recommending growers pay their accounts immediately.

The RGA had not 'backed down'. The association had consistently recommended that growers should pay in accordance with what they could afford and that irrigators in Areas should pay more than those in Districts.

Still about seventy members of the Deniliquin Irrigation League, a branch of BIC, stood firm behind SRIDC, promising to withhold electoral support from the Coalition and 'target' Mary Meillon, if Punch did not back down. Supporting them, Bruce Holloway (then RMB Deputy Chairman) called upon southern irrigators to be resolute. Moves were afoot in southern New South Wales and north-eastern Victoria to form a 'Farmers' ACTU', Holloway said. Farmers were 'sick' of being pushed around. They were going to fight.31

Birth of the Water Resources Commission

On 18 November 1975 Minister Punch officially announced in Wagga Wagga the establishment of the Water Resources Commission (WRC). The new entity, headed by a Minister for Water Resources, existed to control residential, industrial and irrigation water use. The reform would involve WCIC in a complete restructuring. WRC would also be responsible for formulating valley flood management strategies and supervising proposals for flood mitigation. Two part-time commissioners would be appointed, one each for the Murray and Murrumbidgee valleys to liaise with water users and the commission in determining an overall strategic plan. Two new councils would be created: the Water Supply Advisory Council; and the Water Utilisation Council. Local water user groups would be appointed to the Water Supply Advisory Council linking the commission, irrigators, licensed pumpers, river valley organisations and ground water groups, providing a direct line of communication between the commission and water users. It was envisaged that consumer groups would contribute to policy decisions on water distribution and pricing, but Punch was vague, saying only, 'The Council will assist the Commission in determining the optimum use of available water resources among competing rural users.'

The Water Utilisation Council would consist of senior WRC departmental representatives and other relevant government officials. The management of one southern Riverina irrigation district would be handed over to local landholders as a trial. The minister would still not be drawn on the location, understanding that several areas were interested in the lead-up to the election. Enabling legislation would be introduced early in 1976.32

Following a Coalition back-bench revolt, however, Tom Lewis was dumped as premier and replaced by Sir Eric Willis. It was generally believed that in the portfolio reshuffle that Punch would be the new Minister for Water Resources. Instead he was elevated to the position of deputy premier. Minister for Agriculture Crawford stepped down and was replaced by D B (Bruce) Cowan, MLA (National [Country] Party), who also became Minister for Water Resources. Tim Fischer was appointed Minister for Local Government.
The dispute worsens

SRIDC reviewed its position. Alan Hawkins genuinely believed that the very survival of irrigated agriculture in the Murray Valley was at stake. Despite additional rice allocations, farmers were not taking up the rice option. Supply was uncertain, costs and risks high, indebtedness a worry and some farmers genuinely could not afford the water price increases. According to local reports, fewer than 50 per cent of southern irrigators had yet paid WCIC, representing about $3 million withheld in the four southern districts. In Deniboota 93 out of 155 had paid; in Denimein 93 out of 269; in Wakool 132 out 330; in Berriquin 531 out of 1,298. A total of 931 irrigators from a population of 2,052 appear to have paid. Some believed it was even fewer.

SRIDC now altered tack, demanding only a 15 per cent reduction in water prices but announcing that the council would legally challenge the authority of WCIC administration. The council also urged the government to allow BIC to revert to landholder control, Hawkins arguing that a government refusal would simply confirm a ‘... widely held belief that irrigators in some Districts were being used to subsidise other less profitable Districts and Areas’.

The threat of legal action cut no ice with Minister Cowan. Wakool irrigators promptly received terse notification letters that prosecutions would begin in January 1976 if payment were not immediately effected. A storm of angry letters from southern correspondents bombarded local newspapers alleging that none of the established political parties represented local interests and saying that it was time for Independents to ‘... rock the boat [and] take the bureaucrats in hand [because] our elected representatives have forgotten the electors. They bow down before the bureaucrats’. Sharp letters from WCIC to defaulters continued to arrive. BIC advised members to disregard them as it was going to test the constitutionality of commission pricing policies in the Supreme Court. The price increases were ‘totally unacceptable’ and the transfer of ‘... money from these Districts to other Irrigation Areas or to the Treasury is patently inequitable and farmers can no longer tolerate it’. BIC alleged that over ten years, $6 million had been transferred from the southern regions, amounting to a ‘tax’ on irrigators there. BIC and SRIDC now wanted that money back. Wakool and Berriquin ‘paid their way’, a council spokesperson said, and if farmers did not make a stand now they might as well just ‘walk off their farms’.

Pleading for reasonableness, Minister Cowan replied that the government had spent $125 million on water resources since coming to power in 1965 and there were plans for more expenditure. A big Wakool desalination plant was proposed, costing more than $20 million. Moves were afoot to decentralise the commission. Commissioner Mackintosh, for example, was preparing to divide jurisdiction into nine divisions and improve administrative arrangements to include a Murrumbidgee Division, a Lower Murray Division and a Murray Division comprising the Deniliquin, Berriquin, Deniboota, Denimein and Wakool Districts and the Tullakool Irrigation Area and Albury Farm. Tim Fischer, concerned at Coalition electoral prospects, called for nominations for positions on the new Water Supply Advisory Council, requesting representatives from the Irrigation Areas and Districts, licensed pumpers, river valley organisations and ground-water pumpers.

Political jousting continued unabated in a tense pre-election atmosphere. The Deniliquin Branch of the Liberal Party, for example, criticised Cowan for his ‘unco-operative approach’. The National (Country) Party accused the Liberals of ‘grandstanding. A ‘... flurry of phone calls’ saw SRIDC and WCIC agree to postpone action against each other while talks were held in Sydney.

The minister was unmoved: the price increases would stay and farmers would be de-watered if payments were not effected, forthwith. The dispute was now eighteen months old and the deadline for de-watering close. Following strong submissions from Mary Meillon to the minister, Cowan offered a further 10 per cent reduction, not the 15 per cent sought by SRIDC. Premier Willis undertook to assist farmers in hardship through the Rural Bank and to consider possible future water charge reductions saying the minister and WCIC officials would visit the Riverina to discuss proposed changes to the commission in respect of the WRC and that he would promptly pass on the SRIDC submission for assistance to the federal government.
**Another water 'strike'**

It appeared by late February 1976 that the ‘water rebellion’ might be over. But it was not and festered on to the May election. At a BIC Blighty−Mayrung Branch meeting at Finley to discuss the water pricing campaign and reasons for an apparent capitulation, SRIDC member, Bill Holden, said that while the Meillon solution was better than nothing, ‘… irrigators did not stick together’. Sixty per cent of them had not supported SRIDC. The northern areas had ‘capitulated’ leaving southerners to fight alone and RGA ‘… let us down early in the piece’.

Meanwhile, Minister Cowan was hurriedly steering through parliament amendments to *The Water Act* giving WCIC power to cut off supplies in Districts immediately payment was overdue and charge high rates of interest on outstanding debts. Mary Meillon contacted Tom Eskine in the Legislative Council, drawing attention to the political consequences if Cowan were successful. The bill was stalled but Lin Gordon, pointing to the proposed amendments as evidence of the government's desire to 'control' water users, used the issue to orchestrate further resentment against the Coalition.

There is an unconfirmed report that WCIC officials padlocked twenty to thirty Detheridge Wheels at this time. We do know that thirty farmers in the Jerilderie Irrigation League led by John Thornton and disappointed by SRIDC's performance, decided to 'strike' again in late March. BIC President Alan Hawkins said he was anxious to avoid further confrontation but, at the insistence of the Jerilderie group, recommended that SRIDC members withhold payment for water in the 1975/76 season, demand a 25 per cent reduction in WCIC staff, insist upon drastic reductions in commission costs and mount legal action to retrieve a $3.5 million 'refund' from the commission for allegedly transferring money paid for irrigation water outside the Murray Valley in the 1974/75 season. Mike Spry added that, as it had been impossible to meet with the minister or WCIC officials, the fight was still on 'in earnest' and there 'will be no backing down this time'. SRIDC mailed out 2,000 letters to members seeking further subscriptions to the fighting fund. Tom Hughes QC, a former Liberal Federal Attorney-General, was retained to mount a legal challenge and secure a 'refund'.

**The Water Resources Commission is formed**

In April 1976, the Water Resources Commission (WRC) was constituted by an act of parliament. Welcoming the reforms, Mary Meillon said that unfortunately the new commission would be so short-staffed as to be inoperative. She also thought that irrigation Areas and Districts should be treated in separate legislation. Moreover, the bill made virtually no mention of drainage and this was a serious shortcoming. Already a big water table problem existed in Berriquin near Finley, covering an area approximately thirteen kilometres by twenty kilometres. This would require large investments in pumping to correct and, Meillon argued, conditions for this sort of restorative work should be spelled out in statute.

Promises and accusations flew back and forth and thick and fast on the eve of the election. For example, Lin Gordon said that the government's plan to raise the level of Yanco Weir and divert water to irrigators and other farmers along the Yanko, Colombo and Billabong Creeks would threaten the CIA and endanger Murrumbidgee supplies in dry years.

Commissioner Mackintosh dismissed Gordon’s statement as 'misleading', saying there were no government plans to develop the CIA and, in any event, development of the Yanko system would not lead to an over-commitment of the Murrumbidgee or damage the CIA. The problem with the CIA was not water shortage but the high capital costs of developing the scheme. On-route storage at Lake Mejum near Narrandera would proceed 'when appropriate'. No current provision existed for directing water via the Yanko Creek system into the Murray River (a different thing from saying that it would not happen), and, Mackintosh concluded, the government’s reforms would assist the more efficient use of water, which everyone wanted.

In response, Greg Graham, campaigning as an Independent for the seat of Murray, alleged that the government was trying to destroy public irrigation systems by pricing them out of existence and reverting them to 'dry-land'.

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The minister shot back that the viability of the rice industry would be threatened by a Labor Government, which would shift rice rights about for political advantage and destroy the system of orderly marketing, inviting 'total chaos'. How would Opposition Leader Wran finance his promises? The Coalition had put control of water 'close to irrigators'. Labor would take it away and hand it back to the bureaucrats. Labor would 'auction' water like a commodity in exchange for votes. Wran's offer of a 40 per cent reduction was opportunistic and, the minister concluded, the new commission would be inoperable if additional income were denied it.

Premier Willis promised that his government, if re-elected, would peg water charges and repeated the undertaking to delay payment of the 1975/76 water bill until late in the year, giving irrigators a 'breathing space'. Neville Wran would simply '... give with one hand and take with the other', the premier alleged.

In a return visit to the Riverina, Opposition Leader Wran reaffirmed the promise to cut water costs by 40 per cent. This would represent, he said, a saving of up to $4,000 per annum on large-area farms. Total concessions would amount to approximately $200,000. With an eye to 'sensitivities' in respect of water usage in the seat of Murrumbidgee, and taking into account WRC's funding requirements, however, Labor would confine reductions to the CIA and the MIA. The Districts, including the BID and Areas and Districts in the south, and river pumpers, would be exempted.

Southerners were outraged by this blatant 'sweetheart' deal with northerners, describing it as blatant political 'pork barrelling', which it was.

A Labor Government forms

And it worked. On May Day 1976 the Wran Labor Government formed with a tiny majority in New South Wales. Lin Gordon, tipped to become Minister for Agriculture, was instead appointed Minister for Conservation and Water Resources, occupying this position until September 1981. For the time being the water ‘crisis’ had passed. Restiveness on water policy, however, had not dissipated, particularly in the south, where deregulatory pressures continued to build. What the Coalition had started, Labor would have to finish.
Introduction

Soon after Labor won office in New South Wales in May 1976, RGA officials sought an audience with Minister Lin Gordon to congratulate him, establish contact and get down to business: what about that promised 40 per cent reduction in water charges for the 1975/76 season? A sensible relationship between water supply and rice production levels needed to be established quickly to stabilise the industry. 'Staccato' production made no good economic sense, simply aggravating storage, milling and marketing problems. Sudden big increases in water prices and the unexpected granting of rice entitlements must be avoided if the industry was to have any hope of retaining stability in tough economic times. The inextricable link between sound industry planning and sensible water policies, especially in respect of the Murray Valley, was impressed upon the minister. While it was true that the rivers were reaching their limits, RGA did not accept the philosophy that a farmer's capacity to produce should be regulated by a lack of adequate water supply. The water distribution system needed to be significantly improved. While the transfer of rice acreage and the dividing of rice allocations when farms were sold should be considered, the transfer of water between holdings should only occur in exceptional circumstances, such as drought.

Gordon established good rapport with the rice industry and would earn a justifiable reputation as the 'irrigators friend' over the next five years, seeing to improvements to the supply system and bridges and removing bottlenecks. In the immediate post-election period, however, uproar continued in parliament over Premier Wran's confinement of the 40 per cent water change reduction to the MIA and CIA. Allegations flew concerning the new minister's residence on the MIA and his business interests there. Possibly because of this furore the government decided that it would be politically 'prudent' to introduce the reductions on a graduated basis across the state. One effect of this was to peg prices charges for the 1975/76 season almost at pre-increase levels in the Berriquin, Deniboota, Denimein and the Wakool Districts. Farmers were elated — but not for long.1

The new regime

Dry conditions in 1976 foreshadowed big water shortages in the Murray Valley and a possible 40,000 tonne reduction in rice production. Meanwhile the demand for water reamed heavy in a push to production as farmers sought to generate cash flow and stay abreast of inflation. There was also the awareness that, as the rivers achieved full commitment, it was sensible to establish demonstrable patterns of water consumption in the event of rationing or a quota system being introduced. Furthermore, the newly introduced sliding scale, or 'third-tier' system of payment, designed to defray costs to large water users by requiring small consumers to pay more, was producing anomalies, encouraging water use rather than restraining it. Tensions between public system irrigators and private river pumpers worsened with the former continuing to accuse the latter of 'sucking the rivers dry' and the Licensed Pumpers' Association attacking WRC plans to impose licences and volumetric controls upon its members.

Still, vestiges of the old 'serendipity' system in determining rice entitlements and additional acreages persisted. Noel Hogan, for example, negotiated an additional 30 acres of rice for northern growers in 1976 after a 'phone call' to Chief Minister Mackintosh. Given an expected production shortfall in the Murray Valley that season, Hogan said, additional acreage was sensible. RICC was furious that industry decisions should be made in this way and the additions were seized upon by southerners as further proof of 'sweetheart' deals between northerners and the government. RGA President Graham Blight was again obliged to 'correct' the announcement assuring growers that the additional acreages had come about only after a RICC initiative. Nevertheless, once more the RMB Chairman had demonstrated his sway in government circles.2
A change in the Water Resources Commission’s (WRC) official tone is evident around this time: more astringent. In permitting additional acreage, Commissioner Mackintosh emphasised that he could not guarantee water in all rice producing areas, would accept no liability for non-supply and would rigidly enforce environmental considerations. The decision to plant or not plant the extra acres is entirely the growers’. Given the SRIDC challenge to WRC authority, there was a new resoluteness in the commission’s preparedness to defend itself, prosecute defaulters and place the onus of responsibility for abuses squarely on to irrigators’ shoulders, with all the legal implications this had.

In fact, water was so short in the Murray Valley that many farmers could not exercise the rice option in the 1975/76 season. Southerners were wholly fed-up with water uncertainty and the industry as a whole had no way of knowing what acreage allocation would be taken up, complicating handling, milling and marketing operations. In Deniliquin, for example, it appeared that production would have to be halved. Pointing to this latest instance of ‘staccato’ production while giving southerners little comfort, the RGA Central Executive vowed never to permit Murray Valley water problems to develop in the Murrumbidgee Valley.3

Still the demand for water and changes to water supply policy grew. The Yanko Creek and Tributaries League, for example, with Bruce Jeffrey to the fore, pressed Minister Gordon to get on with the heightening of Yanco Weir and to develop works along the Yanko, Colombo and Billabong Creek system so as to permit 400 acres of irrigation on each property, instead of the current 30 acres, enhancing water security for pastoralists and other large-area farmers ‘further down’. Former Minister Punch had promised as much and, oddly, the league was now urging Gordon to honour that promise. Other water user groups on the MIA and the CIA, however, were apprehensive about the impact of greater water flow through the Yanko Creek System. Gordon was sensitive to this, citing ancient Riparian Rights common law issues. Moreover, flood mitigation lobby groups, particularly those from Gundagai and Wagga Wagga, were urging the minister to increase air space in the Burrinjuck Dam by 30 per cent to allay the threat of flooding. Both the Murrumbidgee Water Users’ Association and RGA were strongly opposed to this, arguing that it was wrong to ‘... build houses next to a river the nature of which is to flood periodically’ and that irrigators could sustain no further reduction in supply. Against this background the Bureau of Agricultural Economics (BAE) recommended that the New South Wales government should make rice entitlements negotiable and not a right in order to ‘free up’ water.4

Deregulatory pressures build

Parliament erupted when the Wran Cabinet announced confinement of the much applauded 40 per cent reduction in water charges to the 1975/76 season. This had only been intended as a temporary measure, the minister insisted (until after the election), and full pricing would be resumed the following season. Neither would Labor appoint two irrigator representatives to the WRC, nor support the idea of an Irrigation District operating privately on a ‘trial’ basis. For the National (Country) Party, Leon Punch accused Premier Wran of using the 40 per cent reduction promise as ‘... a blatant election bribe, duping country people’. Tim Fischer described it as a ‘deceitful trick’. Mary Meillon said, ‘Farmers have been used as political pawns. … It will cripple struggling Murray Valley farmers’. Gordon replied that the government had given no undertaking to retain the reductions and, anyway, WRC had to retain viability just the same as farmers.5

The rice industry response was divided. Graham Blight said he was ‘very disappointed’. Noel Hogan, taking a pragmatic line, said that those who could afford to pay would stay in the industry and those who could not, would leave it, seeing this as desirable. Some thought this harsh, but there was no denying the good economic sense it made: secure, economically viable farms could make better use of water while guaranteeing dependable supplies of paddy, avoiding the anomalies of ‘staccato’ production and this was in the interests of the broader industry.

Southerners were stunned by both the government switch and by the official rice industry response to it: not only were they struggling with water restrictions, in some cases halving production, but once again facing big price hikes for such supplies as they might obtain. Meanwhile, Murrumbidgee irrigators proceeded with record purchases of water. With strong passions welling in the south, SRIDC decided to
proceed with postponed legal action against WRC for allegedly ‘... dispersing income from irrigation charges’. If southerners were to pay more for water, they should benefit, not irrigators elsewhere. A fighting fund of $12,000 (some reports say $20,000) had by now been amassed. Opinion about what action to take was still divided, however, with only about 60 per cent of farmers eligible to contribute to the fund, doing so. Attendance at meetings to organise the challenge was also poor. SRIDC President Alan Hawkins, accused by some members of political bias in his sustained attacks on the government, resigned as president of the Berriquin Irrigation Council (BIC) and was replaced by R B (Barrie) Arnold of Finley. It appears also that SRIDC Secretary Mike Spry resigned after members complained of high executive salaries and expressed a preference for ‘... an irrigator from our ranks’.6

The reformed SRIDC, now comprising mainly Berriquin irrigators, decided to present the government with a log of claims before proceeding with the legal challenge, demanding: a $5 million refund from WRC surpluses, allegedly transferred from the Murray Valley to 'other Areas' including the Murrumbidgee Valley; a 20 per cent reduction in water prices; more water from the Snowy River Authority; WRC permission to transfer water between related holdings ‘... so long as this did not prove detrimental to single holdings’; and that the commission desist in attempts to pass back costs to farmers for the rectification of environmental damage. The council also repeated complaints about alleged WRC favouritism towards the MIA, 'the minister's own electorate!', alleging that the MIA was favoured in loans for irrigation re-development, while Wakool farmers could not raise a cent to fund pumping works urgently needed to deal with an alarming spread of salination. BIC wanted an independent southern WRC Commissioner to achieve better rapport with irrigators there. RMB Acting Chairman Bruce Holloway (with Noel Hogan unwell) criticised the 'fat cats' of Ibis House (WRC headquarters), the commission's failure to decentralise as promised, 'outmoded' regulations and a failure to consult. Southerners, he said, were fed up with being treated like 'second-class citizens, poor relations'.

Chief Commissioner Mackintosh agreed that growers in the southern Riverina districts were less favourably placed than those on the Murrumbidgee, but:

... found it strange that Mr Holloway, a rice industry leader, should blame the commission for the differences. He strenuously denied that the differences were of the commission's making; they stemmed in part from the rice industry's preference in favour of growers who have been long established in the industry but were mainly due to the fact, as yet, demands for water on the Murrumbidgee do not exceed the water available, a situation which is the opposite of that which exists in the Murray Valley.6

In this way, Mackintosh deftly sidestepped the issue of inequities which might exist, implying that before water policies could change, rice industry politics would need to change.

Discrepancies between the demand for water and supply in the Murray Valley continued to build through the remainder of the year and into 1977, generating much political heat. The federal government, specifically Minister for Primary Industries Ian Sinclair in a Fraser Coalition, weighed in, blasting the New South Wales government for allegedly discriminatory irrigation policies disadvantaging Murray Valley farmers. Mary Meillon hounded Gordon in state parliament demanding parity for southerners. Gordon replied that water simply did not exist for all those who would have it but that he would do what he could to see if supply to southern irrigators might be improved in dry years. Speeding up completion of the Dartmouth Dam would help. Ironically, responding to rice industry requests to counteract an expected production shortfall in the Murray Valley, WRC granted even further acreage increases in the north (now up to 180 acres on the MIA and CIA) and, in 1976/77, overall rice acreage increased by more than 12.5 per cent to approximately 90,000 hectares. Again, nature intervened to adjudicate in human disputes. Following good rains in October, which saved southern growers a watering and reduced the financial burden of water purchases, the commission permitted irrigators there 100 per cent water allocation (later 110 per cent). For the time being the water shortage was over but WRC's new tough tone was real enough and so were persistence of southern calls for changes to water policy.8
Certainly, the commission was taking a strong line with farmers who abused the system. For example, a Blighty farmer was prosecuted for lifting a Detheridge Wheel in August 1976, allowing $78 worth of water to flow into paddy fields. The farmer admitted he unbolted the wheel to get more than his quota and was fined $100 with $8 costs. The commission argued that there was a long history of such abuse with farmers using devices to prevent water doors closing, bending vanes on wheels to make them jam on the sides of outlets, placing sticks through the spokes to prevent wheels from recording valid readings, and smashing locking devices placed by the commission. A more serious case involved WRC in shutting-off water to a Jerilderie farmer who wanted to transfer water from an adjoining property, which was not growing rice, into paddy fields where a crop worth $35,000 was in danger of being lost through lack of water. The commission refused to allow the transfer, telling the farmer he should not have over-planted in the first place. WRC officers placed a bar through his Detheridge Wheel, welding it on the slide to prevent it being lifted. Someone opened the wheel and got a ‘flow’ for two days, whereupon WRC filled in the farmer’s supply channel with soil. SRIDC immediately served a writ on WRC, obtaining an injunction. In the Equity Court, Judge Yeldham directed the commission to supply the farmer with water, permit him to use both allocations, clear the channel and sell the farmer more water if he required it. This decision, which threw into doubt WRC’s authority, to act against an irrigator, had potential to overturn the entire system of regulated water supply in respect of water transfers and rice production. The Berriquin Rice Development Association (BRDA), led by Doug Drew, immediately sought to have the Yeldham judgement extended to all irrigators. The matter went on appeal to Judge Woodward in the Supreme Court. Meanwhile, pending the outcome, water transfers continued. WRC policies and the exercise of commission discretion in their application were receiving the closest judicial scrutiny since 1912.9

The WRC appeal was successful. The injunctions were dissolved and SRIDC was ordered to pay costs of $2,800. Commissioner Mackintosh was delighted, claiming the decision to be in the interests of all growers and would help to retain an equitable water distribution regime, saying:

Without proper control … transfers in times of shortage would undoubtedly result in trafficking in water, with the most affluent obtaining the most benefit from a scare commodity. Combines would be established with the purpose of purchasing a number of holdings and then concentrating all developments on the select parts of those holdings, leading to difficulties with channel capacities and the accentuation of drainage problems. Ultimately the number of individual landholders in the districts would seriously diminish and this would be adverse for the local businesses and society generally. The commission is aware … that some landholders have obtained increased allocations by sub-dividing their land amongst members of related families (allowing individuals to grow 400 acres of rice). The question must now be asked: why should these people now obtain a further benefit in water supply over the single landholder?10

RGA indecision on water policy

The RGA Central Executive was also pleased with the Supreme Court decision, although opinion varied in the branches. The Mirrool and Yanco Branches, for example, could not decide whether to support the idea of district water allocations now that the Murrumbidgee River was also virtually fully committed, or wait for WRC to impose it. While it was generally acknowledged that irrigation intensification could see a Murray Valley situation develop with ‘… disastrous ramifications in the future’, attention in the north was firmly focused on private river pumpers. The CIA Branch, however, unequivocally sought a district allocation of water for the MIA and CIA believing this would give farmers greater flexibility in the purchase and application of water, aiding farm build-up, better regulation of soil use and completion of the CIA itself. The Deniliquin, Wakool and Berriquin Branches, while unable to agree on detail, were generally in favour of water transferability between holdings under common ownership or control, and called for greater water allocations upon completion of the Dartmouth Dam. The three southern branches also continued to hold that a strong stand should be taken on water charges enabling farmers to return to realistic income levels. However, few growers remained committed to the withholding of additional payment to WRC at this stage: the ‘water rebellion’ was in abeyance.11
The RGA Central Executive needed to move carefully and cautiously in melding these cross currents of industry opinion together into a coherent policy line. At the 1977 RGA Annual Conference President Graham Blight said that the question of how much water was available in the Murray and Murrumbidgee systems required 'careful attention', that the Murray Valley situation needed to be 'closely analysed' and that the MIA and CIA positions on water allocations 'should be discussed':

I have yet to be convinced that the planning authorities in Ibis House [WRC] understand our philosophy on future water requirements. The introduction of an allocation scheme which does not make allowance for future requirements is the biggest threat to the successful continuation of the rice industry. ... Individual water allocations are a timeless burden placed upon a particular farm unit and are not conducive with that farmer's needs over changing management cycles and demands.

The association advocates a district allocation system which is more flexible and less wasteful. There is a pressing need for legislation to allow the WRC to control the allocation of rice pumping licences. That drop of water that we all rely upon cannot be extended much further.

Nevertheless, Blight was convinced that SRIDC and BIC would not be helping matters by forcing WRC's hand, believing that the commission had exercised discretion responsibly and had helped many people. He congratulated the commission for its responsiveness to industry requests for a larger acreage in the 1976/77 water season, which had helped many farmers to produce their way out of trouble and improve productivity. The president counselled against militancy, urged voluntary self-regulation and agreed with the commissioner that it was wrong of farmers to over-plant and then demand water which simply did not exist:

If forced to the brink [the WRC] will be forced to protect itself. They may suggest acreages they know there is water for — and that will be the end of the ball game. We don't want to be in a position where people in high places make decisions which affect all growers.

Emphasising that water supply was the most vital issue facing the rice industry and agreeing that the situation in the Murray Valley was 'hopeless', Blight again chided those refusing to negotiate sensibly with the association or the commission. RGA would do everything in its power to avoid a 'Murray Valley situation' developing on the MIA and the CIA. As to the Yanko Creek proposal, the association would stoutly resist any attempt to take water from the Murrumbidgee system to make up for the Murray shortfall.12

RICC (Acting) President and RCM Chairman Ian Davidge was more conciliatory but equally firm, applauding the Department of Agriculture and the commission for assisting in the 1976 dry and its responsiveness when the rains came. He hoped that misunderstandings between the commission, SRIDC and BIC would not harm relations between the rice industry and the department, since cordial relations underpinned the industry's ability to predict acreages, set production parameters confidently and plan in a systematic and logical way.

RMB Director Russell Emery (speaking for Noel Hogan) agreed:

A desirable situation is a production policy programmed to marketing forecasts based on realistic water availability. ... Such rationalisation would permit the industry to plan and co-ordinate along business lines consistent with the following three precepts:

• individual farm production at realistically and economically viable levels;
• total production for optimum storage and milling through-put;
• premium incentives based on hectarage equalisation to produce the required varietal mix for market forecasts.13

Less water, more demand

With the Murray River system now at its lowest level for many years in late 1977, the Hume Weir 40 per cent full and the river below it a 'series of connected water holes', southerners were not reassured by such well-reasoned arguments. Notwithstanding water shortages and rice industry problems, hundreds of farmers were still
clamouring to enter the industry for the better returns available. The Berriquin Ricegrowers' Development Association renewed criticisms of RGA and attacked the minister's preference for 'consolidation' of existing growers before new growers were admitted to the industry, demanding that production be spread over a wider area and that 40 per cent more water be made available in the Murray Valley to enable this. SRIDC also called for a 30 per cent reduction in water charges and again accused the minister of ignoring southerners while encouraging excessive water use through the 'third-tier' system, simply to boost WRC profits:

As always the Murray irrigators are being dictated to by selfish MIA representation and what the minister has got to realise is that he is not dealing with giant ricegrowers and large holdings. A 30 per cent reduction would be the means of allowing a lot of small farms already in debt to carry on ... when the huge water bill has to be paid.

SRIDC also believed that the Supreme Court decision meant that, 'Fundamentally the Commission can do virtually anything it wants to under The Water Act. The individual has no rights whatsoever (because) the commission deals with the land, not the owner'. The Jerilderie Shire Council strongly supported SRIDC, BRDA and BIC, urging water transfers between related holdings, citing new interest in the idea among tomato and vegetable growers, who also found the existing regulatory regime inflexible and unworkable. The Jerilderie Council also supported the further development of the CIA '... at the expense of farmers already taking water from the Murrumbidgee'. Whether this wedge referred to private river pumpers, public system irrigators, or both, was not made clear. Councillor Kevin O'Neill, a member of the Slate WRC Advisory Council (and later associated with a syndicate seeking to overturn established rice industry marketing and milling structures), urged completion of the CIA, saying that if this proceeded, 'It will have to be understood that all other irrigators will get very much reduced supplies and they will find themselves in a situation like the people in the Murray'. Councillor Terry Hogan (Noel's son) and Councillor J Evans disagreed that Murrumbidgee irrigators would be disadvantaged by completion of the CIA, since planned on-route storage schemes such as Lake Mejum would obviate this. O'Neill insisted, 'There is simply not enough water. You are heading straight for a Murray situation'.

WRC faced complex problems: expanding demand for water; irrigator rebelliousness; litigation; dissent in the rice industry; and until Dartmouth Dam was completed in 1979, supply capacity (not to mention the need for environmentally healthy river flows) was virtually at upper limits. In announcing a mere twenty-five new ricegrowing permits in the BiC and five on the MIA, all approved by RICC, therefore, Minister Gordon was reaffirming that the viability of existing rice farmers had greater priority than the demands of those seeking to enter the industry at a time of water shortage. The situation was unavoidable, Gordon said, justifying the meagre allocation, because of industrial trouble in the construction of Dartmouth Dam, 'irrigation versus hydro-electricity' politics and concern about downstream water quality, all of which were vexatious issues at the federal level. The minister's own submission to cabinet on behalf of SRIDC, requesting a 20 per cent reduction in water prices, had been rejected. Indeed charges were to be increased by 8 per cent for the 1977/78 season, the first real increase in three years, Gordon explained, and a moderate one, 'in line' with an RGA submission prepared by Graham Blight, Bruce Caldwell and Greg Graham. There would be no rebates for previous years' charges because significant WRC investments had to be made on weir construction and channel improvements in the Murrumbidgee and Murray Valleys, amounting to $4.3 million. The raising of the Yanco Weir would proceed; $1 million had been voted to this project alone; and the government could not be expected to fund all of this without the beneficiaries contributing. On the other hand, the government would call a halt to irrigation expansion and no more licences would be considered after October 1977. This was necessary because all dams were now fully committed and it was essential to stem demand in order to permit greater confidence and predictability, especially in the Murrumbidgee Valley, where a repetition of the Murray Valley situation was now feared. Exceptions to the irrigation ban were in the Yanko, Colombo and Billabong Creek System, which would benefit from improvements to the Yanco Weir.
With some parts of the Murray Valley now drought declared, the fear of water rationing growing and many southern irrigators facing ruin, the situation was explosive. Straining to hold the rice industry together while reaffirming a commitment to water entitlements and rice-permit regulation in relation to available resources and production needs, Graham Blight applauded Minister Gordon for 'close consultation', adding that the water price increases were reasonable:

The disaster of the Murray Valley is heartbreaking. The economics of growing small areas does not bear thinking about as we all know the salvation of all the primary producers has been to produce more and more efficiently. It would seem that a particular solution to the economic problems of the Murray Valley is not attainable so the only hope is for farm amalgamation or dual-farm ownership. At least to have two water allocations will give the owner some security. One should never try to guess how much water will be available for the next irrigation season, but if long-range forecasts of dry conditions are correct then worse times, are ahead.¹⁵

SRIDC officials, describing the increased water charge as a 'kick in the face', accused Gordon of 'letting soldier settlers down', repeated allegations that the minister favoured Murrumbidgee irrigators and assured WRC that the council was 'planning action', including another Supreme Court challenge. BRDA Chairman Doug Drew also accused the commission of discrimination against southerners, alleging that an over-abundance of water existed on the MIA and CIA, while Murray Valley growers languished for want of rice licences:

... Governments are treating the southern farmers with much the same lack of principle as that shown to our Aboriginal people, American Negroes or the under-privileged people of Northern Ireland. ... Mr Gordon appears willing to dance any tune called by the RICC.¹⁶

Such vituperation neither improved relations between the commission and the rice industry nor achieved additional rice permits but did serve to keep the issues of water transferability and rice entitlements politically on the boil. In this context, an alarming new development arose to complicate matters: farmers outside established ricegrowing zones were now demanding ricegrowing permits, in the Jemalong–Wylde Plains Irrigation District, for example. The commission flatly refused, Minister Gordon saying that a Wran Labor Government would never support such a thing. Nevertheless, farmers from widely dispersed areas continued to demand rice permits, water entitlements and the right to produce rice in such volumes for sale in whatever markets as they saw fit. Commencing as a tiny enterprise in the MIA in the 1920s, the rice industry was in danger of running out of control in the late 1970s as burgeoning demand to enter it delivered momentum to a deregulatory juggernaut threatening to crush the life out of the co-operative industry.¹⁷
Chapter 38

Noel Hogan, Vale!

‘A legend of the rice industry’

It was evident early in 1975, five weeks after major surgery in Canberra for cancer that Noel Hogan would need to slow down. He had returned to Whitton only to suffer a relapse and was readmitted immediately to Leeton District Hospital. The dynamic RMB Chairman reluctantly stepped down from the Australian Farmers’ Federation (AFF) Executive, resigned from the Yanco Water Users’ Association, the Northern Water Users’ Association, the Irrigation Research Extension Committee (IREC), the Murrumbidgee River Advisory Council and the Biscuit Wheat Committee. As the seriousness of the illness became known, Hogan resigned in all from fifteen organisations. Weakened by draconian therapy and medication, he looked pale and tired but refused to talk about it. He did not resign, however, from his local government commitments or from the chairs of RICC and RMB or the RGA Vice-President.¹

The RMB, and Hogan's many friends, decided that something should be done to commemorate this 'legend of the rice industry ... a straight shooter [for whom] no problem has been insurmountable'. It was agreed that the new $750,000 RMB headquarters in Kurrajong Street, Leeton, a solid building in keeping with the chairman's powerful personality, should be named 'The Noel Hogan Centre' and that Noel's great admirer, Prime Minister Gough Whitlam, should be invited to open it. Whitlam accepted.

Organisers hoped that the day would be light-hearted and informal, that the prime minister, wife Margaret and entourage could mingle freely with people in Chelmsford Place and stroll through a tour of RCM facilities and other Leeton landmarks. So strong were passions in the bush then, so complete a conviction that Federal Labor had 'done them in', so dark the threats, however, that federal authorities put in place tight, indeed heavy, security precautions.

About 1,000 people thronged the street outside The Noel Hogan Centre on Sunday 28 September 1975 to hear Whitlam open the building. Irrigator reported that, 'Leeton was on its best behaviour'. In a speech laced with brilliant political allusions wooing the rural vote, the avuncular prime minister told the assembly that the rice industry was an exemplary one demonstrating more resourcefulness and initiative than any other Australian industry:

> It is fitting that I come to Leeton, the capital of the rice industry, to pay tribute to that industry and to Noel Hogan who embodies everything it is. ... He is typical of the men who have made this industry. ... The rice industry has shown to an exceptional extent that those who produce the crops can determine that they will run every subsequent item from that crop. Co-operatives have been set up and finance, research and marketing organisations have been established so that its producers wholly deal with the product. Primary industry was caught napping when Britain went into the EEC but only the rice industry was prepared. Now, 86 per cent of the product is exported.

Solid applause mingled with a few jibes of indeterminate nature. A weary but immensely proud Noel Hogan and a drawn Gough Whitlam, both bravely smiling, speared a knife into a ceremonial cake. Photographs were taken. One, capturing the petite former Federal Member for Riverina Al Grassby perched on a fruit box landing an affectionate kiss on Margaret Whitlam's lofty cheek, made national newspapers.²

The old fiestiness returns

RMB was then engaged in the biggest building program in its history and more than $10 million of ricegrowers' money would be invested in facilities over the next two years, as if Noel Hogan was preparing a bequest for his beloved comrades. The co-operative was not slack with investments, either, $3.5 million deployed in modernising Leeton plant in the same period.

Observing this level of capital expenditure, hard-pressed growers grew increasingly restive. Hogan explained that RMB was proceeding with building ‘... because the RCM was adamant that the RMB should proceed’. In other words, if there was
anything wrong, it was the co-operative's fault. Moreover, the chairman added, it was better to build now because escalating costs would prohibit construction in the future and made good sense because many northern growers had reached their Equity Certificate ceilings and:

Old growers are still funding between $300,000 and $400,000 a year out of depreciation to help build sheds for new growers coming into our industry. With inflation, growers' Equity money is losing its value and I don't think they should be slapped further than the present policy allows. I don't believe that the old growers on the MIA, especially the 90 acre growers in the Griffith area should be forced to pay more than they should. I am sure the Equity Scheme will come into a surplus in the near future if the new growers continue to contribute and why shouldn't they? $12 today is not worth the $5 we contributed ten years ago.

Still many growers, especially southerners, resented the additional Equity Certificate Scheme impost. David Lowing, for example, clashed with Hogan at the Deniliquin RSL, describing the scheme as '... no more than a piggy-bank [leaving money] idle [and the] biggest single cost in the rice man's budget — about $17 million is now involved'. Inflation had destroyed whatever value the certificates had, Lowing alleged, rendering $300,000 invested by growers practically worthless at the end of twenty years. The scheme cost growers $12 per ton, or $30 per acre and acted against ricegrowers' interests. If Equity Certificate Scheme money had been simply invested with compound interest it would be now worth about $21,000 to a grower. The board should borrow $3,000 at 10 per cent interest on behalf of growers and pay it back over ten years; then inflation would benefit growers, unlike now when the scheme was reducing liquidity at a time when a cash flow was desperately needed. In effect, Lowing contended, growers were giving money to RMB and paying interest on it to the bank, while the value of contributions deteriorated through inflation and RMB was not legally bound to refund the money, anyway.

Hogan acknowledged that administrative, handling, milling and distribution expenses of both RMB and RCM had reached serious proportions. The co-operative was predicting a crop of 475,000 tonnes in 1976, about 50,000 tonnes more than RMB had predicted. In the previous season RCM had over-estimated by 100,000 tonnes, he said, and this was the source of pressure for additional storage. 'Over-estimation can harm the rice industry's markets'.

Who were growers to believe? Certainly Hogan's credibility was not quite as impregnable as it once had been. A new generation of growers had entered the industry with no particular allegiance to anyone, including the venerable chairman. Many RMB predictions had been wrong. As recently as January, the board had been saying that the rice industry was '... back on the road to recovery', qualifying this by adding that it might take some years. Within weeks, news arrived of rice prices crashing below production costs.³

Testiness in relations between the board and the co-operative flared up again in 1976 as RMB continued to rail against RCL's involvement in the Queensland industry, Hogan declaring:

The Co-operative Mill's excursion into the Queensland rice industry is still fetching chickens home to roost. ... Any connection between the New South Wales rice industry, whether it is through the Co-operative Mills or the Ricegrowers' Association, can be of no benefit whatsoever to our industry which must always be a big exporter. Small other state rice industries must always take advantage of the home market's higher prices, accept New South Wales help in the beginning and discard us in the long run.

More strong passions were stirred when RMB officials questioned RCM budget figures, implying that the co-operative was 'fiddling' the books. When RCM presented the board with its budget for 1976, the chairman alleged that it was $10 to $15 (per tonne) too low:

... and would present the RMB with a grave problem in getting a reasonable advance from the Reserve Bank. [The RCM] has given you [growers] certain figures and they should know [but] I am not sure how they arrived at RMB expenses. ... It is my opinion that [after expenses and bonus have been taken into
account] that this should lift the cash return to growers who have attained equity ceiling to better than $80 for Calrose, Caloro and Baru.

The RCM budget was 'leaked' to growers, Hogan claiming that when some in the Murray Valley saw it they were so disillusioned that they wrote to RMB requesting reimbursement of Equity Certificates because they were no longer going to grow rice:

Fortunately the RMB did a budget itself and this showed the Co-operative Mill's one to be $14 to $15 too low and I was able to inform growers that they could at least expect $10 above the mill budget.

The RCM board and executive were furious, categorically denying these allegations and demanding that the chairman substantiate or retract them. Tempers ran hot. RGA President Graham Blight, understanding the seriousness of the disagreement, moved promptly to 'knock together' industry heads, calling joint meetings from which joint statements were issued. The objective, Blight said, was to '... place more money in the hands of ricegrowers for the 1976 harvest'. Both organisations were required to make concessions. RMB undertook to raise short term loans covering interest for the Equity Certificate Scheme, to reshape budgets, ease up on the building program, increase by $4 per tonne the price for paddy and reduce Equity Certificate Scheme contributions to a maximum of $6 per tonne. RCM agreed to curtail its capital program, initiate further economy measures and, 'since the outlook is brighter', pay RMB up to $8 per tonne extra. The solution would mean an extra $10 to $12 in growers' pockets. Blight was 'pleased'.

But not for long. At a fiery Annual Meeting of the RGA Yanco Branch in June, Hogan and Blight clashed in a debate on industry cost control, the RMB Chairman insisting that RCM was not taking sufficient steps to cut costs was supplying misleading figures on rice milling costs and energetically disputing Blight's claim that RCM milled Australian rice cheaper than alternatives:

Mr Hogan assured the meeting that milling costs in Australia were amongst the highest in the world and that exporting rice in bulk to the EEC countries and processing there could save money.

Blight replied that RCM had been exploring for about ten years the possibility of shipping bulk rice overseas, especially to Britain and PNG, but every exercise proved it more economical to mill in Australia. It was true that cheaper freights were available for bulk, but benefits accrued only for large tonnages. RCM research in Antwerp had shown that it was still cheaper to mill paddy in Australia. Hogan flatly rejected this. 'Blight is wrong', he said and the figures he was quoting were 'misleading' because they did not include administrative costs. It was definitely cheaper to mill paddy in Thailand. Blight replied that the comparison was ridiculous considering that the Thai Government guaranteed prices and wage levels, to which Hogan retorted that RMB Manager John Tagliabue should be congratulated for his efforts in trimming RMB costs and:

... if other sections of the industry could contain costs like the RMB we would all be better off. Some have said that the mills should take over the board, but this would not save any costs and would be altogether undesirable.

It was no secret that RCL Director Graham Blight favoured industry rationalisation along these lines and he replied:

I am worried about the rice industry's internal cost structure. There needs to be a more determined effort to cut costs and slow down spending. I can't help but feel sometimes that people in glass houses should not throw stones. There may need to be unpalatable decisions made, but nothing is less palatable than growing rice for less than the cost of production.

Any avenue of saving must be explored. ... Are we as efficient as we think we are and can be? The responsibility for our future must be equally shared and worked for by those people who benefit from its existence. Our industry has been built on co-operation and determination and we need those two attributes at the fore at this time.

There was much determination, but little co-operation evident in subsequent events. At a Whitton Field Day later in 1976, Hogan again accused the co-operative of not
paying growers what they were due and of timing payments to suit its self and not growers. Yanco Branch President George Kayess blamed 'socialists' for the rice industry's problems; 'socialists' in the federal government and, he implied, 'socialists' in the co-operative, where, he alleged, inefficiencies and RCM's large staff of nearly 800 were making milling in Australia unprofitable. Describing RCM as a 'dispensable luxury', Kayess asked, 'Can we afford the luxury of milling our product here for the export trade?' He supported the bulk shipment of paddy overseas, demanded that the issue be discussed at the forthcoming RGA Annual Conference and said that if there was to be any industry rationalisation, this should occur in the co-operative.

Mirrool Branch delegates, ordinarily concerned with broader economic and policy issues boiled with resentment. RMB's building program was strongly criticised. The Appraisal Scheme was rigorously examined. The integrity of the Equity Certificate Scheme was questioned. More detail in the reporting of RCM business was demanded. A motion went up, 'That this Branch expresses its concern at the manner in which the RMB Chairman made available to growers unsubstantiated information during the Whitton Testing Field Day'. The motion was lost. An angry RCM Chairman Ian Davidge, a Mirrool Branch member, then made comments comparing RMB and RCM costs, which were listed on a paper and made available to growers, Davidge explaining forcefully that the question of the timing of payments was a matter to be decided by a joint industry meeting and was not the RMB's prerogative.

This new round of RMB–RCM tensions again spilled into the other RGA Branches. The Deniliquin Branch, for example, accused RMB of treating the south as 'second class citizens' in the provision of receival services, urged the co-operative and the board to curtail costs and to do the utmost to improve grower returns. At Berriquin there was disquiet about varietal premiums paid by RMB and criticism of RCM milling costs. The Wakool Branch, mainly focused on water policy, called for urgent attention to RMB receival facilities in the region. The CIA Branch, ever suspicious of Central Executive motives and strongly critical of the Equity Certificate Scheme, called for confidential information sheets from both RCM and RMB to keep growers better informed. A new leader was emerging at Colleambally, Noel Hogan's son, Terry, then vice president of the CIA Branch. Terry, no less committed than his father to the welfare of ricegrowers and the industry's fortunes, was a different personality from Noel, the son inheriting his mother Jean's qualities: moderate and steady in thought, calm but resolute, a good listener and very methodical, one of a 'new breed' of ricegrowers, a good farmer and a good economist. CIA delegates called for the reconstitution of the Rice Industry Economic Review Committee comprising the RGA President, the RCM Chairman and the RMB Chairman, ‘... to investigate and report on the industry, both internally and externally’.

Graham Blight sought to smooth the ruffled waters. What delegates were witnessing, he said, was an exercise in industrial democracy. The future of the industry depended upon co-operation, realism and commonsense and both the board and the co-operative should be congratulated for exercising greater control over spending:

Our thanks must go to Ian Davidge and Noel Hogan and their respective directors and staff for the consistent effort in this area. It is hard to stop spending in an industry which literally has a lot of moving parts and to withdraw from using at this time about $3 million of growers' money and still maintain efficiency is not an easy task.

Eventually the money will have to be spent as a recent letter from Ian Davidge has explained, for we must look to the future. Growers, however, do appreciate the extra $7 to $8 per tonne this time. A unified approach by all sections of the industry to the cost problems ... clearly shows how the grass roots influence of policy decision is most effective in our industry. It shows that regardless of criticism, we, the growers, indeed own and control its destiny.

Marketing boards in question

Again the Rice Marketing Board was re-elected unopposed. Why was this? Was it an indication of complete confidence in the board? This seems unlikely given persistent criticisms emanating from the branches over the past eighteen months. Was it a mark of respect to the ailing chairman who, though suffering a further relapse in October, was still fighting bravely for the industry on the issue of acreages? Probably, but the
sources are silent. Certainly, continuity was generally seen as preferable to a bitter contest for official positions, which might exacerbate an already unstable situation.

With Hogan unwell, Bruce Holloway acted as RMB Chairman, pitching his immense energy into the fight with WRC on the matter of water policy, discussed earlier. Hogan was fit enough, however, to travel to Canberra for meetings with the federal government later in 1976 and to another FAO Conference in Rome. Perhaps this had some bearing on Holloway's resignation in mid-December due to 'work pressures'. It is not clear. Whatever the case, the resignation necessitated a by-election. Kelvin O'Connell, formerly from the MIA but now based in Jerilderie and instrumental in getting rice into the BID, was tipped to fill the position. He was a Hogan supporter. Jim Small from Deniliquin and Frank Partington from Blighty opposed him. Frantic lobbying went on in the branches, Holloway imploring electors to choose a 'true southerner', someone who would put 'southern rights' first, a candidate 'who has the most potential to rise to be eventually Chairman of the Board'.

In the approach to the by-election in April, RMB came under intense fire on several fronts. The Leeton Chamber of Commerce, for example, protested the board's incursions into retailing rice headers and fertilisers. News was spreading that the chairman of the Lower Burdekin Co-operative was also manager of the Queensland RMB. More growers asked why the same could not happen in New South Wales. Press attacks on the efficiency of marketing boards and calls by economists for the appointment to them of personnel with specific marketing skills continued. Brian Bailey, an economist with the Australian Wheatgrowers' Federation, for example, was promoting a single Grain Board for all grains.

The New South Wales government was already flagging radical change to marketing systems for primary produce with new Labor Minister for Agriculture Don Day preparing an overhaul of the Marketing of Primary Products Act. The minister was anxious to avoid a repetition of a Sheep Marketing Board fiasco in 1975, when growers formed a board against government advice, which failed, costing growers $80,000 and leaving the government to pay for a referendum to disband it! At a Yanco Rice Research Field Day, Minister Day assured ricegrowers that they would be fully consulted and that he wanted the basic provisions of the Act retained: democratic complexion; vested products; orderly marketing; financed by growers; but he was determined to improve the performance of statutory marketing authorities, foreshadowing imminent change.

The final Chairman's Report

Following Jim Small's victory in the RMB by-election, sniping between RCM and RMB worsened. In early 1977 the board again accused the co-operative of inefficiency, claiming in effect that only RMB was capable of forcing the mill to 'pay up'. In what turned out to be his final Chairman's Report, early in the year, Hogan presented figures purporting to demonstrate RMB's efficiency while questioning figures in RCM's Annual Report. He spoke of the '... two most volatile situations that could make or break the New South Wales rice industry': overseas prices and industry efficiencies. The second was more serious, Hogan believed, because:

The cost of milling, handling, etc., is now greater than the RMB's total return for paddy rice. When a certain cannery got into this position it never recovered. This is the trap that many big and small co-operatives eventually find themselves in. When many big private companies are cutting down in staff, the co-operative is increasing theirs, notwithstanding the huge capital taken from the industry each year to build very modern economically controlled labour saving mills. Staff has risen in the last four years from 525 to 782, a rise of 42 per cent. Productivity certainly went up 47 per cent, but these figures are misleading because of mill automation. In fact, if you based your case on this type of statistic, the previous year's production only went up by 13 per cent, yet staff increased by 26 per cent, double the rate. Certainly the mill has made efforts to control rising costs ... but much greater efforts should be undertaken. Certainly some stability of costs per tonne was achieved in 1976 and I congratulate the mill directors and management. However, the following graph illustrates the continued rise in mill's costs per tonne, notwithstanding bigger and bigger tonnages to help lower mill overheads. If this situation continues it is obvious production levels must increase to help cover all costs. Grower acreages must go up. This puts a greater burden on labour-deficient farmers. They must work harder while everyone in
the community works less. There will be a limit to growers’ acreage increases and then it must be quite open to all that the grower sinks or swims depending mainly on the overall efficiency of the Co-operative Mill operations.

There followed statistics questioning the RCM Annual Report, implying that an ‘unnecessary carry-over from the 1974 crop into the poorer paying 1975 period’ had cost growers $2 million:

It is in a situation such as this that all the financial expertise of the co-operative should be called into action. Growers have suffered a very low year and all the benefits of the $30 rise in world prices plus the devaluation should be passed via the RMB to the ricegrower to help him lower some of the debts incurred during 1975/76.12

Pre-empting the co-operative's judgement in 'setting the benchmark', the chairman predicted what RCM's first payment should be in the following season. Notwithstanding these barbs, a tender, almost ethereal tone is evident in Noel Hogan's last report:

Special thanks also are extended to the chairman, Mr Davidge, and to directors of the Co-operative Mill, to Neil Donaldson and his executive associates and staff of the Co-operative Mill for their co-operation and I apologise if I appear to criticise them but it is only done with all ricegrowers' interests at heart. Our thanks also go to the Ricegrowers' Association for their many requests and recommendations on behalf of the Association's members. Thanks Graham [Blight]. Thanks Bruce [Caldwell]. I most sincerely thank them for their help and understanding when I was not quite my usual self.13

It was awkward. Hogan was infirm and still highly regarded, but RCM could not stand by and allow him to make such allegations unchallenged. At an RMB meeting in Deniliquin at the end of January 1977, the chairman was subjected to heavy cross-examination. Was it not a fact that it cost $35.16 million to operate the RMB in 1975−76? Were growers led to believe that they could receive $70 first payment and not the $60 they eventually received? Was it reasonable under prevailing market conditions to pre-empt RCM's judgement in respect of first payments and to accuse the mill of fiddling budgets?

Hogan defended his statements by saying that they had been '… open-ended [and] you can see I have covered myself'. RMB's figures, he said, were based on 'long experience'. A Pastoral Times journalist attending the meeting noted:

Mr Hogan's statement appeared to be part of a pre-budget jousting match between the board and the mill executives in an attempt to get the best price possible for growers. Mr Hogan was strongly critical of milling and transportation costs and [wanted] RCM to return all the benefits.14

Early in February, at meetings in Leeton and Griffith, Hogan came in for further rough treatment. RCM supporters demanded that the chairman 'put up or shut up'. RCM directors had been accused of 'fiddling' figures in the 1976 Report and of causing losses to the rice industry of $2 million in the 1974 crop. Now was RMB's chance to justify these allegations; prove it; show everyone that they were true! Stolidly defending his position, Hogan said that 109,263 tonnes of the 1974 crop had been carried-over into 1975 and sold in a worse marketing year at lower prices; $20 to $30 lower than the previous year; equalling a $2 million loss. The chairman said that there had been plenty of demand in the 1974 season for rice at higher prices, according to the mill's own estimates, and that he had only left these figures out of his Report because Ian Davidge had asked him to go 'easy on the mill'. At this point, the normally diffident RCM General Manager Neil Donaldson, absolutely livid, accused Hogan of misleading growers by confusing crop years with financial years. Ian Davidge added:

Councillor Hogan has damaged the industry by spreading nonsense all over the country that would be read by government leaders and bank officials. The banks may not even give us a payment this year. Mr Hogan is scoring points unfairly off the directors.

Irrigator reported:
After a high-pitched argument over exactly which period Mr Hogan was referring to, the battle ended in a stalemate. One ricegrower called on the arguing parties to resolve their disagreements some other time.

It was bitter, disruptive and sad. For most growers, contending with difficult economic and water supply conditions, such altercations were wasteful — even boring.¹⁵

Davidge later said he regretted having to engage in public debate with the RMB Chairman but:

Misleading statements warranted vigorous reply. Hogan had selected "chalk and cheese" figures, which cannot be compared, producing a misleading use of unrelated statistics which has led to a greatly distorted conclusion suiting his own ends. [His] second-guessing on marketing movements after the event is a luxury which is not available in the real world of marketing.

*Irrigator* reported:

Mr Davidge said he was eager to make allowance for Mr Hogan's attitude, particularly in recognition of the tension of the (Yanco) meeting and Mr Hogan's regrettable ill health. However, he was stunned by Mr Hogan's gratuitous statement that he had asked Mr Hogan to "go easy on the mill". That comment was taken out of context and was in reference to previous warnings given to Mr Hogan that unsubstantiated attacks on the mill were destructive.¹⁶

Three days later *Irrigator* quoted Hogan under the headline, 'Chairman Adds Fuel to Fire'. 'It is with deep concern for the future of our rice industry I put the following question to Mr Davidge'. More figures followed. The chairman accused RCM of importing rice from the Solomon Islands (450 tonnes) to Papua–New Guinea to supply its subsidiary there and, 'The executive staff of the co-operative will still get their salaries out of this — the New South Wales ricegrowers will get a minus quantity'. The RMB Chairman implied that the RCM Chairman had 'misled' the Reserve Bank, that he and Davidge were to sign a letter confirming that returns to growers would be up $10, owing to savings at the mill and the board, and said:

What Bovril. In one week nothing happened. As a grower I consider it just as harmful to deceive the grower as the Reserve Bank. Perhaps while Mr Davidge is on the job he would explain why an agreement was made with the Indonesian Government Buying Agency [conditions unknown to RMB] [sic] wherein no bedrock price was fixed and the grower ... is getting a price ... so low that for commercial purposes I cannot divulge it.

An explanation of another fiasco also requires some ventilation. Why is it costing $50 a tonne more to put rice through the parboiling plant above all other expenses? Then there is the East German deal where 'contaminated' sacks were used by the co-operative to send rice to its destination. It was reported that it cost the industry $70,000 to rectify the situation.

I could go on and mention three or four more extremely damaging episodes, but space in this esteemed paper is being taken up. Answers to these grievances are of interest to all ricegrowers and I still stand by my statement in my Report. The mill's drive and efficiency are the cornerstone of the industry's very life.¹⁷

A few days later Hogan accused *Irrigator* of starting the 'rice industry crisis' by 'creating a misunderstanding' in reporting him as saying that RCM was 'fiddling' figures. *Irrigator* hotly disputed this, quoting directly from the notebook of the journalist who had attended the Yanco meeting. Hogan was reported to have said, 'Your figures are fiddled'. *Irrigator* alleged that it was Hogan who had created the confusion, not the newspaper. With weary magnanimity, Hogan fired a closing salvo:

In closing I would like, through your esteemed paper, to thank those ricegrowers who have phoned and offered their strong support and assure them and all ricegrowers while I am elected to these important positions in the industry, Chairman of the RMB, RICC and Vice President of the RGA, I will continue to serve them with loyalty and integrity as I have done for the last thirty years.¹⁸
A week later Southern Riverina News reported that ‘following discussions’ between Ian Davidge and Noel Hogan, the RMB Chairman had withdrawn criticisms of the co-operative, its board and chairman. Noel also acknowledged that he had been wrong in assumptions about the 1974 carry-over, concluding, ‘I am satisfied with the explanation given by the Chairman of the RCM’.

‘A cool, honest breeze in a heat-wave’

Following these unfortunate exchanges in early 1977, Hogan fell silent, his physical condition deteriorating. Only weeks from his death, he gave The Land a final interview. The journalist noted that Hogan ‘... came straight to the point with the finesse of a tank squashing an ant’. Hogan, he said, was a ‘... rice man to his own very human stalks’ and his ‘... directness a cool, honest breeze in a heat wave compared to the meaningless patter of many’. Hogan related rice industry history, referring to RMB’s (Jack Brady’s) stand against proprietary millers in 1949 and recalling how ‘RGA under its very energetic vice president [Noel Hogan] held out for higher prices’, claiming it was his idea ‘... to find out the real cost of processing rice by setting up the [RGA’s] own mill. After building the mill we quickly discovered the right price’. He told The Land reporter how he had established the Rice Industry Co-ordination Committee (RICC) and was responsible for bulk handling:

One of the most important advances ... was the move to bulk. In America in 1960
I saw the efficiency of their bulk harvesting and proposed it for Australia. I have always kept the rights of ricegrowers as my criteria.

On 28 July 1977, Noel Hogan passed away in Leeton District Hospital, aged 66 years. He was buried from the Leeton Anglican Church. With great respect Ian Davidge said at the funeral:

It is the end of an era. Noel Hogan was probably the strongest personality in Australian agriculture. His aggressive ability and forthright opinion have made him the focal point of any organisation or meeting and he thrived on controversial debate. No one can say they never had a difference of opinion with Noel Hogan. He pursued his beliefs and convictions everywhere with everyone.

One of the things that will always be remembered about him was his fearless challenging of established opinion. ... An era in the rice industry has now ended.

... The rice industry will never be the same without Noel Hogan. His personality, his approach and his drive were unique and will never be duplicated. His contributions are gratefully acknowledged and his passing deeply regretted.

His successor as RMB Chairman R F (Russell) Emery, added:

During his long, loyal and devoted service to the RMB, Noel Hogan proved himself a man of dignity and great capacity and set a splendid example to all by his dedication. Things will never be the same without Noel. His many outstanding qualities, talents and abilities covered such a broad scope that he is just irreplaceable. ... Noel’s passing has brought about an end of an era the like of which we are certain will never be replayed on the Australian stage of rural affairs.
Chapter 39
Farewell the 'Moon Farmer':
Agronomy, Environment and the Rice Industry, c1960-1980

Introduction

At an RGA Conference in 1966, Alf Bowmaker remarked:

With the disappearance of the "old school" of farmer who planted and harvested in accordance with the phases of the moon and declared "what was good for his grandfather was good enough for him" we have come to rely very heavily on the guidance of specially trained agronomists to keep us informed on modern farming.

Indeed, by the mid-1960s rice farm productivity relied less on the experience and local knowledge of farmers and more on the expertise of scientists, researchers, technicians and agribusiness agents. This shift from the 'moon farmer' to the expert came as the industry was increasingly market-driven, profitability was being eroded and many more farmers, inexperienced in ricegrowing, entered the industry. The employment of new varieties, with which even established growers were unfamiliar, and the drive for improved productivity and risk aversion, saw farmers more widely adopt artificial fertilisers, herbicides and pesticides and take 'short cuts' in the rotation.

The following chapter, which continues themes begun in Chapter Twenty-Two, discusses practical problems ricegrowers faced in the paddy fields in the approximately two decades to 1980. It does not pretend to be an authoritative account, for that would require specialised research not possible in the present study, rather, it provides a bridge between the end of the Hogan era and dramatic events in the 1980s as pressure for deregulation linked to mounting environmental concerns about water use and irrigation in particular gathered momentum.

Research

The rice industry prospered on the back of an enterprising research and development program going back to its earliest days, particularly with regard to plant breeding. Through the 1960s and well into the 1970s, few questioned the value of research to farmers' returns. Indeed, the rice industry generously supported research and encouraged it. In 1966, for example, RGA President Ian Davidge, returning from a Churchill Fellowship Study Tour of the United States, urged an even greater research program, such as he had seen in America. While the work of plant breeder D J (Don) McDonald and his team at the Yanco Rice Research Station was excellent, Davidge said, it was conducted on such small areas as to make experiments with modern machinery impossible. Moreover, small plot results could not always be duplicated under normal conditions. 'Research institutions must be made bigger, research personnel must be allowed to spread their wings, to try out their ideas and exercise their minds on broad acre lines', Davidge said, calling for a 2,000 acre farm on the CIA for agricultural research, using a full range of soils. Additionally, Don McDonald urged joint programs with other producer nations, conducted through the International Rice Research Institute in the Philippines, believing that results could be achieved in two years through such co-operative research ventures, which would five years in Australia. While there was little enthusiasm for the idea within the industry, McDonald and the Rice Research Centre were highly regarded by farmers and their work greatly appreciated.

In the fifteen years to 1969 the rice industry generously supported the Department of Agriculture's Rice Investigation Sub-Committee, providing funds for the employment of field and laboratory assistants and the purchase of research equipment and capital works involved in laboratories. The industry also helped to fund improved training
facilities at Yanco Agricultural College, assisting with the development of a Farm Management Certificate Course for farmers, including rice farmers. As well, the Irrigation Research Extension Committee (IREC) continued to attract national and international accolades for its innovative work in co-ordinating the research effort of various government institutions, dealing directly with producers and providing prompt, practical advice based on the results of exhaustive research and investigation.\(^1\)

The redoubtable biologist and plant breeder, Walter Poggendorff, then chief of the Department of Agriculture’s Plant Industry Division, describing the rice industry as one ‘… based on the wholesale co-operation of its component parts’, was convinced that the New South Wales rice breeding program was second to none in the world and underpinned the industry’s success.

As late as 1974 a United States Agricultural Attaché, reviewing the Australian rice industry, eulogised its efficiency, subtlety, intelligence and technical achievements, praising the relationship between scientist, researcher, agronomist and farmer which had produced such a productive rotation.\(^2\)

As farm profitability declined and indebtedness grew through the 1970s this exemplary situation deteriorated. Farmers were less willing, or able, to fund research and more inclined to demand that every cent invested produce an immediate return. They were more likely to peg funding so that research budgets declined in real terms as inflation and other costs rose. Increasingly, government agencies were called upon to provide funds and meet costs associated with farm extension work. Gradually a psychology of dependency on technical advice and the products of the chemical industry and agribusiness grew. In 1976, the Rice Investigation Sub-Committee, the IREC and the Murray Research and Extension Committee (MREC) were virtually moribund through lack of funds. By 1983 Regional Director of Research at the Yanco Agricultural Institute Eric Corbin was practically begging the industry for funds at a conference of representatives of the Department of Agriculture, CSIRO, IREC, the Murray River Extension Committee and farmer and ricegrower bodies, arguing that research paid practical dividends. By then, however, the economic pinch was such that a capacity to respond positively to such calls did not exist, even if the will did. The industry suffered further as a result.\(^3\)

**Plant breeding**

Despite a general reduction in research funding through the 1970s, a very active plant breeding program continued virtually without interruption, focused on reliable and high yielding long-grain varieties suitable to both river valleys. In an industry where, increasingly, ‘every grain counted’, the research emphasis stayed squarely on developing plants suited to changing market profiles and agronomic methods geared to the containment of production costs and improved productivity. In this way, changes in economic circumstances and markets drove changes in the fields.

In 1967, the Yanco Rice Research Station announced a ‘major break-through [in plant breeding], exceeding all expectations’ — a new long-grain variety, the result of seven years selection. The new grain was initially labelled *Yanco Research Long* — YRL1 and YRL2. This finely-shaped grain, which yielded superbly, was the result of a cooperative research program led by Don McDonald, assisted by George F Blencowe (the son of pioneer ricegrower George H Blencowe) and involved farmers, scientists, IREC and field officers of the Department of Agriculture. Research Agronomist Ed Boerema played a major role in evaluating the performance of the new lines. The YRL lines, selected from a cross between the American long-grain, *Blue Bonnet 50*, and *Calrose*, were the first variations bred entirely in Australia. In trials, YRL1 yielded 4.67 tons to the acre and YRL2 4.56 tons, surpassing both *Calrose* and *Caloro 2*. The research station believed that YRL would replace *Blue Bonnet*, the American stand-by long-grain and announced that sixty-four tons of seed would be made available in 1967.

At a Yanco Field Day in March 1967, opened by Noel Hogan, farmers displayed an ‘amazing response’ to the YRL announcement: Parking space was at a premium. Check banks surrounding the rice bays were overcrowded and members of the Yanco CWA did not have nearly enough sandwiches to meet the lunchtime demand. Walter Poggendorff, unveiling a masonite board bearing the Wirajuri word, *Kulu* (‘grain’), in large plastic letters (a name chosen by Don McDonald for YRL1), said that the YRL
varieties represented a 'new era' in the New South Wales rice industry. McDonald issued a few warnings, however: further research was required before the industry could be fully confident about a long-grain variety capable of withstanding cold evening Riverina temperatures in the flowering period. Also, it was unknown yet, but improbable that Kulu would perform well in southern districts; an earlier maturing variety would need to be found. It was possible that Kulu was not heralding a 'new era' at all, although the shift to long-grain varieties seemed inevitable. Moreover, the milling qualities of Kulu under normal production conditions remained unknown and experiments should continue. There was much excitement and justifiable acclaim for the work of McDonald and the research station. McDonald was awarded the Doug Mackellar Scholarship, jointly funded by RMB and RCM, allowing the gifted agronomist and plant breeder to study for three years toward his doctorate in the United States.

McDonald was right, Kulu proved to be quite popular on the MIA but not elsewhere. In the 1970/71 season, for example, 169 farmers from a total of 607 grew nothing but Kulu on the MIA, eighty-four on the CIA and nine in the Murray Valley.

But the mill-out was not good and so experiments with semi-long, long-grain, glutinous and cold-resistant varieties continued. As production costs climbed, the search for a high yielding, short-stalked long-grain variety not prone to lodging (falling over) when aerially sown, tolerant of high nitrogen concentrations and with a good mill-out, intensified.

A new Australian bred medium-grain variety, Baru, Wirajuri for 'flood', was developed by the Research Station in the early 1970s. Departmental plant breeders disagreed on the value of this grain. Cereal Chemist Tony Blakeney, for example, argued that it fitted into no known international markets. After meetings with RMB, however, it was decided to release Baru, a good yielder with strong straw. This was also unsuitable in the south, did not receive wide farmer acceptance and was grown for only about three years.

By 1973, Inga had replaced Kulu as the most popular long-grain variety. Inga, Wirajuri for 'sun', selected from a cross of the American Century Patna and Calrose, was developed by a team from the research station, including Don McDonald, Ed Boerema and L G (Laurie) Lewin. Rather a tall plant, Inga struck well, flowered about the same time as Kulu, matured a week later, but was not well adapted to aerial sowing, disliked highly fertile conditions, was susceptible to 'straight head', but produced a better mill-out than Kulu and gave, a glossy, slender, translucent grain of superior appearance, free from 'chalky belly'. This grain also appeared to be suitable only for the northern Riverina. Commercial release was planned for 1973/74 and RCM proposed to market Inga as 'Sunlong' in competition with Queensland long-grain varieties.

In 1976 a new long-grain 'semi-dwarf' variety, YR73, a cross between Kulu and CI9187 (an American long-grain), produced encouraging results in a 370 acre trial crop, half of this in the Murray Valley. YR73 was not such a vigorous grower as Calrose or Inga, particularly under adverse conditions, but straw length was shorter than both Kulu and Inga, helping to overcome the lodging problem. The new variety was a moderately high-yielder, tolerated higher fertility than Kulu or Inga, produced a good mill-out, was less susceptible to 'chalky belly', had a similar maturity cycle to Calrose and yielded better than Inga, but was not as attractive a grain as either Kulu or Inga. The department expected that commercial seed would be available for the 1978/79 season, but pure seed would not be introduced until 1980/81. By then, both Caloro and Kulu were being phased out and yields employing new 'semi-dwarf' varieties were the highest in ten years. The 'semi-dwarf' varieties are discussed further in Chapter Forty-Seven, considering recent developments in the industry.

Aerial sowing

Aerial sowing was still not widely accepted in the rice industry in the mid-1960s, particularly on the MIA. In 1965 only about 2,000 acres were sown by air in the north but Don McDonald and Ed Boerema organised demonstrations of the technique and, with the help of extension agents, developed farmer interest at Field Days. As pressures on profitability built, aerial sowing was more widely accepted. In 1966 almost 6,000 acres were sown by air on the MIA; 18,000 acres in all producing areas.
Interest 'skyrocketed' thereafter, especially in the Murray Valley and particularly around Deniliquin.

The technique of 'shooting' seed had by then been perfected. Seed was soaked in running water for one or two days prior to sowing. After being removed from the water, the seed was stacked on trailers under plastic or a tarpaulin for a further twenty-four hours to germinate. It was essential to sow 'shot' seed within seventy-two hours. Water was introduced into the field, just enough to cover it, and DDT applied to control bloodworms. Human markers then took up position, one each side of the crop and one in the middle, moving a measured distance after each run of the aircraft to ensure accurate matching up of seed patterns. The sowing of an average field could take up to two hours. 'Cal-Air' and 'Beaver' planes were popular, the former capable of sowing sixty acres in one and a half hours, the latter seventy acres in one and a quarter hours. Two 'Beavers' on the MIA could seed twelve to fifteen farms in a day.

Debate about the 'pros' and 'cons' of aerial sowing continued. Advocates claimed many advantages: field preparation could be completed more quickly freeing land for other things for a longer period; better germination was achieved, approximately 73 per cent for Calrose as opposed to 34 per cent in conventional sowing; plants were five inches high at four weeks as opposed to one inch for conventional sowing, matured two to four weeks earlier and seemed less affected by cold evenings; the method was definitely preferable on crusty soils especially around Deniliquin; saved thirty to forty acre-feet of water per crop; was useful in salted soils allowing the re-introduction of pastures and reclamation of land for grazing; was good for weed control, especially 'hairy' millet; particularly helpful on extremely flat areas where flushing was difficult; and cut labour costs by up to $100.

Opponents argued that aerial sowing led to 'banding', that is, variable thick and thin strips of rice plants, and made crops more prone to bloodworm infestation and wind damage. The method also seemed to attract ducks. Perhaps it was true that aerial sowing gave heavier heads, but yields did not necessarily improve because of lodging. Many farmers were still gravely concerned about the method's greater reliance upon DDT, especially the practice of placing a DDT emulsion in the water system.

**Mechanisation**

A process of mechanisation in cultivation, storage, handling and processing continued largely uninterrupted through the 1960s and with some minor interruptions in the 1970s. Nevertheless, still in the early 1960s Clydesdale horses could be seen in paddy fields, particularly in wet seasons when they were invaluable 'snigging' out the grain. By the late 1960s, however, mechanisation was virtually complete and the pace of the industry commensurately quickened. The conversion to bulk handling and aeration was also virtually complete in all producing areas, enabling harvesting at moisture levels previously thought impossible. In 1958 growers would have been lucky to start delivering to receival points in the first week of April. Now it could be the first days of March. Wet weather at harvest time was still the ultimate determinant, however, and in a wet season, some crops might stay in the fields well into June.

A revolutionary new direct seed drill was introduced in the 1966/67 season: the 'Connor Shea Super Seeder Disc'. This smaller, lighter, rubber-tyred sod-seeder made it possible to sow direct into rice stubble soon after a rice harvest when the soil was still wet, avoiding the use of combines or the like. This allowed the farmer to sow seed for an intermediate crop of wheat, oats or barley between rice and a normal pasture rotation. After the rice harvest, the straw was slashed and burnt in those days before sod-seeding the new crop. The new machine placed seed and fertiliser in a small incision cut by a disc, in contact with moisture left by the rice crop and covered by organic material.

A new Australian-made Massey-Ferguson rice header impressed at a Whitton Field Day in 1978. This was the MF542 Rice Header, manufactured at the Sunshine Plant in Melbourne, including such improvements as:

- strengthened sheet metal components in areas where abrasive crops cause wear;
- heavy duty grain tank augers;
- new crop elevator to improve feeding;
- availability of half tracks as well as rice tyres;
• hydrostatic infinitely variable drive for ground speeds up to 27 kilometres per hour; and
• air-conditioned cabs.

By the late 1970s air-conditioned cabs were commonplace, gone the days of heat, cold, noise, flies and itchiness from flying plant particles.6

Lodging

Lodging and tangling were particularly troublesome under certain conditions particularly as rice heads on new varieties grew heavier. In the 1968 crop, for example, existing headers were quite unable to deal with it. The whole season was problematical. Heavy storms in January saw the abandonment of some plantings. Temperatures rose above 100º Fahrenheit on seven days in February and there was little fluctuation in evening temperatures. Strong, dry, north-westerly winds saw wind erosion on light soils and heavy dust storms near the end of March. The harvest, beginning on 12 March, was one of the earliest but most difficult on record. The straw was unusually tough and abrasive and machines could not handle it, presenting knife-drive and threshing problems. The take-off was extremely slow and large header losses of grain were reported. Bulletin described the panicles as ‘... so rich and heavy that they fall over’. Some believed that the great heat had produced a long-stem unable to support the heads. Others thought it might be excessive nitrogen. The Department of Agriculture had demonstrated a link between excess nitrogen in the soil and lodging, noting that different rice varieties liked different amounts of nitrogen. Some farmers said lodging was the result of premature full water, which 'thinned' plants. Others believed rain and cool nights in May had caused the problem.

Although the 1968 harvest was not completed until late June, another record was recorded, the seventh year in a row, '... enough to fill a train thirty-three miles long'. The grain was of good quality, but very dry and subject to suncracking. After this, producing varieties not prone to lodging in aerial sowing became an industry priority, the goal, a heavy yielder on a short plant providing a good mill-out.7

Rotation

In 1963 the average MIA rice farm was approximately 600 acres in area, employed in a mixed rotation of rice, wheat, stock grazing on sown pastures and vegetables. The conventional wisdom was that at least a four-year interval between rice on the same land was essential for environmental and economic reasons, but a five to six year rotation gave better yields. Better rotation cycles were matched by improved farm design, layout and grading, employing a ‘true contour system’, which followed lines suggested by the topography, virtually replacing the ‘minor contour’ or square-bay system. This improvement allowed better water management and easier surface grading.

There were calls in the early 1970s, particularly in the Murray Valley, for a shorter rotation cycle — three or four years instead of six. WCIC was at first opposed on environmental grounds but, in 1973, the commission permitted three-year rotations to assist mainly Berriquin growers, while limiting the area for rice to ninety acres in a rotation of wheat, oats, barley, sorghum, oil-seeds, sheep, cattle and pigs.8

Laser land-levelling

Laser beams for levelling irrigation land was first used in Australia in 1977, at Cohuna. The practice was already widely accepted in the United States. The system consisted of a laser beam transmitter emitting a powerful beam of light, rotating to form a plane of light, essentially a low-powered beacon directing pulsed light at a particular level. Light was received by a sensor mounted on the land-forming implement, which guided the height of the earth-moving blade. When mounted on a modified land grader connected to a tractor hydraulic system, the sensor could accurately cut and fill an uneven land surface.

The use of the laser beam with land grading and survey equipment revolutionised the approach to land layout for ricegrowing, making possible the large scale redevelopment of paddy fields and improving efficiency in the use of water, land, labour and capital. It was thought that as the process was more widely accepted, the productivity of irrigation areas would be greatly increased and that laser beam land
grading could help in the fight against salinity. A contributory factor in salination was excess water applied to poorly graded fields in order to reach high spots, resulting in over-watering. Employing laser-controlled levelling methods, however, water bays of up to twelve hectares could be entirely covered with water to a depth of only fifteen millimetres with no dry spots, thus significantly reducing drainage and salinity problems. But there was one problem: perfectly level land improved the run-off and the long-term consequences of this for the channels and rivers were unknown.

A Barham inventor, Hume Calville, developed a grading machine and scraper to optimise the new technology's benefits, which he believed made everything else obsolete in the matter of levelling land. A scraper blade on the front of the machine levelled the surface while excess soil was conveyed to a carrier behind the blade. When the carrier was filled, soil was taken to depressed areas and the conveyor operated to spread the soil to the required amount as determined by a laser beam. The new land former gave ‘... paddocks a billiard table finished job' at the rate of approximately fifty acres per hour.9

**Water management**

Don McDonald and Yanco Research Station colleagues kept growers well advised through the 1960s and 1970s on optimum water management methods; particularly drainage in relation to the variable maturation of rice. As new growers entered the industry, new varieties were employed and new agronomic methods introduced, it was crucial that detailed and exact information on this crucial stage in the growing cycle be provided. Draining rice prematurely in an attempt to dry ground for high moisture harvesting, for example, could result in heavily reduced yields and poor milling quality. Farmers were advised to use the later maturing heads as a guide in calculating when to shut down the Detheridge Wheel and drain-off. Free water should be maintained over *Caloro* and *Calrose* crops until the lower grains on the latest heads were in the hard 'dough' stage. It was tricky. The Detheridge Wheel cut-off time would vary depending on the variety grown, steepness of the country, proportion of later rice under trees or on crop headlands, and general soil type. Red soils dried faster and so it was necessary in this situation to drain at 'late dough' stage; but heavier soils could be drained while some grain was still at the 'milky' stage. Extreme care was necessary since poor timing could expose maturing plants to moisture stress. Special attention needed to be paid to the new long-grain varieties as they usually matured earlier than *Calrose* and could dry below 16 per cent moisture before harvesting machinery could operate on the wet bays. The department advised the removal of water for long-grain crops as soon as the lower grains on the late heads were full-sized and still a little ‘milky’. There was a lot of guess-work in it for new growers.10

**Fertilisers and soil testing**

Debate continued through the 1960s on the merits of artificial fertilisers and chemicals in rice production, primarily concerned not with the efficacy of chemicals, which was demonstrable, but with their complexity, safety precautions, side effects and long- and short-term environmental impacts.

As economic pressures built, however, farmers turned to chemicals in numbers. In 1965 RGA introduced a soil testing service in conjunction with the Department of Agriculture to advise farmers on the amounts of particular fertilisers needed under different conditions to produce optimum results. The following year the commonwealth government increased subsidies on nitrogenous fertilisers, prompting an increase in the use of anhydrous ammonia as a form of nitrogen. Many farmers doubted the need for a top dressing believing that ‘... rice greens up without it on good clover country’. The Department of Agriculture also advised caution in the use of nitrogen as excessive amounts on particular soils could cause a lengthened vegetative growth phase and delay maturity, producing empty glumes and poor-filling grain. Rice Research Agronomist Ed Boerema at Yanco also warned that gypsum, while it improved the water-holding nature of sodic clay-soils, suppressed the plant intake of nitrogen and did not necessarily improve yields. Moreover, an increased use of gypsum presupposed the increased use of nitrogen fertilisers if yields were to be maintained. In addition, flushing associated with ricegrowing affected the nitrogen status of soil and required careful and expert monitoring. Getting the nitrogen status ‘right’ was critical; miscalculation could be disastrous, not only because over-fertilisation could induce sterility in crops, but because it added unnecessarily to
production costs. At this stage, it seems, the environmental cost was scarcely considered.

Farmer advocates of nitrogenous top dressing received a fillip in the 1966/67 season when, following its employment in some districts, crops exceeded all expectations. Average yields up to one tonne per hectare greater than the previous season were reported and new world records for commercial crops were set. Not surprisingly, fertiliser costs rose steeply in the next few years as demand outstripped supply. In 1969 Drug Houses of Australia opened a Farm Services Centre in Leeton, handling fertilisers and chemicals, renting machinery for their application and providing technical advice. By the early 1970s Australian Consolidated Fertilisers had swallowed up most of the competition.

Despite more extensive top dressing, however, yields in 1969/70 fell back to late 1950s levels. In cool growing conditions sterility was a problem. Some crops were down by 25 per cent to 6.24 tonnes per hectare. Huge increases in yields followed in 1970/71 averaging 7.48 tonnes per hectare. The crop next season was very disappointing, the worst on record in some areas, with cold weather again reducing fertility in rice florets and producing 'straight heads', which affected up to 30 per cent of crops. However, in 1972/73 in parts of the Murray Valley, growers exceeded ten tonnes per hectare and, for the first time, the south was the highest yielding area. Thereafter, the south regularly exceeded the MIA in production, in part explained by northern farmers turning to lower yielding long-grain varieties unsuited to the south.

In 1974/75, however, average yields again plunged to 5.17 tonnes per hectare, the lowest for almost twenty years. At the same time after the federal government announced plans to remove the bounty for nitrogen fertilisers, many farmers rushed in a top-dressing before the price went up. In the following season, over-fertilisation hit long-grain varieties badly affecting about 30 per cent of the crop at Griffith, for example, which some described as a 'disaster area'. Agronomist Roger Clough said farmers were trying to force too much out of plants. Urea was later substituted as a nitrogen source, but most farmers were uncertain how to use it and results were patchy. Indeed, average yields did not recover 1960 levels until well into the 1980s.

A condition known as 'rice stubble disorder', a fertility problem showing up in crops such as maize or sunflowers grown on land used to grow rice, became fairly serious in the 1970s. CSIRO thought that prolonged wetting caused iron in the soil to soak up phosphate essential for plant growth, making it unavailable to root systems in other than rice crops, and that this suggested a need to introduce phosphate deeply into the soil to overcome the problem.

The 1977/78 crop, which again saw a very high percentage of sterility in northern long-grain crops affected by cold nights at flowering time, convinced many farmers that additional nitrogen was required to force on growth. This was applied. In the following season, however, all varieties were observed to be suffering from a high incidence of sterility. This remained a serious problem until the 1980s when the Department of Agriculture, in association with RGA, introduced a mid-season nitrogen test, 'Rice Check', allowing growers to estimate exactly how much nitrogen to apply for top yields and involving them in the testing process. 'Rice Check' enabled growers to match varieties and soil nitrogen status precisely, improving grower confidence and productivity.11

**Slime, scum, mould and fungi**

Slime and scum were often problems in crops directly sown into stubble, and frequently troublesome in deep water during cold spells. There were three types: green slime, which smothered plants (generally treated with copper-sulphate bluestone, although this was toxic to fish at the required levels); brown slime, which rotted the stem and could only be controlled by draining (if stems were sufficiently strong for this); and brown scum, which choked the water surface and was particularly prevalent in rotations involving subterranean clover. Effluent from Canberra and other settlements upstream was also contributing to algae growth in the Murrumbidgee and affecting water quality. Flooding of garbage dumps along the Murray River and effluent from a growing Albury-Wodonga broadened the scale of the problem. By 1968, the department was advising the use of Ordram and Propanol (StamF 34) for the treatment of brown slime.
Brown Leaf Spot on rice was first observed on the MIA in 1966. The dark spots, ranging from minute flecks to elongated spots, were usually seen on younger leaves in wet seasons, but while they were unsightly, apparently caused little damage. Glume Blotch and saprophytic fungi were noticeable in the 1970s. RMB treated seed as required by farmers to counteract the fungi. By the mid-1970s, about 80 per cent of seed supplied by the board was dusted with a mixture of the fungicide Captain (2 per cent per 100 lb of seed) and DDT (also 2 per cent per 100 lb of seed) to prevent bloodworms. It was observed that seed so treated could reduce the seeding rate by approximately 40 lb per acre, reducing costs while guaranteeing crops.12

Weeds

Weeds are plants in the wrong place and a particularly troublesome weed for rice growers is Barnyard Grass, which is a tenacious competitor for rice plant nutrition. In 1964, the Department of Agriculture recommended the use of the selective weedicide StamF34, which had been available in Australia for about two years, to counteract a particularly thick infestation of Barnyard Grass at Deniliquin. By 1966, weed research officers from Yanco Agricultural College and Research Station were also advising the use of the newly available Molinate (Ordram) for treatment of the weed. There was some initial farmer resistance to the use of these herbicides, possibly stemming from a scare in 1966 when Aquiline, a chemical used by WCIC to destroy weeds in channels, was believed to have damaged some crops. A departmental officer noted:

Although these chemicals are available and obviously economical to use, the many weedy crops are evidence of rice growers’ slow acceptance of chemical weed control. It is obvious that many farmers do not realise the extent of their loss through weedy rice.

Officers provided details of application, warning growers to read and follow the manufacturers’ instructions carefully, adding that ‘residual activity' in soils would protect against a second germination of weeds before permanent flooding.

Rain and cool conditions saw another big infestation of Barnyard Grass in November 1968, this time on the MIA. Ordram was rushed in from the United States and an emergency application made around the clock, RMB selling about 20,000 gallons of herbicides that year.

By the mid-1970s the price of herbicides used to combat Barnyard Grass, which were controlled by US patents, was skyrocketing. RMB bulk purchases helped keep costs down but chemicals now became a major item in production budgets.

Another outbreak of Barnyard Grass in 1976/77 saw demand for Ordram and Propanol soar in some areas. Spraying seemed less effective in the cool, rainy conditions and spray-drift was a problem: crops in adjacent fields might be damaged and community health could suffer. Department of Agriculture agronomists suggested spraying fields with an alternative, Paraquat (Gramoxone), before rice emerged. This would scorch plants a little, but they would recover. Paraquat could not be aerially sprayed, however, its application restricted to a boom spray. Later, herbicides were pelletised, overcoming the spray-drift problem and giving growers a greater measure of control over Barnyard Grass.

Barnyard Grass is but one of several weeds plaguing rice growers. ‘Dirty Dora’ (Cyprus Difformis) and ‘Star Fruit’ (Damasonium minus) are other problem weeds. ‘Dirty Dora’ is a cyperaceous plant with potential to reduce rice yields significantly. ‘Star Fruit’ is generally a problem in fields of high organic matter at sowing time and is normally associated with bloodworm and snail activity and slime in aerial sown crops. A trend was noticed that when ‘Star Fruit’ was treated, ‘Dirty Dora’ was too small to be affected, necessitating a second treatment.

Other herbaceous problems included Cumbungi, infestations of which regularly choked channels. ‘Bathurst Burr’ was borne in by the wind (in 1968, for example). Water Hyacinth was first found growing on a pond near Deniliquin in 1973, sending a chill through the industry for this fast multiplying plant had the potential to clog up irrigation systems. CSIRO introduced a South American beetle to control it.
A popular aquarium plant, Elodea (Elodea Canadensis), found its way into channels around 1968 and by 1972 presented as a '... problem of tremendous importance if an outbreak occurs'. Elodea multiplied by fragmentation, was resistant to most herbicides, expensive to eradicate and added to water costs. Any mechanical means of extracting the weed, such as pulling it out by draglines, simply broke it up and aided the spread. Its tangled mass floating beneath the surface could reduce water-flow by half. Australian conditions proved very favourable to Elodea's growth and in a few years the weed had choked up about 1,500 kilometres of channels. In 1973 Elodea spread to the CIA and the MIA, extending a considerable distance along the Main Canal and threatening agricultural production. By 1974 it was thick between Yanco and Murrami. The IREC set up an Elodea Co-ordination Control Sub-Committee to determine the best way of overcoming the problem. The only registered compound giving long-term control was Dichlobenil but, because of possible problems with chemical residues, this could not be applied to water used for stock or human consumption. WCIC was required to exercise extreme caution in the Elodea eradication program and it was an expensive exercise. In 1972 a rice crop at Coleambally was alleged to have peculiarities caused by water pollution introduced by WCIC to clear channels of weeds, but these allegations were never proven.

However, in 1975/76, farmers were concerned that residues from Diuron, a herbicide used by the commission to control weed growth in channels, was damaging rice crops. The commission's practice was to flush water treated with Diuron through channels prior to the irrigation season. Residues built up and entered paddy fields. Then farmers flushed the solution back into the water system. Experiments involving the commission and RICC revealed that Diuron applied at one pound to the acre, severely damaged rice. In some areas, the problem was so acute that commission maintenance programs had to be curtailed. These difficulties in policing the irrigation system were given wide media coverage and water quality became an important political issue.

Other troublesome weeds included 'Hairy Millet', very similar to Barnyard Grass, and extremely difficult to remove from milled rice, creating buyer resistance. An infestation of Silverleaf Nightshade (Quena, Potato Weed) was also reported in the Southern Riverina in 1976/77.

By the late 1970s, the integration of chemical weed control and sod seeding was more widely accepted. The application of herbicides, such as 'Sprayseed', in conjunction with sod seeding, provided the farmer with greater control of weeds and helped to improve yields. Then the introduction of Londax in the 1980s 'revolutionised' weed control in aerial sown crops by killing broadleaf weeds such as 'Dirty Dora' and 'Star Fruit' at an early stage. The present study was unable to investigate the environmental impact of the chemical war on weeds.

**Bloodworms and other pests**

Bloodworms were again very active in 1966, the combination of pooled water and rotting plant matter characterising that season providing an ideal breeding ground. Up to fifty-eight million bloodworms to the acre were calculated, about twelve thousand per square yard. A Department of Agriculture agronomist recommended treating crops with DDT within twenty-four hours of sowing at the rate of one gallon per ten acres, either sprayed from the air or in a fifty-fifty emulsion with water, distributed throughout the planting. Farmers were advised to walk the banks and '... dribble the chemical into the bays'. As questions about the use of DDT arose, however, Dieldrin was recommended as an alternative. Bloodworms caused few problems the following season, but around Barham and Deniliquin they caused 'havoc' and DDT was sprayed in the Finley area.

Also in 1966, an outbreak of army-worms chewed rice grains and razored through stems so that panicles dropped and fell into the water. The department advised farmers to wade out into a field, shake some rice heads and see how many caterpillars fell into the water. If a certain number less than one and a half inches in length fell, farmers were to spray with DDT.

In 1968, confronting a mice plague doing extensive damage to crops, some farmers employed a poison spray but RMB refused to accept grain from them, reducing the intake by about 25,000 tonnes.
In 1973/74 about 130 growers from the Murray Valley and CIA were forced to re-sow three times as a result of an attack by snails. In the 1975/76 season 10 per cent of fields in the Murray Valley were infested with them. They were treated with copper sulphate, which some farmers believed, caused toxaemic jaundice in sheep, although the evidence was inconclusive.

By the early 1970s the European Carp was generally seen as an ecological disaster, an 'aquatic rabbit'. As far as ricegrowing was concerned, they muddied water in feeding, de-oxygenating it and lowering the temperature. In 1975 the possibility of introducing a virus into waterways to control carp was considered, in a way similar to myxomatosis for the control of rabbits. Some fish were sent to Britain for treatment. Others were treated with gamma radiation to sterilise them. Electronic fishing for Carp was permitted in the irrigation system in 1977. Research was conducted into farming White Amur (Grass Carp) as a possible control for Elodea, snails and bloodworms. This fish was used extensively in Arkansas rice fields but the idea was controversial in New South Wales and no progress is recorded. 14

Locust plagues periodically caused havoc. In 1972, for example, and in 1975/76, swarms of the insects were carried into the Griffith and Hillston areas on cyclonic airstreams. Another plague occurred on the MIA and the Murray Valley in 1976/77. Because it was impossible to aerial spray in closely settled areas, the plague was treated by ground spraying. One of the most dramatic migrations of locusts ever recorded occurred in the Jerilderie–Deniliquin area in 1979. Originating from the Broken Hill and South Australian border areas, warm strong winds carried dark clouds of the insects up to 350 miles in one night.

An outbreak of Leaf Miner occurred in 1977 and was treated with Carbaryl. Warehouse Beetles also caused problems that year, detected in stores at Deniliquin, Leeton and Griffith. Deliveries to RMB stores were delayed by up to a fortnight as fumigation was carried out, the department advising farmers to spray all machinery and sheds used to store grain on farms with Malathion. 15

**Ducks and waterfowl**

Controversy in the industry about the economic impact of ducks continued through the 1960s. Some, generally urban-dwellers, claimed the birds did no damage. In 1965 Alf Bowmaker refuted this, quoting numerous reports confirming the damage ducks did to rice crops, particularly in seasons of cool nights and slow maturing crops. Farmers in the Murray Valley claimed that ducks were cutting yields by half. In that year the Fauna Protection Council permitted ricegrowers to shoot ducks for three months of the year, outside the shooting season — but not the Freckled Duck. Shooters, mainly from Victoria, abused the system, moving into ricegrowing areas before the official season and shooting birds indiscriminately. Inspectors from the Victorian Department of Fisheries and Wildlife stopped shooters' cars as they crossed back into Victoria at Yarrawonga and 'were sickened by the sight of young birds in the possession of shooters'. Some of the birds were so young they must have been shot on or near their nests. More than 3,000 birds were confiscated and many prosecutions proceeded.

In the following year the Fauna Protection Council revoked ricegrowers' permits to shoot ducks out of season, because of these abuses and the shooting of protected species. Each grower was to apply to the protection council individually, involving bureaucratic delays while damage to crops continued. This prompted RGA President Ian Davidge to say:

> We all appreciate the efforts of conservationists and feel that their job is a necessary and worthwhile undertaking. However, it appears incongruous that ricegrowers must suffer the ravages of ducks so that these same ducks may be preserved for shooting by sportsmen later in the year.

The Fauna Panel of New South Wales journal, *Wildlife Service*, replied:

> What takes their place in the ecology of landscapes? ... A hundred years from now the problems of the sixties will be dim memories but a skein of Ibis oscillating against a wind-whipped sky will still thrill the spirit of man reminding him that he is part of a wider community of life.
New methods of duck control were sought. For example, Skat-a-Bird, chemically impregnated grain which, reportedly, did not harm birds but made them feel ‘… an association of distrust and unease with the area in which they have taken the bait’.

Ducks and Bald Coots took a mighty toll on crops at flowering stage. The 1974/75 season was considered the worst for waterfowl damage since 1956/57. Ricegrowers were authorised to shoot coots, but not ducks, between December and April. Nevertheless, some farmers reported using up to 6,000 cartridges and killing up to 5,000 ducks on a 125 acre rice crop. In that wet season, duck poisoning occurred near Deniliquin, employing an organic phosphate with an accumulative effect which killed other wildlife. Moreover, shooters were consuming contaminated birds. The National Parks and Wildlife Service warned of another ‘crackdown’.

Flashing lights were introduced in 1977 as the latest weapon in the ricegrowers' battle with ducks. A Murray Valley farmer, Brad Fawns, for instance, erected six amber hazard lights on a sixty-five acre rice block at Morago in addition to a scare gun. He had heard from a friend about a farmer using flashing lights at Wakool. While white flashing lights were available locally, he had decided to purchase amber lights because he had read that ducks were 'allergic' to orange. His first plan was to erect a searchlight on an oscillating washing machine. 'The six light units cost $100, about the same as the payment on two tonnes of rice,' Fawns said, 'so I decided it was worth a try'. The lights were installed on the inside of banks so that their flash would reflect off the water in the bays. Away went the flashing lights. The ducks munched on insouciantly, happily paddling. Fawns thought he might need more flashing lights; they were definitely having some affect; the ducks were now very flighty and extremely hard to shoot!

In 1981 RMB released 'duck scare lights', which were used for some time by Queensland ricegrowers. The system consisted of a rotating high-powered light set in the middle of a paddy field on an elevated position, such as the top of a large drum. The light was set operating before dark and worked continuously until daylight, sweeping the paddy to the the perimeters of the paddock. It was thought that the flashing light was visually uncomfortable to ducks and that they would move elsewhere. But Riverina ducks paid no heed. Growers spent further time and money on scare guns and flashing lights but to no avail. By the late 1980s it was reckoned that $4 million plus were lost annually due to duck and waterfowl damage. Ducks would never leave paddy fields and rice farmers would never tire of trying to make them leave. 16

**DDT and other chemicals**

As noted above, dusting seed with fungicides and the insecticide DDT became common practices in the late 1960s and early 1970s but not all farmers approved. The Yanco Branch of the RGA, for example, requested that some seed be made available undusted by RMB for growers interested in organic methods.

In 1969, the Australian Agriculture Council (a meeting of the Ministers for Agriculture) decided to banish DDT from farm use as quickly as possible. Federal Minister for Primary Industry Doug Anthony explained that, 'The rapid phasing out of the pesticide ... is necessary' to ensure that Australian dairy produce does not suffer disadvantage in overseas markets'. Approximately two million pounds of DDT were spread each year on Australian soil, spawning a $2 million industry. In the 1950s, Anthony said, the use of DDT had been encouraged by 'authorities' at '... levels so high that we dared not talk about it', stressing that the phasing out process would be approached 'diplomatically' and was a states' matter, requiring states' legislation.

Discussion about the pros and cons of DDT continued well into the early 1970s. There was no doubting its efficacy. Enthusiasts dubbed it the 'prince of pesticides'. But fish in the Barren Box Swamp, near Griffith were found to have the highest level of DDT of any fish in the world. In 1972 the Department of Agriculture discovered significant DDT levels in sheep tissue grazed on rice stubble, confirming a link between DDT treatment for bloodworm and the food chain. The department now believed that no animals for human consumption should be grazed on rice stubble and that alternative chemicals should also be used to combat bloodworms and army-worms.

By 1976 Temephos had largely replaced DDT. Unlike DDT, Temephos did not affect fish or other organisms. Farmers were uncertain about how to apply it, leading to a
break-out of bloodworms in some areas. DDT was no longer registered nor recommended by the Department of Agriculture — but not yet banned. A 1978 study showed that more than 25 per cent of cattle slaughtered in parts of the Riverina had DDT levels just below quarantine levels. Seven properties had already been quarantined, preventing farmers from selling any livestock until animals had been checked for fat levels and pesticides and measured as below accepted levels. Agronomists believed that sheep would show a similar, if not higher, proportion of DDT residues because sheep were better scavengers and were often used on rice banks to clean up weeds. The Department of Agriculture advised farmers to adopt a more responsible attitude:

DDT has been looked on as a cure for all problems in rice crops but farmers will have to adopt a more precise approach to rice problem solving if they don't want to run into resistance from the consumers of their products. Areas where animals are likely to pick up DDT residues include banks in rice crops, water leaving rice crops and pasture areas near rice crops. In particular the aerial application of DDT is possibly one of the main problem areas as drift onto nearby pastures and laneways almost always occurs. As well, all the banks are sprayed and this is another area where stock will pick up residues.

In response, the New South Wales government passed The Pesticides Act, replacing The Pest Destroyers Act and providing for the registration, labelling, packaging and control of supply and possession of pesticides and for the deregistration of a pesticide. The legislation was supported by the New South Wales Livestock and Grain Producers’ Association, which also endorsed The Aerial Spraying Control Act.

In 1981 the use of DDT for the spraying of rice crops was banned. DDT was no longer registered as an in-crop spray for the control of bloodworms in rice. Indeed, it was an offence under The Pesticides Act to use the insecticide in this manner. Regional Director of Agriculture for the Murray and the Riverina Region Brian Scarsbric, noting that some ricegrowers and aerial operators still lacked confidence in Temephos, announced plans to second extra inspectorial staff from other regions to police the ban. The use of a DDT/Captan slurry or dust-seed dressing to rice seed prior to planting, however, was still permitted, but only under RMB supervision.

The 1980/81 season presented many ricegrowers with the greatest array of problems they had ever encountered, particularly so for crops sown in mid-October to mid-November, which were affected by a combination of cool weather and organic matter. Bloodworms required re-spraying in depressed, heavy, grey soil and in areas containing high levels of organic matter, five to fifteen days after sowing. Temephos was expensive and not as effective as DDT. An outbreak of snails forced re-sowing in several areas where rice stubble was prevalent and re-spraying was required at the five to six week stage. Decomposing pasture matter spread an organic-scum layer on paddy fields resulting in stunted root and plant growth exacerbated by severe wind damage. In some situations, long fallows developed smooth mud, possibly caused by soil structure breakdown following the wet winter and dry September. Sod-seeded crops suffered, where there was no use of 'knock-down' chemicals, while misuse of 'knock-downs' lead to pasture regrowth and retardation of rice plants due to toxins.

In 1983, the Pesticides Drum Disposal Scheme was introduced, run by a committee including representatives from the Department of Agriculture, WRC, the State Pollution Control Commission, chemical retailers and manufacturers, agricultural industries and shire councils. The scheme contemplated enforceable pesticide and pollution control regulations. Farmers would be prosecuted for non-compliance (where adequate facilities existed). About 3,900 drums were removed from the environs of the Mirrool Creek alone that year. The government also foreshadowed amendments to the Pesticides Act to tighten controls over aerial crop-dusting. These changes in the regulation and use of chemicals coincided with a period of severe economic stress in the industry, making it very difficult for some farmers to adjust to the new, more environmentally conscious regime.

Industrial pollution and by-products

All industry produces waste and by-products. Some are useful, some not, and the rice industry is no exception. In 1966 residents around Yenda complained of smog caused by farmers burning rice husks and stubble. Ever since the rice mill had been
constructed there, residents claimed, fumes covered up to ten square miles each March. A local councillor said, 'At times the haze over some roads is so thick, especially combined with fog, that driving becomes hazardous'. A resident added, 'My kiddies' spittle is often black in the morning, indicating the amount of smoke they must inhale while they are asleep'.

By the mid-1970s, hulls alone amounted to about 100,000 tons of the harvest: approximately 20 per cent of the weight and 50 per cent of the volume of paddy rice! If spread, hulls would cover an area thirty acres in extent, ten feet high. Dumping hulls was no solution because great dunes of it were inclined to blow everywhere in windy weather, which was regarded widely as a nuisance. There were also over 60,000 acres of rice straw remaining after a harvest, amounting to almost 90,000 tons of residue. Wheat stubble was generally more useful and cheaper, and there was little incentive to dispose of rice straw in an agronomically sustainable and clean manner, so it was burnt.

The disposal of hulls and utilisation of straw became major industry problems, so much so that RMB offered a reward for ideas leading to a solution. The use of hulls as poultry and stock feed, and as an extender in building materials, was explored, but the economics were not good. The industry appealed to farmers not to burn rice stubble, but to use it in the rotation. Many farmers said this was simply an invitation to bloodworms, fungi, mould and slime, and were reluctant to do so. RCM acquired the stockfeed business, Black and Company (Leeton), to treat husks and reach the stockfeed market and, in time, stubble burning was also to be discontinued.

The rice quarantine zone

More than 160 economically important diseases of rice exist. Only seventeen of these occurred in Australia, fifteen in the Northern Territory and two of minor importance in New South Wales. Throughout the 1960s and 1970s, experiments continued with refined rotation techniques designed to keep the Riverina virtually free of diseases and chemicals needed to counteract them. In 1972 rice quarantine boundaries were Gazetted in an effort to keep exotic diseases out of the region. Largely because of this, and an intelligent rotation regime in use, Riverina rice remained less chemical dependant and a more stable monoculture than rice crops elsewhere. That is not to say that the industry was not chemical dependant, as discussion above attests.

A scare went through the industry in 1973, however, when the spores of Rice Smut were found in second-hand Japanese rice bags brought into the producing area; 10,000 bags were burnt. The disease, which occurs in the United States, Japan and South-East Asia, attacks panicles reducing all or some of the grains to a powdery black mass of smut spores. It was first noticed in Australia in the Burdekin Delta Region. In 1976 infected seagrass matting imported from the USA and Pakistan was found in the Quarantine Zone. Periodically, imported rice products containing infected paddy seed, found on shop shelves within the zone, were seized and destroyed.

Waterlogging and salination

'Sooner or later all irrigated areas are beset with problems associated with the build-up of water in the soil', said Alf Bowmaker at the RGA Conference in 1966. Though he believed that deep bores and de-watering property would allow irrigators to 'live with' the problem, he was concerned that 'zealous investigators' would 'press the panic button' on the issue without justification. The panic button was pressed a few years after Bowmaker's death in 1968 and what follows is a brief description of developments in the understanding of waterlogging and salination as these impinged upon the rice industry to the early 1980s.

In 1962 WCIC and CSIRO set aside funds for a five-year research project to investigate waterlogging and salination to ascertain the degree of the problem and whether land use practices or artificial sub-surface drainage systems were effective in overcoming it. The commission was to investigate hydrology and drainage, the CSIRO, salt and water movement. E R Hoare was appointed officer-in-charge of the Irrigation Research Station at Griffith.

WCIC explained to farmers where the salt came from. In the Tertiary Period, the most recent geological period, beginning about seventy million years ago, a vast inland sea stretched into what is now Victoria and covered the Murray Valley area. When the sea
retreated it left behind huge volumes of sea water trapped in the marine sediment. The construction of locks and weirs along the Murray, raising water levels by up to three metres, had increased the flow of saline water downstream. As river beds silted up, sand built up in the stream bed and silts and clays were carried away from the river beds to form flood plains. Before irrigation began, relatively low rainfall and high evaporation resulted in little water percolating down into the water table and a natural equilibrium existed. With the advent of irrigation this balance was altered and more water tended to enter the soil than was evaporated. Areas of intensive agriculture on the sandy-loam levees of prior streams were where the water table initially built up. Much irrigation water was now entering the soil in prior stream areas, that is, the sand bed or intake areas of what was known locally as ‘Wombat’ country. High water tables could lead to further salt problems. In the Murray Valley both salinity and exchangeable sodium in the Riverine Plain soils were increasing gradually, in a westerly direction. Once the water table was within 1.5 metres of the surface of the soil, water moved upward by capillary action through the evaporative pull. When the water reached the surface it evaporated. If the water was salty, it deposited salt at the surface and built up salinity in the root zone.

The fear of waterlogging and salination went right back to the origins of irrigation in New South Wales, even before the development of the MIA, when critics claimed all irrigation systems were ‘doomed’ and that therefore public investments in them were unwarranted. One reason for ricegrowing taking so long to be accepted on the Area was farmer concern at flooding fields, possibly damaging soil and causing seepage and waterlogging problems. Alarm first arose in the wet winters of 1931 and 1939 when water rose on the MIA to such a degree that it killed trees. In 1944 WCIC refused to provide irrigation water to properties where consumption exceeded nine acre feet per acre. Ricegrowing in the Yanco Area was restricted to sixty acres per annum above sand beds, and eighty acres elsewhere. In 1956/57, salt patches were first noticed in the Wakool Irrigation District and the Tullakool Irrigation Area. By 1964, tube wells had been installed in some regions to assist with salt abatement. In 1966, while permissible rice acreage was expanded to 100 acres, ricegrowing was prohibited on areas where underlying soil allowed deep percolation. Despite these regulatory, preventive measures, ground water tables continued to rise and there was an increase in the area of salting. Early indications from WCIC and CSIRO studies were that large area farms in the MIA were not endangered but problems were growing in the Tullakool Irrigation Area and parts of the Wakool Irrigation District.

In 1966, salt patches first seen in the Wakool region a decade earlier, began to enlarge rapidly. The threat to agriculture alarmed farming communities. Already large volumes of highly saline drainage water from the Kerang–Cohuna Irrigation Districts in Victoria were causing a hazard to Swan Hill irrigators. The problem was not confined to the Murray Valley. At Murrami, in the northern Riverina, trees were dying and rice was showing areas of stunted growth. Following a long dry spell, farmers noted that top-soil was still damp with evidence of salt impregnation. It was the first time waterlogging and salination had appeared at Murrami and farmers there were worried, some believing that deep-well pumping was necessary or the land would be rendered useless. Others thought that water tables could be reduced through the use of fodder and grain products acting as ‘water pumps’, utilising unwanted water and reducing salt without the expense of boring and pumping. Horticulturalists repeated old charges that salt-charged water was flowing from the east, from ricegrowing areas. Ricegrowers disputed this, pointing to private river pumpers on both rivers to whom WCIC was giving licences ‘almost automatically’.

In the same year, Frank Cope, formerly a senior research scientist at the CSIRO Irrigation Research Laboratory, Griffith, presented a report on the agronomy and hydrology of rice lands on the MIA, funded by WCIC. This indicated that in parts of the Areas that had been irrigated for thirty-five years or so, sand-bed systems located at varying depths between three and twenty metres had become supercharged with water. Cope believed it probable that the deep-percolation of irrigation and rainwater causing this was widespread and not confined to a few intake points. Over the same period water tables had developed and the water surface had risen alarmingly to levels now between one and seven metres below the surface. However, waters of high salinity were not yet common. Cope thought that water tables closer than 150 centimetres were likely to become general by the late 1990s but would probably
stabilise at between 80 centimetres and 150 centimetres, noting that in grey and brown soils of heavy texture used for growing rice and pastures on the MIA, very high water tables already occurred in some areas. On the other hand, shallow water was not necessarily, or even usually, saline. While some localised areas with water of high salt content did occur; for example, Koonandan in the area surrounding the internal drainage basin known as Tuckerbil Swamp; surface salting was confined to areas in which lateral movement of water and salts had produced a localised concentration, such areas including the banks of Mirrool Creek, along the lines of hillside seepage, around swamps and beside roads.

Cope believed that engineering measures to counteract the problem, such as the installation of tile (pipe) drains, pumping to relieve aquifer pressures, or cutting deep open ditches, were either so inefficient as to be impracticable, or currently uneconomic. On the other hand, agronomic measures, described as 'vegetative drainage', did provide an economic means of stabilising a rising water table but only at a relatively shallow depth. Experiments had shown that wheat or barley sown after rice provided the quickest and most effective de-watering crop. However, as these crops were relatively shallow-rooting, they could only remove water from the water table indirectly by capillary action in the root zone near the surface. Where the water table was saline, this could actually result in the accumulation of salt in the root zone. Perennial pasture (lucerne-dominant) had shown a gradual increase in effectiveness as a de-watering crop during a three-year period of growth following a rice crop. Cope suggested this might provide a long-term solution for those limited areas where a high water table problem existed. With careful water management, perennial pastures were more effective in vegetative drainage than annual pastures despite the need to apply a greater annual amount of water over a longer period. On areas of high water table hazard, which, Cope emphasised, constituted only a very small proportion of the total acreage, a rice cropping rotation of ten years was suggested. Rice water applied at such intervals, the scientist believed, could actually assist leach the surface soil free of salt (presumably to be deposited elsewhere). Improvements to farm design and water management methods allowing farmers to 'escape the domination of the contour system' could also help avoid a worsening waterlogging and salination problem.

Responding to the Cope report, the commission prohibited ricegrowers on sand-bed areas in the Yanco Area from participating in an expansion of rice acreage in the 1966/67 season. Twelve growers in the Mirrool Area were also affected. Growers in the Leeton, Murrami and Koonandan areas had lived with rising water tables for some time but Mirrool farmers, generally speaking, had grown complacent about the problem. Now it was affecting them.

By 1967 the waterlogging danger area in Murrami had spread to 12,000 acres, an increase of 3,000 acres in one year, affecting about forty farmers. Opinion was divided on what to do. The Rice Industry Deep Drainage Committee recommended deep bores and de-watering pumping. Chad Young thought deep drainage canals were better, but WCIC was adamant that saline water could not simply be pumped from one area and transferred elsewhere through the river system. The politically charged question of responsibility for corrective work in combating waterlogging and salination arose to haunt both irrigators and the commission. Conscious of this, RGA President Ian Davidge told the 1968 Conference:

Irrigators in the Murrumbidgee and Murray Valleys have long been aware of a steadily increasing build-up of the underground water levels, but the deep drainage advocates on the Murrumbidgee and WCIC are gathering momentum and achieving worthwhile and practical results. This optimism received a stunning setback when the WCIC informed the rice industry that deep pumping was to be discontinued and the forward planning policy virtually frozen because of the build-up of salinity in the Lower Murray River. It is difficult to comprehend how the relatively small amount of pumped drainage water can so dramatically affect the irrigators on the Lower Murray. ... It is hoped that deep pumping will be permitted at least during the winter when any salinity will have been flushed through the river systems by the heavy winter flows before irrigation water is drawn off.

In 1970 water tables in the Berriquin Irrigation District (BID) rose alarmingly. There had been earlier evidence of rising water tables east of Tocumwal and west of Finley...
on the Riverina Highway covering about 4 per cent of the District, but now the area affected was increasing rapidly. About 5 per cent of the BID had a water table less than two metres from the surface. Concern was also growing about increasing salinity, especially in the Tullakool Irrigation Area. In parliament, the Member for Murray, Mary Meillon (Liberal), demanded to know of Minister Freudenstein:

Is it true that the water in the Wakool water table is two and a half times as salty as sea water, with a result that hundreds of river gums died and non-irrigated highly productive country is deteriorating rapidly?

Freudenstein acknowledged that sub-water saline levels in the Tullakool Area and Wakool District had risen to such an extent that farming operations had been interrupted and, indeed, 93,000 acres had been 'affected badly'. The government was well aware of the problem but pumping and evaporation systems would cost at least $200,000. Who would pay? There was no indication that farmers were interested in contributing, the minister said.

A River Murray Working Party was set up to prepare a report on possible changes to the Murray Waters Agreement in respect of water quality control and make recommendations concerning the reformation of the River Murray Commission, giving it real 'teeth'. This was to be tabled in federal parliament in 1976. In the course of its preparation, Department of Agriculture Special Agronomist (Irrigation) Peter Witschi and Yanco Agricultural College Irrigation Lecturer Barry Swan told farmers at Blighy that they had to face up to the salinity problem urgently or expect real trouble. Already 5,000 acres of once fertile soil were derelict in the BID and a further 6,500 acres were expected to be out of production within twelve months. In the United States, Witschi and Swan said, the government assisted irrigators in land-forming, changing the shape of fields, computerising water control and providing expert water management. Australian farmers were aware of the benefits of land-forming but were prohibited by expense from doing anything about it. In America, salination was becoming a political 'hot potato' between states and between USA and Mexico. Witschi and Swan predicted the same for Australia, between the states. So bad was the situation in the Wakool Irrigation District that a Victorian salt company was investigating the viability of commercial salt recovery at the request of the New South Wales government. There were also proposals that the Victorian government investigate pumping all Murray Valley salt water through a large overland pipe to the southern ocean and that saline water from the Kerang District be drained through gravity pipes under the Murray River to evaporation areas near Moulamein in New South Wales.

A very wet season in 1973/74 saw water tables again rise, particularly in the Murray Valley and especially in the BID. In July, Berriquin growers were horrified to see free water appearing in some of the best irrigation land in the District. The affected area spread in a south-easterly direction from Finley and occurred mainly on light red soil, especially around Mayrung. No-one knew where the water was entering the underground strata, whether it was from channels, caused by over-watering on sandy soils, or from incorrectly located rice blocks. Minister Freudenstein quickly inspected the damage and announced as a priority a completely renovated drainage system for the Murray Valley. This was to take more than thirty years to develop and would be paid for partly by landholders. The problem, Freudenstein said, was an ancient prior stream running right across the District east to west. That was the danger spot and the existing drainage system was doing nothing to alleviate it.

Now in its final days, the Askin Coalition Government shuffled portfolios and, as noted in an earlier chapter, first Leon Punch and then Bruce Cowan assumed responsibility for the commission. Meanwhile, policy paralysis gripped both government and commission and the waterlogging and salination problem worsened.23

By early 1976 an area of about 8,000 acres was at risk in the BID, particularly in the Myrtle Park−Retreat area. Sixty farms between the Newell Highway, Coree Road, the Riverina Highway and McAllister's Road were particularly affected. One farmer had already lost fifty acres. Salinity was worsening south of Finley in the Fuller's Lane area. The WCIC described the problem as 'alarming'. District Agronomist Dennis Toohey estimated the area affected to be five miles by twelve miles in extent.
Another WCIC study of MIA water tables in 1976 produced further worrying results. In 1912 water tables had been in equilibrium with the environment, at twenty to thirty metres depth below the soil surface. Now much of the Mirrool Area had a water level within two metres of the surface. The Rice Industry Deep Drainage Committee warned that the growing of 120 acres of rice on small farms would soon cause irretrievable rotation problems and almost certainly accelerate sub-soil problem. Farms on the MIA would need to be expanded in area on soil suitable for ricegrowing, not so easily achieved on an Area where farms were ‘land-locked’ by HMA regulations. The WCIC report stressed that northern farmers should not be complacent. Salting was already causing problems on the MIA and was definitely not confined to the Murray Valley. There was a need for urgent remedial action and this would have to be paid for by increased water charges for everyone; there was no way out of it.

Despite this growing alarm over waterlogging and salination, astonishingly, *The Water Resources Act* of March 1976 made virtually no mention of drainage or soil recovery. A disappointed Mary Meillon complained in parliament:

> If we have learned no other lesson since commencing to irrigate our dry, flat country, we have learned that irrigation without drainage is self-destructive. To save our productive country from destruction from excess salinity we must act now.

The commission (Water Resources Commission [WRC]) promptly announced that four extra pumps would be installed at Finley, including two in the Retreat area. 24

Waterlogging and salination in the far south-west of the state and the need for urgent action were hot political issues in the approach to the New South Wales election of 1976, particularly so in the Wakool District where landholders had been trying to get something done about the problem for ten years. Supported by environmental and education lobby groups, who campaigned for its success, the Wran Labor Government formed on May Day that year, ending eleven years of Coalition rule. One of the first things the new government did was to call for joint action with the commonwealth government on salinity in the Wakool District and Tullakool Area. A government committee was formed and members were escorted about problem areas by officials of the Southern Riverina Irrigation Development Council (SRIDC) and shown ‘... land devoid of vegetation [and] turning into saline swamps. ... The trees [are] dead or close to it giving the area a depressing and demoralising appearance’. There were then 30,000 hectares where the water table was within 1.5 metres of the surface, some already sterile and with production affected in the remainder. Another 27,000 hectares existed where the water table was 2.5 metres or less below surface and rising. Committee members told parliamentarians that if nothing was done 170 farms would need to halve production in ten years and the Murray River would be highly saline. Urgent attention should be given to a system of pumping, dehydration and harvesting salt, as mooted by Freudenstein in 1974, about which nothing had been done because governments were shirking their responsibilities. Drainage was a huge problem in the BID. That District should be quickly divided into drainage zones with tube wells installed at Retreat and elsewhere. Farmers and environmentalists alike told the committee of the great frustration caused by continual ‘buck passing’ between federal and state governments, the former reluctant to accept responsibility for what it described as poorly designed state irrigation systems, the latter insisting that it was a ‘national’ problem. The result was inactivity, while farmers faced constant hikes in water prices and environmental damage worsened.

Still nothing happened. Early in 1977 Lin Gordon, the new Labor minister with responsibility for WCIC, announced that the New South Wales government would not proceed with the proposed Wakool Sub-Surface Drainage Scheme unless farmers contributed to capital costs, estimated to be $10 million. Furious southerners accused Gordon of ‘double standards’, charging that the state had designed a faulty system, particularly in respect of drainage, contributing to the problem, and should therefore accept the costs of restoration. Emotional headlines such as, ‘Wakool: Another Lake Eyre?’ appeared, and articles speaking of, ‘“Brine” ... extending over the area like a giant cancer. [Families] watch as their once productive land turns into salty-bare ground and stinking swamps filled with dead trees’. The press described a ‘cancerous growth’ in the Wakool, Burraibo and Tullakool regions where 170 farmers were
affected by salination requiring a multi-million dollar drainage scheme to avoid 'salting out altogether'.

Still there was no action. In the debates and political jousting which followed, the Australian Society of Soil Science forecast a future where Australians would ‘... inherit a series of salt water drains running through abandoned irrigation districts’. The society urged the Murray Valley Commission to set up an equivalent of the USA Tennessee Valley Authority to fight the problem. At a symposium on the hydrogeology of the Riverina Plain to consider factors influencing water and salt movement in the Murray–Murrumbidgee region, the Riverina branch of the society argued that:

• current irrigation practices would eventually lead to serious losses in agricultural production;
• new strategies and improved water management to stop the spread of salination were urgently required;
• some forms of land degradation could be controlled within a property, but individual farmers, generally, could not control salination efficiently because water management on surrounding areas influenced the sub-surface movement of water, transporting salt across property boundaries;
• unacceptably large amounts of seepage should not be tolerated;
• new methods must be found to reduce accessions to the ground water table in engineering structures, such as canals, and on farms themselves; and
• modification of the soil profile, such as deep tillage (then in vogue) and the addition of gypsum to improve productivity of non-rice crops, should be evaluated in terms of the possible increase of the movement of water through the profile to ground water during the rice phase in a rotation.

The society suggested that crops providing comparable returns to rice should be considered as a viable and effective means of the long-term control of salination. But what were they? No-one had any idea bearing scrutiny. Mike Spry of SRIDC said:

The community is unsure what to do. It's something that should never have been allowed to occur. [But] there is division among the ranks of this normally tight-knit little community. ... For years they have been avoiding telling the full story of the creeping disease in their district in the hope that land prices would not fall and something would be done to help them. One farmer told me — ‘It looks like every man for himself’.

In mid-1977, The Water Resources Act was again amended, empowering WRC to control the problem of salinity, especially in the Murray Valley. Acting Prime Minister Doug Anthony in the Fraser Federal Coalition visited the affected areas and was profoundly disturbed by what he saw, calling for another Murray River Commission report. But still no practical action was undertaken on the BID Sub-Drainage Scheme in the political 'shuffle' involving governments in Canberra, Sydney, Melbourne and Adelaide.

In 1978 the Murray Valley Development League repeated calls for urgent action on salinity to prevent the possible devastation of the Murray Valley, demanding that the River Murray Commission be given 'teeth' to act. The commission had existed for sixty years, the league said, and had been helpless to do anything to stop the ravaging of catchment land and deterioration of adjacent irrigation land to the point where much of it was useless. The noted Albury conservationist, Mick Clarke, described the commission as ‘... an administrative eunuch emasculated of any power and with no income of its own'. Addressing a conservation group in Adelaide, Clarke said the commission and other bodies, including state and federal governments, had been negligent in the administration of the Murray River and that notwithstanding the desperate urgency of the salinity problem, the River Murray Commission could not help overcome it even if it wanted to. Salinity was accelerating in both dry-land and irrigation systems to an extent which was alarming everyone except, apparently, governments. If farmers were encouraged and assisted to plant trees, the salt content of the soil would start falling, yet tree clearing by farmers still enjoyed taxation concessions! Research at the Melbourne University School of Agriculture and Forestry suggested that Coppice (Copse) Eucalyptus plantations, where trees were planted in clumps at wide spacings, could act as 'water pumps' and help restabilise salt by
mopping up excess ground water. The clearing of native vegetation in much of southern Australia had been a major factor contributing to ground water imbalances and increases in river salinity. This was because salt tended to form on land which had been cleared as a result of excess water percolation to underground aquifers and the mobilisation of salts stored in sub-soils. Coppice techniques could provide an economically attractive means of salinity control and would be less disruptive to agriculture than complete reforestation. The bigger the trees grew, the more salt would be removed from the ground. Moreover, a financial return could be achieved through planting suitable species. Deep drains into which salt was washed could also help mitigate the problem (diverting it elsewhere). Urgent, co-ordinated action involving state and commonwealth governments was required before it was too late to turn back the 'tide of destruction'.

As the rhetoric, reports and politicking continued, the problem was compounded by surface water remaining on Wakool land after heavy rains in the winter of 1978. After the Wakool Salinity Sub-Committee completed an urgent aerial inspection of the area, Committee President Bruce Robinson gloomily forecast:

In most cases between 40 and 60 per cent of these farms are under water. The present drainage problem is alarming because of the long-term affects. Because the underground water table is high — up to six inches in some cases — the water isn't able to soak away naturally. It will lie there until the weather gets warmers when evaporation will set up a capillary action drawing salt to the surface. The result will be that by next Autumn the salt on these farms will be up to 30 per cent worse.

Robinson called for a tube-well system to be installed immediately and this time there was action. Following release of the River Murray Commission Report, the commonwealth government announced grants for a River Murray Salinity Control Project as part of a $200 million national water resources program. A study by Maunsell and Partners, commissioned by federal, Victorian, South Australian and New South Wales governments, suggested that a corrective program would take twenty-five years to complete. Stage One of a proposed Wakool–Tullakool Drainage System, for example, could not be completed until 1982, would cost $27.5 million and involve $5 million a year in operational costs. All work was to be subject to commonwealth government approval having regard to design implementation and environmental impact. Further grants to the states for water resources development under a National Water Resources Program were expected.

In September 1978, the New South Wales government confirmed that work would start immediately on the First Stage of the Wakool–Tullakool Sub-Surface Drainage Scheme, costing $9.5 million over two years. The Water Act was again amended in October to allow drainage works in Irrigation Districts and the expenditure of more than $4 million in the Wakool region. The Berriquin Irrigation Committee then formed a Drainage Committee to establish a broad drainage policy, co-ordinate regional needs and work in co-operation with the shire council and any existing drainage schemes. WRC opened large administrative offices in Deniliquin early in 1979, marking an official start to a scheme designed to '… show the rest of the world that we can reclaim land that has been written off'.

Work on the Wakool–Tullakool Scheme proceeded hurriedly through the winter of 1979. A vast evaporation basin was constructed. Approximately 430,000 cubic metres of clay were moved into twenty-five kilometres of levee banks dividing the area into 100 acre basins. Workers completed two ten-hour shifts a day, including a night-shift carried out under lights in freezing conditions. The next phase, the siting of tube wells and laying of pipelines to evaporative basins, was progressing well. WRC envisaged the scheme would include eventually forty-eight tube wells and fifty kilometres of fibro-cement and concrete pipelines, the wells serving the dual role of reducing the water table and drawing saline water into the evaporative basin. The scheme would be fully operational by 1987 when twenty-three pumps would lift about 27 mega-litres of underground water per day, convey this to evaporative basins where it would be reduced to brine and salt for harvesting and sale.

Discussion of the crucial waterlogging and salination question is resumed in Part V, where the environmental impact of irrigated agriculture is considered as an agent of
change helping to drive a deregulatory process which radically reshaped the co-operative rice industry.
PART V

DEREGULATION
Chapter 40
‘A time of uncertainty and doubt’:

A shift in government thinking

1978/79 was a ‘good year’ for the rice industry, comparing favourably with 1974 in terms of prices and returns. However, production was down by 46,000 tonnes. Moreover, by March the replenishing rains of the sowing season had evaporated. Water supply was again uncertain in the Murray Valley, especially around Jerilderie. The Burrianjuck Dam on the Murrumbidgee River was only 18 per cent full and the Hume Weir on the Murray at its lowest level since 1968. Insufficient water was available for many Murray Valley growers to complete crops. Unused rice acreage exceeded 50 per cent in the south, contributing to a production plunge and renewing industry jitters about unused capacity and destabilising ‘staccato’ growth.

The Rice Industry Coordination Committee (RICC) considered the situation, looking at three options:
• obtain more water;
• rationalise approved areas downward with a phased admission of new growers; or
• drastically reduce the number of growers and rationalise the use of water.

Each seemed equally problematical. The limits to water supply had virtually been reached in 1977. Aggressive jockeying for access to Dartmouth Dam water when it became available around 1979 had already begun. Reducing the rice acreage available to existing farmers seemed economically unviable, given rising production costs. Reducing the number of growers was politically unpalatable. Radicals in the Berriquin Irrigators Committee (BIC), however, insisted there was a fourth option: permit the transfer of water entitlements to those who could afford to make best use of them. Water supply, BIC dissidents argued, should not be regulated by a farmer’s ability to pay but by the availability of water and its most profitable use. It was a compelling argument.

In April reasonable rains eased the water supply situation but too late for hundreds of southern growers to benefit. Frustration was high around Jerilderie. Near the end of May, Minister Lin Gordon announced the admittance of fifty new growers from the Murray Valley (51 hectares) and five from the Murrumbidgee Valley (73 hectares). The minister said he was personally opposed to the new permits, given the water situation, but had accepted a RICC recommendation for the additions recognising that, ‘Anything you try to make a province for the chosen is eventually overthrown. … It would be a mistake for the industry to become a “closed shop”.’ Speaking on behalf of the Berriquin Rice Development Association (BRDA), Doug Drew said he was very pleased that the minister was finally focusing on the south while insisting, in what seemed like a formula for sucking the rivers dry, that ‘… all restrictions on acreages and crops [should] be lifted because water [will] limit their production anyway’. Indeed, new permits were insufficient to mollify the Southern Riverina Irrigation Development Council (SRIDC). After many delays and much indecision, this council decided to proceed with action against WRC in the Supreme Court, determined to retrieve (now) $6 million allegedly transferred from the southern irrigation areas to other regions. Support, however, was still lukewarm. Only 70 per cent of affiliates responded to a circular seeking further contributions to a fighting fund and only a few actually contributed. In August, Alan Hawkins retired as SRIDC President and was replaced by Barrie Arnold, who had replaced Hawkins as president of BIC in 1976. Bogged down in legality, SRIDC’s court action did not enter the Supreme Court until late 1979.

In the interim, relations between WRC and southern irrigators remained strained, but were not entirely unconstructive, tension reduced somewhat by Gordon’s announcement that no further water price increases would occur in the 1978/79 season. The minister also supported irrigators against lobbyists who were calling for 30 per cent air space in Burrianjuck Dam to aid flood control. Nevertheless, a shift in government thinking was evident. In July, Gordon saw to the formation of a Murrumbidgee River Council, linking the Murrumbidgee Irrigation Advisory
Association, the Murrumbidgee Valley Licensed Pumpers' Association and the Murrumbidgee Valley Water Users' Association in an effort to combine horticulturalists and large-area farmers in Districts and Areas in a single organisation designed to rationalise and amalgamate functions and identify a 'valley position'.

The formation of this council is a landmark in the evolving relationship between government and the rice industry. No longer was water policy a negotiable matter between government and specific primary industries but one of government and the 'irrigation industry', regardless of commodity or location and in the context of a 'valley', or catchment area. The minister foreshadowed significant changes to The Irrigation Act, for Areas, and to The Water Act, for Districts, to be introduced in 1979, increasing penalties for abuse and strengthening WRC's capacity to determine water volumes supplied to occupiers of land. The commission would be empowered to issue certificates showing quantities of water supplied, which would be binding in any legal proceedings. The proposed amendments would also increase penalties for 'water theft' and alter the method of late assessment. (The commission was subsequently authorised to provide drainage in Districts.)

**Industry rigidities**

Meanwhile, opinion in the RGA Central Executive remained divided about deregulation of water controls and rice production levels. Graham Blight continued to call for greater production from existing production zones, that is, better yields to reduce unit costs and improve relative returns, arguing that high production was necessary not only for farm profitability but to service industry facilities. Scattering the industry over a wider geographical area and letting more farmers grow rice was not the answer to production shortfalls. Such an approach, he believed, had led to the parlous water situation in the Murray Valley and this must be avoided at all costs in the Murrumbidgee Valley. Now that the government had virtually called a halt to further irrigation, higher production was the key:

> Our survival over the last few years is a direct result of carefully increasing each grower's right to grow more acres. Now that the limit has nearly been reached our survival will depend on increasing our total farm tonnage through better farming methods. Once again it will be our individual capacity to lift our production that will allow us to survive. Certainly any production increase will have to be contained within the plans of the total industry.

Nevertheless, in the interests of greater flexibility and predictability, RGA instigated a trial scheme of rice permit transfers between related holdings on the MIA (not Districts) in order to evaluate benefits, if any. The Central Executive was adamant, however: under no circumstances would the transfer of water between farms be countenanced; the nexus between property and water entitlements was sacrosanct.

Farmers facing hard times outside the industry had difficulty in understanding this: rice was producing better returns; they possessed soil suitable for its cultivation; they had access to irrigated water and a capacity to pay for it; why should they not grow rice? Who was to tell them what they could and could not grow? Here was a dilemma for an industry owned and controlled by farmers, on the one hand, and a commission responsible for equitably managing a public resource, on the other. The only way through appeared to be deregulation, but was this politically achievable?

Alert to the possibility of an uncontrollable rice production 'break out' with disastrous consequences for the industry and Riverina communities, Graham Blight again urged caution at the 1978 RGA Conference. He believed that about 550,000 tonnes was the optimum production level, given prevailing markets and costs, and asked growers to exercise voluntary restraint to help avoid an 'industry embarrassment'. Answering criticisms about the industry's apparent inability to forecast accurately, Blight said that forecasts were difficult because of the water situation, variable yields between growing areas and hazy knowledge about growers' intentions. When growers were uncertain about water supply, as they had been in the past season, they tended not to exercise the rice option, making tonnage prediction almost impossible. RGA would begin annual surveys and build up a statistical profile to improve forecasts, but ultimately the capacity of the industry to grow varied as the quadrangle of water, markets, costs and environment permitted. The ability of the industry to accept new growers was, and always would be, determined by these factors.
When the minister announced that he had accepted a RICC recommendation not to allow any more new growers for the time being, to give the industry ‘a period of stability’, BRDA protested strongly. Doug Drew pointed to the fact that the industry had comfortably received an additional 150,000 tonnes in the 1978/79 season in arguing that this implied ‘... current area controls may no longer be necessary’. When the Dartmouth Dam was completed later in 1979, Drew continued, BRDA expected 300 new ricegrowers in the Murray Valley with access determined by water availability and soil suitability, not industry rigidities. If those rigidities prevented participation, they should be removed.

Concerned by divisive pressures building in the south, the new RMB Chairman Russell Emery issued an impassioned plea for unity, warning the industry that:

... it could find itself facing fragmentation because of opposing forces of growers.
... This will come about unless there is greater co-operation from growers and agreement on growing areas of rice which are viable for themselves in the industry. [Otherwise] a situation could arise where the state's rice industry could find itself in a “three-way stretch” comprised of the opposing forces of large scale producers on multi-holdings, small producers on marginally viable holdings with limited water supply, and individual holding producers not using their full potential for which land and water were available.

'The fragile shell we have built around ourselves'

Farmer demands for entry to the rice industry and the removal of 'stringent controls' continued to be voiced volubly through BRDA, SRIDC and BIC. So it was that at the 1979 RGA Annual Conference in Coleambally, Graham Blight confronted the issue head on. Those advocating the abandonment of controls were:

... blissfully ignorant of our tenuous situation. Expansion is only justified when we are confident that long term profitable markets are available. Under the present conditions that philosophy will not alter. ... The industry exports 90 per cent of its produce on to very competitive markets and has to store and mill a perishable product at a standard better than anyone else in the world. Further, it has to operate profitably in one of the highest cost countries in the world.

Those who are not paying our bills have hallucinations about the size of our rice cheques. I can assure them that the ricegrowers' relative position over the last ten years has declined even though we handle more money. I have commented many times about the fragile shell we have built around ourselves for our protection. ... This association will take every step to see that we will continue the industry at a proper, long term beneficial level for present and future growers. ... Production control is necessary to protect the storage, milling and marketing sections of the industry so they can in turn support the producer.

Our marketing success has developed over the years because we are regular suppliers of a quality product. If we produce more than our mills can effectively handle, that long fought for privileged name will quickly decline. We can only survive by selling at the top of the market. To sell low quality rice ... would relegate us as farmers to peasantry and that possibility would be totally unacceptable to us and to the community.

Mills and storage are expensive and take time to construct, so proper long term industry planning is needed. ... Our real strengths in this industry are unity and control. Fought for over many years those two attributes are the envy of every agricultural industry in Australia [and] must be vigorously developed and protected.

The success of this industry ... is significantly responsible for the continued survival of the irrigation systems and their supported communities. Show me another irrigation system that supports so many towns, industries and their people. Rice is the greatest "community crop" in Australia as well as being a positive contribution to our national well-being.

This Coleambally speech was one of Blight's most powerful. Nevertheless, the impact was blunted by a WRC announcement that water prices were to increase by 15 per cent for the 1979/80 season. Blight and RGA protested strongly, describing the
increases as a serious breakdown in relations between the minister and the industry, nothing but a 'tax' imposed by WRC because of poor water sales in the previous season and designed wholly to enhance commission revenues. How could WRC justify such an increase while production costs were soaring, urea was up by 41 per cent, aviation fuel by 60 per cent, and the federal government budget had cut rural spending by 20 per cent. Growers simply could not afford the increases. The association believed the rice industry was 'under attack' for political reasons.

When Minister Gordon calmly replied, however, that there were any number of farmers willing to pay increased prices for water for the privilege of entering the rice industry, RGA was obliged to tone down its attack.

Changing terms of trade

Yet the fact remained that ricegrowers' terms of trade were changing markedly for the worse with possible grave implications for Riverina communities. The MIA, the CIA and Murray Valley irrigation systems were the oldest and largest in New South Wales, accounting for 70 per cent of the irrigated area and 20 per cent of all New South Wales agricultural production (worth $300 million annually in produce alone). The gross value of irrigated products in the Murrumbidgee Valley amounted to $160 million, with each dollar earned generating a further $2.40 in associated 'flow-on' activities in the region. By 1980, 4,657 people were employed directly in what was now referred to as the Murrumbidgee 'irrigation industry', generating a further 11,168 jobs. Household incomes of $42.9 million on irrigated farms in the Murrumbidgee Valley generated a further $128.8 million in associated activities with irrigation responsible for 20 per cent of all output and household income and 28 per cent of all employment in the region. On the New South Wales side of the Murray Valley the combined value of irrigation production with multiplier effect was $434 million (a figure lower than the Murrumbidgee because of the southern valley's division into New South Wales and Victorian portions). Irrigation production flow-ons and associated industries amounted to 31 per cent of regional output, 30 per cent of regional income and 31 per cent of regional employment. Irrigation was vital to the regional economy of the Riverina and rice was still the major commodity produced, accounting for 41 per cent in the Murrumbidgee and 34 per cent in the Murray Valley (excluding fruit and vines).

However, despite continued improved productivity on rice farms, grower incomes were actually declining. A tendency towards farm aggregation continued but land values were now falling as more farmers, facing sluggish markets, capital losses, mounting debts and, in some cases, rising water tables and salination, sold up. In 1981, there were 1,737 rice farming businesses in the Riverina. Six years later, notwithstanding the entry of hundreds of new growers, there were only 1,275. Fewer ricegrowers, many new to the industry, were working larger tracts of land. While farmers in the south faced water uncertainties, northern farmers, attempting to expand their scale of operations to maintain viability, often found themselves 'landlocked' by WRC Home Maintenance Area (HMA) regulations, which required purchase of a whole new irrigation block for purposes of aggregation. With interest rates and costs climbing, frequently purchases were too big to assimilate, placing growers in a financial predicament. In this context, it was understandable that regulations controlling transferability of irrigation entitlements, water access, land tenure and ricegrowing entitlements should come to be perceived as unnecessary constraints on efficiency.

Farm costs, which rose strongly and persistently through the 1970s, increased by a further 53 per cent in the six years to 1986. Interest rates and machinery costs rose most sharply, but water was still the biggest single cost item for ricegrowers. In government circles traditional methods of determining the value and allocation of water came to be seen as unacceptably 'ad hoc', an obstacle to sensible planning, providing potential triggers for legal action against WRC, which the commission did not feel confident of winning and reluctant to engage. Moreover, the question of responsibility for land degradation was emotional and politically charged. Governments were vulnerable to allegations of environmental irresponsibility. More farmers were simply choosing not to sow rice, concerned at falling profitability and/or environmental problems which, they insisted, were caused by poorly designed irrigation systems and the commission's habit of authorising rice cultivation on unsuitable soils. Gravely concerned at the financial and political implications of
litigation on these issues, and anxious to avoid any question of culpability, the only line of action apparently open to WRC was to beat a retreat from areas of traditional responsibility.8

Environmental issues propel deregulation

Another scare went through the rice industry in the 1978/79 season when many crops showed ‘peculiarities’ believed to be caused by chemical residues from a WRC channel weed eradication program. The media picked up the issue, raising alarm about water quality in irrigation systems. Seeking to steady the situation, Lin Gordon accused the media of exaggeration but promised a full inquiry. RGA Secretary Bruce Caldwell advised the commission to exercise greater care in its eradication program while insisting it should police the 1978 Pesticides Act properly to ensure that all farmers and authorities realised their responsibility.9

Meanwhile, the waterlogging and salination problem worsened. By early 1980, WRC Commissioner J B Cuneen was declaring:

There is a conflict between ricegrowing and salinity and ground water control. ... It must be expected that the increase in areas of rice in recent years will accelerate the rate of rise of ground water and the consequent occurrence of salinity problems. ... It will be necessary to exercise stringent controls as to where rice is grown.

Acknowledging that rice-producing zones would need to be dispersed sensibly in respect of soil suitability, Graham Blight broadcast:

Although both water and suitable soil have become significant limiting factors ... we should look forward to technological developments which will enable growth and economies to develop on the current day rice farms. It can also be acknowledged that ricegrowing will continue to spread throughout the Irrigation Region.10

Quickly, farmers in locations where ricegrowing did not occur declared their farm’s eligibility in respect of soil suitability. The Yanko Creek and Tributaries Advisory Committee, for example, began to lobby more vigorously for ricegrowing in the Yanko –Colombo–Billabong Creek system. Yanko and Tributaries Group President Hunter Llandilo, who had worked with Bruce Holloway and Doug Drew to introduce ricegrowing in Deniliquin and the BID in the 1960s, demanded water use flexibility arguing that the industry had tried to stop ricegrowing in the BID and that:

The old restrictive policies of the rice industry have, I believe, been wrong and detrimental to the industry as a whole and to others less fortunate who are not licensed to grow rice at all. Restrictions on the growing of basic foods should only be considered when markets are unavailable, soils unsuitable and water unobtainable. Arbitrary restrictions limiting the uses that landholders can make of irrigation water have come under increasing scrutiny and challenge in recent years.11

Pursuing a ‘suitable soils’ line, Doug Drew deputised RICC seeking permission for new growers in the 1980/81 season. Some farmers had been waiting to grow rice for eleven years, he said. The farms involved were close to existing facilities, farmers were prepared to share storage costs, banks ‘smiled’ on rice, the completion of the Dartmouth Dam in 1979 had improved the water situation in the Murray Valley and there was now absolutely no reason why new growers should not be admitted.

Accepting these arguments, in May 1980 RICC and WRC agreed to admit 150 new ricegrowers for the 1980/81 season. Doug Drew described this as a BRDA ‘triumph’. RICC President Ian Davidge congratulated them but warned that the commission would give no assurance of 100 per cent water entitlement and advised growers to consult widely before committing themselves to the total area permitted. At the same time, Davidge made it clear that the Central Executive endorsed a WRC promise to crack-down on farmers attempting to ‘traffic in water’, that is, the transfer of water entitlements in a market. It was apparent that RICC, which enjoyed good rapport with Minister Gordon, was endeavouring to make the rice permit system as flexible as possible, while maintaining sensible control over the direction and pace of growth.
After RGA made it known that the association endorsed a commission request for growers to sign an indemnity clause covering it against inability to supply water, there was adverse reaction in some branches, where this was interpreted as meaning that irrigators no longer had automatic guarantees of water supply; no longer possessed 'water rights'. This was not yet the case, but certainly it was no longer inconceivable.¹²

States' rights issues and water controls

That automatic guarantee of irrigation water supply no longer existed was already possibly a correct legal interpretation of the real situation. By 1980 the New South Wales and South Australian governments were locked in bitter legal combat over River Murray water supply and quality and the autonomy of the former in controlling water arising in a natural catchment crossing state borders was subject to constitutional uncertainty. The South Australians, concerned at continuing demand by New South Wales farmers for ricegrowing rights and the possible impact of this upon water supply and quality in the southern state, protested strongly to the federal government seeking to restrain WRC under the federal Environmental Planning and Assessment Act (1979) and have at least 200 New South Wales pumping licences declared void. The argument was compelling: if markets did not exist for Australian rice exports, as rice industry leaders kept telling everyone, why produce it? In such a fraught political climate, WRC was obliged to determine precisely its legal burden in respect of granting irrigation licences under the terms of the River Murray Agreement if only because of the negative reason that the New South Wales share of a $150 million multi-state salt mitigation program under that Agreement was to be $47 million. Clearly, if the salination problem worsened and WRC was held responsible by dint of its licensing laws, that contribution would almost certainly be increased.

Adelaide demanded that Sydney desist from granting any further pumping and irrigation licences, especially for rice along the Murray Valley, and rapidly place the necessary investments for the improvement of drainage, pumping and desalination works under the Agreement. The South Australians also pressed for transfer of control of water resources from the states to the new commonwealth Murray–Darling Authority, going so far as to threaten to cut-off natural gas supplies to New South Wales if WRC did not ban further irrigation along its section of the river system. Responding, the New South Wales Wran Government hurried a rather cynical Water Amendment Bill through the Legislative Assembly restricting objections to the issuing of irrigation licences to two categories: local occupants of a proclaimed local area; and New South Wales statutory authorities, instrumentalities or government departments or ministers; but not 'interstate' authorities. The bill, subject to numerous amendments and party politicking in the Legislative Council, was not proclaimed until late 1981. In the interim uncertainty about WRC's legal position in the granting of irrigation water entitlements continued. This, and the expectation of a federal arrangement limiting commission powers, may account in part for the large number of rice entitlements recommended by RICC and acceded to by WRC at this time.

'A state of reflection'

Meanwhile, the Department of Agriculture was 'rocked' by a major restructure. Following his appointment as Minister for Agriculture and Minister for Decentralisation, Jack Hallam, formerly a ricegrower from Beelbangera, near Griffith, formed an Advisory Unit directly responsible to himself. The minister immediately set about restructuring the department, transferring authority from Sydney to five regional offices, including Murray and Riverina regions, each operating on separate budgets but responsible to Deputy Director K Sheridan. This provoked indignation within the department, resignations and retirements.¹³

As the restructuring proceeded, for the first time RGA elected a southerner as president: Greg Graham, a former president of SRIDC and also a member of the Deniboota Landholders' Association, the Murray Region Development Board and a Jerilderie Shire Councillor (president for four years). Southerners, demanding change on water policy, now had the numbers and the influence to effect it.¹⁴

It was a time of great upheaval: the government sensitive to environmental concerns; WRC uncertain of its legal position; the Department of Agriculture undergoing radical restructuring; farmers reeling in a cost-price squeeze; and RGA now led by a
southerner. Moreover, water supplies in most major New South Wales storages were reaching a critical, low level.

By January 1981, it was evident that a great drought was looming, foreshadowing the possibility of further acute water shortages. Hot summer temperatures suited the rice plant, however, growth was vigorous and a huge crop in excess of 700,000 tonnes was expected. Indeed, a record 734,000 tonne harvest came in that year. Heavy winter rains temporarily relieved the water shortage but caused new problems with flood damage and levy bank destruction. Several illegal and unlicensed irrigation works sprang up to 'harvest' these flood waters and WRC was helpless to do anything about it. Pointing to this fact Central Murray Flood Mitigation Committee Chairman David Gore said that WRC powers under The Water Act (Districts) were clearly inadequate and that the commission's capacity to confine water control to its charter was diminishing, or at least, legally doubtful. There were only two options: ramify the controls or retire from them altogether. Each was politically problematical. In response the government appointed a State Water Advisory Committee to prepare a submission recommending legislative change.15

The 1981 floods also highlighted a far more serious problem with BID Drainage Committee Chairman Stuart Cameron noting:

We are faced for the first time with a widespread water table within centimetres of the surface, even on high sandy rises. We are realising the full implications of farming with a surface water table. Irrigation farming is now cost and work intensive. Every irrigation farmer must now come to terms with funding a whole new concept in farm layout and irrigation practice based on technology now becoming available.

It was widely believed in the BID that waterlogging would give way to summer evaporation with capillary action depositing salt over a wider land surface leading to a plunge in land values (not to mention the environmental cost). Extensive media coverage saw public attention focused on the problem. Images of extensive die-back appeared in the media. Irrigation and the 'cancer' of salination were linked in press debates. Land degradation; how to prevent it and who should pay; became thorny political and legal matters. Politicians kept dodging the issue, engaging in political damage control, or contriving expedient solutions in response to powerful lobbies, with an eye to the ballot box.16 Ricegrowers applied numerously to WRC for permission to transfer ricegrowing approvals from one irrigation system to another, ostensibly to counteract waterlogging and flood damage, the commission sympathetically viewing each application on its merits.

Mike Spry (a former secretary of SRIDC) believed there were now signs of a significant switch in ricegrowers' thinking; that the industry was in 'a state of reflection'. Growers, he believed, were starting to ask themselves, 'Are we inevitably reaching a stage where a major change of direction in the future of the industry is indicated?'

Spry perceived four issues under consideration. First, was the question of increased acres for rice to ensure adequate production and the reduction of unit costs. Second, was the dilemma of water limits to production and the capacity of the rivers to cope with expansive increases in rice production. Third, were the questions of rising water tables, drainage and salinity problems. Some ten to fifteen years ago, Spry noted, soils to the eastern end of the Murray Districts were considered unsuitable for rice. However, political pressure was mounted to grow it there, resulting in a relaxation of the previous 'rigorous requisites' in respect of soil types and rotation cycles. Now it was a case of 'cure' rather than 'prevent'. The fourth and final question, was the demand for entry to the industry by licensed pumpers and irrigators in other parts of the state. Established growers were understandably apprehensive, Spry reasoned, for they had built a successful industry but the perception had arisen that WRC was now favouring 'opportunists'. Be this as it may, 'outsiders' would eventually need to be accommodated to the extent that the established industry was incapable of producing what was required. 'There seems little alternative but to accept growers from other water supply systems', Spry said, convinced that the industry would necessarily become more widely geographically dispersed.
Paul Landa: Minister for Water Resources

In September 1981, Labor posted a resounding victory in the New South Wales elections, securing a strong mandate and signalling an intention to use it. In a surprise switch, Lin Gordon was replaced as Minister for Water Resources by Paul Landa. The appointment upset many who thought Gordon was doing a good job and had voted for the government assuming he would continue. They felt tricked. The new appointee was no son of the bush, but a silver-tongued eastern suburbs lawyer. Clearly, the era of ‘good old boys’ in politics was over, Landa’s appointment symbolising in practical form the way things were heading in respect of water policy and irrigated land use. Enormous change was coming and the government was preparing itself for litigation. A new age of pragmatism, jurisprudence and environmentalism had begun. 17

As was customary, RGA President Greg Graham met the new Minister for Water Resources soon after the appointment, Graham wishing to discuss water assurances, head water storage and increased government assistance in combating salinity. The minister was cautious and non-committal telling Graham that unfortunately WRC could not guarantee water supply to all who sought it. The water simply did not exist. He realised that indemnification against non-supply was a contentious issue in the rice industry, but was powerless to do anything about it; the cost to the state for conserving and supplying water, according to a consultants’ preliminary report, amounted to about $70 million per annum. In addition, the state was committed to a big federal salt mitigation program and had already devoted $9.3 million to that. All irrigators, including ricegrowers, would be required to shoulder their share of the burden. The minister was sorry, but, in this context, no ‘special’ relationship existed between ricegrowers and WRC.

Completing the ‘chronological list’

Landa’s appointment and growing impatience among particularly Murray Valley farmers to enter the industry may account for what appear to be contradictory signals emanating from the rice industry in late 1981. Prices for rice, good for most of the year, plunged by one-third in the second half and were still falling in early 1982. Though Ian Davidge described the outlook as ‘not over exciting’, RICC recommended a rapid completion of the ‘chronological list’, inviting 200 farmers to join the industry. There were 155 acceptances, 140 from the Murray Valley and 15 from the Wah Wah District in the north. While stressing orderly progression, Davidge believed, ‘We are now able to plan with confidence for the regular and ordered introduction of new growers into a strong and co-operative industry’. RICC, which had previously favoured acreage build-up for existing growers and introduction of new growers as markets allowed, now appeared to be opting for as rapid a completion of the ‘chronological list’ as possible. The strategic purpose seems to have been a response to anticipated changes in WRC policy signalled by Landa’s appointment and made good political sense, improving internal rice industry relations while enlarging and unifying ricegrower ranks for the fights to come. Nevertheless, it was risky, as the market outlook was very doubtful. 18

A rice glut

Following a disappointing start to the season, the 1982 crop produced a new record, an 830,000 tonnes avalanche, up 96,000 tonnes on the previous year. RCM had no trouble in clearing the crop but returns were down by 40 per cent. Moreover, it was impossible to hold anything over in expectation of improved prices since rising costs and interest rates made this prohibitive. As usual some criticised the co-operative for being poor marketers. The fact was record crops were also produced in the northern hemisphere that year; 411 million tonnes; and previously importing nations were exporting, even South Korea. Here was an invidious situation: a rice glut developing as one of the worst droughts of the twentieth century was building in South-Eastern Australia and public disquiet arose over the environmental impact of irrigated farming.

International rice markets slumped with prices the lowest for years, falling from US$535 a ton to US$290 a ton in about twelve months. No-one knew when the free-fall would end. Imports had increased appreciably since 1978 following the federal government’s optimistic commitment to GATT and removal of the small tariff on rice imports, which had existed since the 1930s. Rice from Taiwan, China and Thailand
was now being imported in volumes and at prices RCM had great difficulty in matching.

In this context, the Canberra-based wine and tea merchant, Richard Farmer announced that he was going to 'take on' what he called the rice industry 'monopoly'. 'Rice', said Farmer, '... will be great fun, an amazing scene. ... Local consumers are subsidising exports'. Soon foreign rice was appearing in quantities on supermarket shelves, including on the MIA. Quite apart from the added competition this represented, the spectre of diseased rice entering the New South Wales industry again loomed as a possibility. RGA protested to the federal government that quarantine regulations must be tightened and requested the formation of a committee to review imports, which were 'threatening the $150 million per annum Australian rice industry'. The government was non-committal.

**A state water plan**

By mid-1982, half of Australia was in the grip of a dreadful drought. The dry winter saw Burranjuck Dam 49 per cent full and the Hume Weir 29 per cent full at the beginning of the irrigation season. With an unprecedented demand for water anticipated, water rationing was introduced. Deniliquin irrigators, for example, were reduced to 85 per cent of allocation. There was grandiose talk in Sydney of turning coastal streams inland; for example, the Snowy River below Jindabyne, the Clarence and Tuross Rivers.

In August, WRC announced a review of all water charges. Costs had risen by an estimated 63.5 per cent, Commission Engineer John Blainey explained. The commission must respond to 'strong public pressure' to apply the 'user pays' principle to irrigation water and recover the '... operating costs of the commission and the interest and repayment of capital costs of structures based on an economic life of fifty years'. Echoing Minister Landa, Blainey alleged that the public was subsidising rural water conservation and supply to the tune of approximately $70 million per annum and that irrigators 'paid the least' in relative terms. An effective way of making people conserve a scarce resource was to make them pay for it, the engineer said. Permanent transfer of water rights was also under consideration, SRIDC at that moment preparing a submission to the commission for the '... open transfers of water allocations between holdings for the 1982/83 season'. Hinting darkly at what he called a '... reduction in the level of security in the well-endowed Murrumbidgee and Murray valleys', Blainey said this was necessary to free-up water for other users, including new irrigators, industries and towns. Consideration was also being given to a 'supply fee', additional to water charges. Details would be spelled out in a State Water Plan '... for all users' present and future requirements'. This was a Paul Landa priority and would be tabled in parliament sometime in 1983.

Rumours about WRC plans to make water users meet all capital and recurrent costs associated with water use spread like wildfire. Increases of between 100 per cent and 1,700 per cent were mooted to be in the government pipeline. Such a policy, if effected, would add between $35 and $40 million per annum to the ricegrowers' water bill alone. Minister Landa dismissed the rumours as 'speculation', but did not deny them outright.

Not surprisingly, the RGA Annual Conference at Wakool in 1982 was a sombre affair: costs were up, rice in a slump, returns plunging and now, government threats to make irrigators pay for capital investments in dams and supply systems constructed long ago. Rice would be unprofitable if such a sweeping 'user pays' principle were applied with markets in their present state. Still no viable alternative to rice in the Riverina had been found '... because of the physical and chemical problems associated with the irrigation of finely textured soils'. The industry had stabilised the incomes of 45,000 people in the region and, if rice collapsed, President Greg Graham said, the whole Riverina would suffer. 'It is a time of uncertainty and doubt', he concluded gloomily.

Soon after the RGA Conference, Minister Landa unexpectedly visited the MIA seeking to repair some of the political damage being done by rumours. Dismissing them as 'scare mongering', he nevertheless made it clear that the government intended to defray an estimated $70 million subsidy allegedly provided to rural water users. 'While the importance of the rural community should not be underestimated', Landa said, 'they should be run like businesses'.
Farmers, meanwhile were not idle. Water user groups met in Griffith seeking a postponement of the proposed increases and an opportunity to negotiate. Other farmer groups held big meetings in Dubbo and Forbes calling upon the government to abandon the idea of calculating capital costs into water prices. A fighting fund was organised. After stormy scenes in state parliament the government undertook to postpone increases ‘for the time being’. Nevertheless, in November water prices were raised by 11.1 per cent, ‘in line with the CPI’.25

**The Irrigators’ Association of Australia**

In February 1983, the Irrigators’ Association of Australia (IAA) was formed (Secretary Jim Coulthart) including as affiliates RGA and SRIDC. The association canvassed national membership and levied members to conduct a socio-economic survey demonstrating the value of irrigation and refuting claims that irrigators were the sole beneficiaries of irrigated farms.26

By the summer of 1982/83, a terrible water shortage existed, the lowest ever recorded. Acknowledging this, WRC agreed to a SRIDC submission for permission to transfer water allocations, but for that year only, in order to save crops. The excessive use of river pumping was curbed through the clever device of increased electricity charges. Anticipating higher water charges, water restrictions and continuing low prices for paddy, farmers reduced the area planted to rice in the 1982/83 season by 60 per cent, down to 72,000 hectares. Anticipating a massive drop in production, in excess of 335,000 tonnes, dramatically reduced Riverina incomes were expected, exposing the rice industry to even greater financial strain, all of this in the context of an officially sanctioned transfer of water entitlements existing.27

**Death of Greg Graham**

On the very first day of the year RGA President Greg Graham, still in his mid-fifties, died of a heart attack on his family farm. On a scorching day a sad and disconsolate band of ricegrowers joined grieving family and friends in a packed St Andrew’s Uniting Church in Deniliquen for the funeral. The state was virtually a ‘dust bowl’. A mood of pessimism was sweeping the growing areas. Mourners reflected on the situation: the prospect of a new rural depression; world commodity prices collapsing; a rice glut; a late crop expected because of a cold snap in September; a high incidence of ‘dead heads’; huge reductions in rice planting; many farmers abandoning crops; insufficient water to go around (Berriquin was the hardest hit); rice being cut for hay (and fetching good prices in the drought); and SRIDC, BIC and RGA frantically lobbying the River Murray Commission and the Snowy Mountains Council to release more water from alpine storages to improve river flow and prevent further losses. Graham’s words, ‘It is a time of uncertainty and doubt’, spoken recently at Wakool, echoed like the walls of an empty dam. In buckling heat, several mourners repaired to a Deniliquen club for a drink. Graham Blight jumped on to a chair and told them, ‘You need me to lead you’. Some thought this display of ambition in poor taste, but most recognised that, with the industry teetering on the edge of disaster, strong leadership was required and, with all his faults, Blight would never shy away from a fight. Blight was duly re-elected president of RGA.28

**A rural recession worsens**

Farmer jibes about Minister Landa being ‘out of touch’ were literally true that parched summer with the eastern suburbs sophisticate holidaying in Europe. In his absence, the former Minister for Water Resources and Member for Murrumbidgee Lin Gordon received special attention from farmers. Why did the government seem determined to hit primary producers with massively increased water charges? What was the Member for Murrumbidgee doing to prevent this? Gordon claimed that he was actually the architect of new government water policies, claiming that they were influenced by RGA ‘... requests for a more aggressive use of stored water’ and saying that ricegrowers had punted for an increased acreage in times of plentiful water supply, resulting in significant additional permissible acreages, permanent and temporary. This was true, if reference to the ‘chronological list’ was any guide. Moreover, the value of rice farms had almost quadrupled in his period as minister, Gordon continued, and the commission had got more water through the reticulation system than was ever thought possible. Ricegrowers had enjoyed a record term of prosperity and had the capacity to pay.29
Gordon's argument was convincing but hardly helpful in the deteriorating economic conditions and confirmed a view in the rice industry, valid or otherwise, that the government was not listening. Meanwhile, The Australian Financial Review was broadcasting that the outlook for rural property in 1983 was perhaps the worst since the Great Depression of the 1930s, presenting a 'frightening scenario'. Without good rain, the newspaper opined, the rural sector faced collapse. The recession had deepened in the previous six months while the drought had worsened. Farm incomes had fallen dramatically, by 30 per cent in the first half of the year, and by 33 per cent in the second half. Huge increases in farm indebtedness were recorded up from $4.7 billion at 30 June 1982 to $5.5 billion barely six months later, in which time New South Wales had witnessed a loss of rural production amounting to $1.5 billion. Farm values plunged by record levels; by almost 16 per cent; and the decline was expected to continue even if rain came. Farm incomes were in negative figures, trading customers were being lost and there were international stock piles in most commodities. The Australian exchange rate further hindered competitiveness. Large investors were pulling out of the rural sector. The only area of strong demand was coming from overseas buyers looking for cheap Australian farms. Meanwhile, with a United States election looming in 1984, American farmers had mobilised to tear chunks out of established Australian markets through an Export Enhancement Program (EEP) and other concessional finance arrangements.

Paul Whelan: Minister for Conservation

Noisy calls for Landa's replacement arose in parliament with National Party members Wal Murray, Roger Wootton, Ian Armstrong and Tim Fischer, urging Premier Wran to give the Water portfolio to ‘… someone concerned with the plight of country people’. Indeed, in late January 1983, Landa was appointed Attorney-General and Paul Whelan, another solicitor, was appointed Minister for Water Resources with responsibility for Forests and Aborigines. The government had yielded to calls for change, but the accent on jurisprudence remained.

A water crisis

By late summer 1983, New South Wales agriculture was again facing a water crisis: Blowering Dam was at 1 per cent capacity and Burbinjuck Dam at 7 per cent capacity. Water levels in the Murrumbidgee River had fallen dramatically. At least three years of good rains would be needed to replenish the dams and rivers. The Dartmouth Dam was showing its worth on the Murray, but, even so, WRC would give no undertaking that irrigators would receive allocations. The new minister did, however, approve a RGA-orchestrated voluntary pool in both the Murrumbidgee and Murray valleys, allowing growers to ‘donate’ water in an effort to save 200,000 tonnes of produce worth $30 million, threatened by water shortages. An RGA delegation, consisting of President Graham Blight, Vice President Ian Douglas of Caldwell near Barham, and Secretary Bruce Caldwell, was also successful in having the Snowy Mountains Council release more water into the system to improve the available flow. In this serendipitous way, the tendency towards a more permissive water allocation regime proceeded.

In the heat and dry, tempers frayed. Accusations of 'irrigator wastefulness' filled newspapers along with rancorous allegations of WRC 'incompetence'. An ABC Countrywide program on 9 March, for example, was particularly critical of the commission. Minister for Energy Terry Sheehan, irritated by irrigator demands for hydro-electricity water, lashed out, alleging that irrigators in the MIA assumed that water ‘… was an unlimited resource. … At the moment you wouldn't know there is a drought on in the Griffith area as everything is so green and so much water is being used.’ Sheehan flatly refused to release additional water from Talbingo Dam and insinuated that irrigators were whingeing with no just cause. Disagreements erupted in parliament and even on the MIA itself about the merits of rice growing in a drought. Riverina Industry Development Council (RIDC) Chairman Bill Blacker, for example, agreed that, ‘We have a natural disaster on our hands’, but believed that water was being wasted by over-production of rice, saying that his council would recommend to the government that rice production be curtailed for two or three years while dams in the Snowy Mountains were replenished. During this time, Blacker continued, ricegrowers should be re-educated to produce different crops such as soy beans, corn or mung beans; alternatives requiring less water but more labour, bringing additional people into the Area.
RGA reacted strongly to the Blacker thesis, writing to Minister for Industrial Development and Decentralisation Day registering a lack of confidence and urging his dismissal, bringing strong rebukes along party political lines from some quarters in the approach to a federal election. President of the Mundowey–Lake Mejum Association Bill Letheran, for example, considered the RGA correspondence ‘insulting and arrogant’:

The RGA have a totally unjustified belief they are the harbingers of all wisdom relating to water use in the Murrumbidgee Valley. This belief is carried to such an extent that no-one else is allowed to express views which conflict with them.

A slanging match for and against the Blacker position followed in MIA newspapers. By March, RIDC Chairman Bill Blacker had been replaced by Jim Lacey as strong opinions about ricegrowing in respect of water use and possible long-term environmental impacts continued to divide the community and the great drought glared on mercilessly.34

A Federal Labor Government

With a federal election approaching, political pledges and jockeying continued. The Fraser Coalition Government promised $640 million for water resource development over the next five years. After Labor dumped lacklustre Bill Hayden for the charismatic former President of the Australian Council of Trades Unions (ACTU) Bob Hawke and swept to power in a landslide victory on 6 March 1983, the new government immediately announced that it would scrap much of the water resource program promised by Fraser and give priority to urban water supply. Nevertheless, work on the Coalition’s ‘Water 2000’ Report would continue to investigate possible sweeping changes to water use policies, which would become a blueprint for federal action for years to come. A National Conservation Strategy would describe ‘sustainable’ levels of water use, strategies for avoiding pollution, and recommend water pricing policies encouraging this. Sharper attention would be given to water use at farm level, greater emphasis on efficient management of water and there would be a shift away from big construction works toward transferable water rights enabling supplies to be channelled to the most profitable users encouraging improved irrigation methods. In addition, the research effort in water use and conservation would be enhanced. Naturally, big price increases could be expected. Then the heavens opened and the drought broke, some irreverently suggesting that the popular new prime minister had personally ordered this himself.35

New concepts of water administration

The good rains of March and April were welcome, but made for the wettest rice harvest (1982/83) in ten years. Lodging and sterility were widespread in paddy fields which were little more than churned bogs. The arduous task of getting the rice off dragged on until well into July interrupted by vicious hail storms at Whitten, Kooba and Willbriggie. Even so, with production down over 40 per cent (to 498,261 tonnes), prices still low and rice incomes predicted to be halved, farmers still clamoured to enter the industry as virtually all other commodities were in a worse position.

Ignoring National Party protests that additional acreage was unwarranted, RICC successfully negotiated with WRC for a further 170 rice licences in the 1983/84 season: 160 in the Berriquin Irrigation District and ten in the Murrumbidgee Valley. These permits, which completed the RGA’s ‘chronological list’, both boosted production from disastrously low levels and expanded the ricegrower cohort in the matter of supporting the industry in the contest for water and preparing for the necessary adjustments (for it was evident to objective minds that this was required).

In the south, Stage One of the Wakool–Tullakool Sub-Surface Drainage Project was complete. The mechanism lifted twenty-seven mega-litres of underground water each day and conveyed it to evaporative basins for reduction to brine and salt. It was estimated that the system would produce approximately 155,000 tonnes of salt in that year alone. The national media, so recently full of drought imagery, now carried dramatic pictures of a ‘dying Riverina’, linking salination to ricegrowing.

The rice industry was caught in a press of economic pressure and environmental concern. If the former did not precipitate structural change, the latter most surely would. Against this background, new concepts of water administration quickly
The idea of struggling farmers facing destruction from waterlogging and salination having to sell water entitlements to help adjustment gathered sway. Parcels of water might be shifted around the river systems to be employed in the most profitable and environmentally appropriate manner, allowing licensed river pumpers to enter the rice industry, for example, as they did not require costly supply infrastructures and maintenance. A market for water might encourage such change.\(^{36}\)

Again, WRC approved water price increases while extending 'temporary' water transfers in the 1983/84 season. A volumetric system of supply was also to be introduced into the Murrumbidgee Valley, a quota of water allocated to the valley as a whole and divided according to availability, rather than individual need. The practical effect for ricegrowers was that, in the event of another drought, water supply could not be guaranteed, profits would be reduced, land values affected and the ability to meet financial obligations, impaired. It was apparent to rice industry leaders that governments and experts were taking an increasingly jaundiced view of the industry and that a concerted effort was being made to blame irrigation farmers and, in particular, rice farmers, solely for soil degradation. To this degree, leaders concluded, the 'security' of MIA ricegrowers was under serious threat. It was clear, too, from preliminary drafts of the State Water Plan, 'Water 2010', that the government was intent upon shifting away from consultation with sectional bodies such as RGA and towards broader 'industry bodies' taking an 'irrigation industry' perspective. Moreover, the tenor of 'Water 2010' indicated the government's determination to allow market forces to influence and ultimately determine the price of water, ostensibly to achieve a proper return on public investments and efficient allocation between users on behalf of the 'whole community' on a 'cost recovery' basis in respect of delivery and maintenance in old systems and with reference to capital and recurrent costs, in new systems. To this end, RGA assisted with the formation of the New South Wales Irrigators' Council. It is not clear from the sources whether this emerged from the earlier New South Wales Irrigators' Co-ordination Committee or was a separate body. Mike Bennet was elected president.\(^{37}\)

Jack Hallam, now New South Wales Minister for Agriculture and Fisheries, injected himself more vigorously into debate, warning ricegrowers that the 1983/84 crop would probably be reduced significantly despite good winter snowfalls and new rice permits. This was because storage dams were still low. Possibly only 25 per cent of allocation would be permitted in the Murray Valley, where, he alleged, 25 per cent of irrigation water was wasted, anyway. Pointing to state investments in the Wakool−Tullakool Sub-Surface Drainage Scheme and work on the Berriquin Drainage Scheme, Hallam added, '... rising water tables still pose a serious threat to the longer term future of the industry and this is largely a problem that can only be overcome by growers themselves.' Hallam also criticised the rice industry on economic grounds, saying that rice land used one-third of all irrigation water in the state and while rice returned $492 per hectare in 1982/83, such a return, expressed in terms of water use, represented only $33 a mega-litre, as opposed to $57 a mega-litre, for irrigated water in general.\(^{38}\)

Hallam's statement implying that ricegrowers were, at best, poor managers or, worse, negligent in the matter of exacerbating the water table problem, shocked the industry. Graham Blight countered that the minister was 'misinformed': water was the ricegrowers' largest single input; efficient water management was in the short-term economic interests of growers and the long-term interest of farm viability; it was absurd to accuse growers of negligence.

Relations between the New South Wales government and the rice industry deteriorated further in June when Minister for Conservation Paul Whelan unexpectedly announced that the system of 'temporary' water transfers would now be applicable to unrelated holdings. Irrigators were free to negotiate with WRC for a transfer of 'parcels' of water for which a transfer fee would be payable to the government. Contracts would be entered into by negotiating parties. These would be dutiable and WRC would have absolute discretion in the approval or vetoing of transfers. Such a scheme, Whelan believed, would help irrigators produce their way out of drought-related difficulties.

The RGA was suspicious: was this another instalment of permanent water transferability being introduced by stealth? What if Whelan decided to extend the
scheme? Who or what could prevent him? What were the contractual obligations of participating growers? What impact would it have on farm values? Most SRIDC affiliates, however, approved of the scheme, believing it allowed more flexible water use. The scheme was slightly altered, however, after the New South Wales Irrigators' Council succeeded in having the contractual element removed and transfer fees reduced, but this only came about after both parties signed an indemnity exempting WRC from any obligation in the event of the agreement for any reason running into difficulties. Later, when it was learned that the long-standing 'third-tier' of a sliding scale of water charges, benefiting large users, was to be removed, both SRIDC and RGA protested strongly, Graham Blight alleging that the government was reneging on an earlier undertaking not to alter the system for three years. Whelan, supported by Hallam, replied that no such agreement existed: a 'two-tier' system tied to the CPI was justified in the aftermath of drought.

Rice growing under attack

A sharp dialogue involving the commission and the rice industry ensued. RGA President Blight called upon ricegrowers to 'adjust' payment of the additional WRC water charges, pegging them at CPI levels for the 1983/84 year. Lin Gordon rejoined the fray, accusing Blight of a 'short memory' considering Labor's record in water conservation and saying that the president was providing 'irresponsible advice'. Blight said he felt 'betrayed' by the attack. RGA Secretary Bruce Caldwell added that he was '... disappointed with Gordon for abandoning the cause of local people'. WRC threatened legal action against farmers who took Blight's advice, and to stop water to growers who did not pay up, charging them 18 per cent interest on outstanding fees. RGA purchased newspaper space alleging 'price oppression' by WRC, bringing a rejoinder from the South Australian government that New South Wales irrigators enjoyed the cheapest water in Australia. What were they complaining about? To this WRC replied that water in New South Wales was 'cheap' only because the commission was so efficient.

Hostility to irrigation, and rice growing in particular, increased in the press, as elements of 'Water 2010', were progressively released. Journalists were curious to know how rice acreages were determined and on what legislative basis, questioning WRC's competence in deciding what should be grown, where, and at what cost. Some wrote that it was environmentally more 'friendly' to disperse rice growing outside irrigation Areas and Districts rather than intensively within them. Many supported greater use of bore and pump water. Debates about the relative cost benefits of irrigation and water table and salination rectification costs continued. Some insisted that the capital costs of water storage should be borne only by 'beneficiaries', implying that these were exclusively farmers. The existing 'two-tier' scale of charges should be inverted, others said, introducing escalating prices for large water consumers in the interests of conservation. Alternative crops to rice should be found and ricegrowers should be obliged to prove they could not afford increased water prices.

The situation deteriorated with RGA now volubly calling for Hallam's resignation and declaring 'no confidence' in Minister Whelan, whereupon the government refused to negotiate further with the association and threatened a sweeping judicial inquiry into all aspects of the rice industry. Describing RGA as 'most unreasonable', considering the '... high levels of subsidisation by the state of charges for rural water supplies and capital expenditure on refurbishment and works', the minister pressed ahead with the temporary water transfer between unrelated properties scheme, believing that rice grower ranks would split on the question of pricing, as had occurred in the previous 'Water Rebellion'. In future, the minister said, he would deal exclusively with the New South Wales Irrigators' Council and not 'sectional interest groups' such as RGA. Blight was 'staggered' that the minister would not talk to the commission's biggest customer and sought a meeting with Premier Wran. Blight was going to be 'staggered' on many more occasions before the government was finished.

Rice industry solidarity and confidence were shaken in July by leaked forecasts of extensive changes in the geographical spread of rice growing areas. The press described technology allegedly ready to 'steer' production away from traditional strongholds in the Murrumbidgee and Murray Valleys within a decade. A visiting United States irrigation expert, Professor Gaylord Skogerboe, the director of the Grand Valley Salinity Control Demonstration Project (Colorado State University), visiting
Australia to attend the 134th Executive Council of the International Commission on Irrigation and Drainage in Melbourne in October, was reported as saying that the New South Wales rice farm of the future was just as likely to be at Hillston, Hay or Bourke as at Coleambally. Rice would be grown on a broad acre scale, watered by huge lateral spray irrigators instead of the traditional, small, flooded bays, avoiding water wastage through evaporation and drainage percolation. At an RGA seminar in Leeton, Skogerbøe warned that farmers 'tied' to ricegrowing might be unable to adapt to other land uses because of waterlogging and salination. In this scenario, they could become 'locked into' rice as the industry moved elsewhere and the economics of small holdings became dysfunctional. He recommended alternative crops to rice, particularly for small holders where the risk of waterlogging was high. Sprinklers had cut water costs by half in the United States and while yields were down this was more than compensated for by improved returns — but the system could only work on broad acres.

While Skogerbøe’s thesis sent a shiver through closely settled irrigator communities the publicity surrounding his visit spurred farmers seeking entry to the rice industry to test the regulatory framework. By the end of the year rumours were circulating of unauthorised rice plantings, allegedly secretly encouraged by WRC to ‘torpedo’ the established industry. Certainly there were unauthorised plantings but whether the commission was encouraging them or not, is unknown.

‘The greatest community crop’: RGA responds

The 1983 RGA Annual Conference at Griffith was a very political affair. About 260 growers attended and they singled out state politicians Hallam, Whelan and Gordon for special treatment. President Blight blasted them and others who seemed to be out to ‘destroy the industry’ or write it off as a ‘lost cause’ because ‘... water is too dear to produce export crops’. He stoutly defended ricegrowers as efficient water users and urged delegates to unite in the ‘water battle’ and withhold payment. Gerry Lawson added that, ‘Riverina ricegrowers are prepared to go down biting and kicking and screaming on the water charges issues’. The fact was, however, that only about 500 growers from a population of around 2,000 had actually undertaken to withhold payment. Recognising this, RCM Chairman Ian Davidge called for steadying action, saying he believed the fight on water charges was lost and that the industry should get on with productive things, employing a ‘... pragmatic and intelligent use of resources’. At first his conciliatory tone was attended closely, for Davidge commanded great respect, but resistance to it grew as a majority came to see the argument as capitulation. Blight said he awaited direction. A move to take legal action against the commission was defeated, citing the failure of the earlier SRIDC campaign. It was apparent also that ricegrowers would not receive much public sympathy. An agreement was reached, nevertheless, to ‘fight on’ following a successful CIA motion calling upon growers to adjust payment to the level of the abolished ‘third tier’.

Within weeks, however, RGA had ‘caved in’ on the withholding of payments and a change in RGA strategy is now evident, nearer the Davidge position of reasoned argument in defence of achievable goals. Blight, nevertheless, was re-elected president, ‘adamant he was correct’, but undertaking to advocate a constructive approach. The association then took a more imaginative tack, promoting rice as ‘the greatest community crop’, the ‘back-bone of the Riverina’. The original purpose of inland irrigation, this new positive line affirmed, was to create wealth and employment, to decentralise population and food production, to create self-sufficient regional urban centres arresting an urban drift with all its deleterious social and economic consequences. Irrigators and ricegrowers were not the sole beneficiaries of irrigated water: farmers produced food and everyone needed food. Moreover, public investments in irrigation had been paid back many times over. The social development of local communities was of far greater value than any basic calculation of dollars earned. About 50,000 people prospered directly from a rice industry founded on land unsuitable for anything else. It had become fashionable to ‘knock’ the use of irrigation for rice production and all the positive things ricegrowing did for the economy and community. The government was attempting to price ricegrowers out of the industry and force them to find alternatives to rice: but what were they? Where were the markets? The government should not simply attack, but help. Ricegrowers were not wasting Australia’s ‘most precious resource’. They produced the best yields in the world and new varieties, about to be introduced, would provide even better
yields. The co-operative rice industry was the best organised primary industry in Australia and a big exporter, earning valuable export income in an economy which was furiously running up external debt. To allege that water was 'too expensive to export', in this context, was absurd.\textsuperscript{42}

With a state election due early in 1984, and Lin Gordon's seat of Murrumbidgee in doubt, the New South Wales government was more conciliatory. Gordon's personal vote was not aided either by his steering amendments to \textit{The Valuation of Land Act} through parliament to ensure that land values reflected '... any added value attributed to land having access to water for irrigation'. Whilst the amendments confirmed a link between farm value and irrigation and strengthened the argument that farmers paid full value for irrigation water and were not subsidised, the effect was to increase land rates. Simultaneously, a government task force was established to overcome inter-departmental rivalries in water administration which, \textit{Sydney Morning Herald} said, as they stood, were 'intolerable and unworkable'. WRC promoted further amendments to \textit{The Water Act} giving the commission '... absolute power to deal with illegal levy banks and other structures impeding waterways' and undertook to investigate rumours of unauthorised rice being grown by bore water and river pumping near Hay and elsewhere. But most pleasing of all to irrigators was the announcement that water price increases would be held to 7 per cent, not the 11.1 per cent previously mentioned.

A testing year in rice industry–WRC relations was ending on a reasonably amicable and constructive note. And there were other positive signs. A record planting was going in. Devaluation of the Australian dollar assisted sales. Prices for rice lifted significantly late in 1983 so that actual cash returns exceeded the previous year, despite a big fall in production. On the negative side, however, devaluation meant that ricegrowers had to sell more simply to stand still financially. Additionally, with costs still soaring, some growers, particularly inexperienced and financially over-committed growers, were tempted to 'thrash' the soil. 'Rebel' ricegrowers were also active, operating outside the industry. With soil degradation a matter of acute public concern, such factors could easily play into the hands of the industry’s enemies. Quite apart from questions of retaining economic viability and democratic self-regulation, the days of an industry failing to answer environmental questions to the satisfaction of the public and governments, appeared to be numbered.\textsuperscript{43}
Chapter 41

‘On the razor’s edge’:
Rice Industry Crisis, 1984-1985

Introduction

In period to late 1985 the rice industry was pushed to the brink by a complex of problems, each singly serious but which, combined, could spell disaster. On the economic side, the industry faced a worsening cost-price squeeze, which saw farmer indebtedness grow profitability fall and downward pressure build on farm values. Markets were over-supplied and poorly paying, imports increasing and dumping and government intervention in markets were the order of the day. A destructive international trade war was looming. On the environmental side, serious question-marks hung above some irrigation systems and rising water tables and salination continued to be powerful, and emotive, political and media issues. The concatenation of economic and environmental imperatives sustained arguments for deregulation of land and water use so as to expose existing controls to market forces, theoretically allocating resources rationally with beneficial environmental ‘spin offs’. ‘Rebel’ ricegrowers, determined to break into the industry, notwithstanding poor market conditions for rice, continued to challenge WRC controls, threatening to undermine the established production and marketing system and split the industry. By late 1985, the rice industry faced an uncertain future.

Pessimism

As noted earlier, the RGA ‘chronological list’ of candidate ricegrowers was completed in 1983, finalising the old RICC method of regulating the admittance of new ricegrowers. Any farmer previously on the list and wishing to grow rice within established ricegrowing zones could do so. Accordingly, a record 2,400 ricegrowers prepared paddy fields for the 1983/84 season, some for the first time, the grain still seen as a ‘salvation’ crop in some quarters, capable of hauling them out of financial difficulties.

Cool weather ruined many plantings — 24 per cent of all crops were affected. The harvest was the worst for twenty years. About 800,000 tonnes had been anticipated but only 612,766 tonnes came in. Farmers, still reeling from the previous poor season, faced another very lean year. Costs had been absorbed before the frosts. Now the financial position of many, particularly in the Murray Valley, was doubtful, a classic combination of rising on-farm costs and bad conditions coupled with a very depressed market, producing a ‘perfect storm’ financial crisis for ricegrower and industry alike.

A mood of dejected pessimism gripped the industry early in 1984, beleaguered on all fronts: economic, political and environmental. Disgruntled growers were leaving the industry, often disconsolately, providing the industry’s detractors with much ammunition. For example, Tom Pyle a farmer from the Berriquin District, described rice as a ‘dirty word’. He said he had stopped growing rice for economic reasons. It was hard on machinery, gave a low return for each mega-litre of water, contributed to Murray River salination and much of it was grown on unsuitable country, threatening irrigation systems. Pyle was also concerned by discrepancies between price forecasts issued by the industry and actual prices received. He was going to grow wheat, which, he believed, was more economical and less environmentally harmful.

‘Rebel’ ricegrowers

The whole structure of the industry was coming under increasing attack. By now it was common knowledge that breakaway groups were growing unauthorised rice crops outside the producing areas, around Hay and along the Yanko Creek system, even around Swan Hill in Victoria, near where Jôe Takasuka had grown the first commercial crop in 1914. A Deniliquin-based accountant from Conargo, Kerry Kelly, for example, possibly acting for the syndicated company, Prior Nominees, decided to test the legality of WRC rice-licensing regulations by growing 160 hectares of rice using pump irrigation on a creek system at Lavistock, near Hay. Another 40 hectares was being grown by the same company, watered from the Merran Creek near Swan Hill. There was one other sizeable ‘rebel’ crop in the Murray Valley, near Moulamein.
Others farmers were reportedly growing smaller plots using bore water. RGA had asked WRC to investigate these unauthorised plantings but while inquiries were conducted and the location of illegal crops established, nothing was done to stop them. Indeed rumours persisted that WRC was actually encouraging the 'rebels', although this was never proven.

Most growers and intending growers were 'cranky' with Kerry Kelly and other 'rebels' for 'jumping the queue', after having themselves waited patiently for so many years to achieve a rice permit. The Hay Water Users' Association, for example, whose members were still seeking ricegrowing permits, were opposed to such a 'disorderly break out'. However, President of the Yanko Creek and Tributaries Advisory Committee Hunter Landale hoped that the rice industry would not 'victimise' river pumpers seeking to grow rice through retaliatory action while stressing that patience was running out around Hay. He also hoped that WRC would soon allow pumpers on the Yanko, Billabong and Colombo Creeks to enter the industry.

A water audit

The intense political debate on water use policies continued unabated through 1984. Ministers Jack Hallam (Agriculture) and Paul Whelan (Water Resources) persisted in redirecting the conversation away from agricultural interest groups and towards a 'water sector', an 'irrigation industry', insisting upon talking to the New South Wales Irrigators' Council and stonewalling RGA and SRIDC on most occasions. The emphasis was also shifting from irrigation systems to catchment areas and a 'whole valley approach' involving WRC, the Soil Conservation Service and the Forestry Commission in what Minister Jack Hallam called a 'total management approach'. With an eye to the approaching election, Minister Whelan issued press releases acclaiming Labor's achievements in water conservation. The minister again renewed 'temporary' water transfer rights, reportedly in response to a New South Wales Irrigators' Council request. A state water management audit was proposed, a sweeping inquiry into New South Wales' water resources and management with a view to redrafting the seventy-year old Water Act as part of a 'Water 2010' strategy. There were eleven government departments with a finger in the water 'pie' and their functions needed clarification and rationalisation, the minister asking publicly: should WRC or the Department of Agriculture control the sale of water? Should any government instrumentality at all control the sale of water? Should WRC be restructured simply as a construction and maintenance authority? Water user groups were invited to prepare submissions for consideration by a water audit consultancy team, to be headed by Dr John Paterson, formerly deputy director of Planning and Environment for Paul Landa and, since 1982, president of the Hunter Valley Water and Drainage Board.

Paterson, an economic rationalist par excellence, would make a huge impact on the rice industry over the next few years. A commerce graduate from the University of Melbourne, with a doctorate from the Australian National University (Urban Economics, 1970), Paterson had been a union advocate in the Australian Council of Salaried and Professional Associations, where he had worked closely in the mid-1960s with Prime Minister Bob Hawke and Finance Minister Ralph Willis. Paterson launched a private consultancy; Urban Systems; and developed a reputation for a strong deregulatory line, authoring influential books on the subject and management. Seen as a '... fearsome reformer of truculent bureaucracies', Paterson described the reforming process this way, 'Peace becomes possible when you have captured the territory, re-educated all the prisoners who are willing to become loyal citizens and put to the sword all those who remain unreconstructed'.

Paterson's primary goal was to 'sort out' the legal ownership of water and have water traded like any other commodity. Management arrangements for water, he believed, were deficient and 'effectively beyond the practical reach of elected governments'. He considered irrigation water a valuable economic commodity 'akin to liquid gold' and was keen to '... break the rigid and inefficient arrangement for the allocation, delivery and pricing of [it]' and to change the structure of water pricing to:

... allow the irrigator more freedom to control his own water use, even to buy and sell water rights. They should pay a small fee for the right of access to a block of water and then pay by volume. A market should allow them to buy and sell new transferable water rights between each other. This would lead to a more
The economist was also keen to develop ‘... more sophisticated retail instruments for irrigation and stock and domestic water users’. Impressed by the British Thatcher Government’s sell-off of ten United Kingdom regional water authorities, Paterson believed that efficiency of water management was more important than ownership. ‘In the water sector the priority must be to get the industry right and to stabilise the resource base for the long haul’. Linking economic and environmental considerations, Paterson added that such a rational approach ‘... should also help the salinity problem’.4

Ricegrowers and other irrigators, meanwhile, were not idle. RGA Central Executive (President Graham Blight) and SRIDC (President Ian Douglas) corresponded regularly with members informing them on economic, political and agronomic matters and appealing for unity. Both organisations urged support for ‘nil’ increase in water charges for the 1984/85 season, arguing that the continuing down-turn in rice prices necessitated this. Their cause was aided by a study commissioned by the Victorian parliament's Public Bodies Review Committee and conducted through the Centre of Policy Studies at Monash University. This confirmed much of what they had been saying, that the push to higher prices for water was ‘political’ rather than ‘economic’ and that economic arguments for price increases were more a rationalisation for taxing water users than a framework for increased efficiency. The notion that irrigation was being subsidised by tax payers was spurious since original settlers had paid for the capital costs of irrigation infrastructures when purchasing farms, irrespective of what book adjustments were subsequently necessary to make them viable. While settlers had made substantial capital gains due to the attractiveness of an irrigation entitlement, the value of this had been computed into every subsequent sale and purchase. It was wrong to include original costs in calculating the price of water, or argue that it was ‘cheap’ and ‘subsidised’ on the basis of them not being factored in, because original costs had already been paid for. The economic and social benefits which had come from irrigation, not all of which could be quantified in monetary terms, far outweighed public investments made. Moreover, not only farmers were beneficiaries of irrigation systems; who consumed the food produced? It was irrelevant to ask whether the (Victorian) Irrigation System should ever have been developed; what was relevant was:

How much irrigation should there be in the future and how should the system be managed and funded. ... It is senseless to set a target rate of return on past investments. The government should only do that on future and present investments.

Reporting this study under the headline, ‘FARMERS IRRIGATION "PAID BY TAX Payers"’, The Age insinuated that Victorians had probably lost money in their billion dollar investment in irrigation. This was clearly a sneaky distortion of the committee’s findings and a good example of media bias against irrigation in the period.5

Janice Crosio: Minister for Natural Resources

Following the New South Wales state election in April 1984, which the Wran Labor Government won comfortably, Paul Whelan was replaced as Minister for Water Resources, Forests and Aboriginal Affairs by Janice Crosio (Minister for Natural Resources), the first female minister in a New South Wales government. Crosio also had the responsibility of Minister Assisting the Premier in Women's Affairs through the Women's Co-ordination Unit. Emerging from a working-class background in Granville, a Sydney suburb, Crosio had worked for a short time in the Commonwealth Bank before serving as a sandwich-hand in a Smithfield shop, which she owned with her husband. In 1967, Crosio had joined the ALP and served in the Fairfield Council before becoming mayor in 1974. In 1981, she was elected to the Legislative Assembly. An active environmentalist with a reputation for urban renewal and tree planting, the Sydney Morning Herald observed, '[Crosio] has always taken the hard line'. The new minister would live up to her reputation.5

'Facing the facts' with Jack Hallam

With rising water tables and growing salination problems on the MIA, the CIA, the BID and the Denimein and Wakool Districts, still receiving wide media coverage,
Minister for Agriculture and Fisheries Jack Hallam visited Deniliquin and Leeton in June, touring farms, inspecting problems and talking to farmers. At a seminar called by RGA to consider existing and future problems associated with waterlogging and salinity, Hallam told farmers to ‘face the facts’; they had to take steps to manage the problem themselves and not try to hide it; poor water management practices could destroy irrigation areas if left unchecked. The minister stressed that he did not want to stop ricegrowing and emphasised that waterlogging and salination problems were not confined to that industry, the former ricegrower urging farmers to improve yields while reducing the acreage given to rice. His department estimated that, with improved yields, the industry’s desired through-put of 800,000 tonnes could be achieved on 15,000 hectares; even less. Large volumes of water were lost to evaporation, some rice was being grown on ‘leaky’ soil. The idea of ever-expanding areas of rice should be abandoned, otherwise irrigation areas could be ‘sterile in two generations’ and dependant communities reduced to ‘ghost towns’. Ricegrowing should occur on ‘suitable soils’, wherever these existed. About 3,000 hectares of the combined irrigation system had already been lost to salination, Hallam said, and there was evidence of rising water tables in many places around Griffith, where trees were dying and salty swamps were forming. The minister noted also that RGA President Graham Blight agreed with him, that in about a decade the loss of fertile land would ‘start to look critical’. Graham Blight and RGA Secretary Bruce Caldwell advised the minister of measures being taken to deal with the problem, supported in submissions by WRC Murrumbidgee Division Manager Mark Smyth and Department of Agriculture Irrigation Agronomist Warwick Clampett. A conservation farming project team was to be formed, involving personnel from the department, the Soil Conservation Service, the chemical industry and farmers, to promote conservation farming, that is, caring for the soil while maintaining profitability. The reasoning was that rice farmers had a direct and immediate interest in solving the waterlogging and salination problem to maintain farm values, as Hallam argued, but could not finance all of the curative work by themselves. The rice industry had saved the MIA from economic ruin, contributed to significant decentralisation and had justified investments in irrigation systems and, Caldwell said:

We'll do the best we can. We will stop growing on leaky soils. We will land form.
We will try to grow alternative crops or at least actively support research. [But] we need engineering works, drainage lines and ground water control.

Hallam’s ‘on-farm’ strategy was a start but insufficient in itself, Caldwell continued. All the beneficiaries of irrigation should share in the costs of restorative works. Their identity required clarification. ‘Bureaucratic inefficiency and conservatism’ in WRC should be eliminated and savings realised directed to solving environmental problems?

The press distorted this frank and constructive exchange in terms of the minister attacking ricegrowers for inefficiency in production and water management and for negligently permitting accessions to ground water tables, which had contributed to water-logging and salination, giving great attention to Hallam’s ‘ghost town’ allusion. Bill Barnhill (Junior) of Wamoon, who was reported as agreeing with Hallam, dismissed the idea ‘put about’ by RGA that ricegrowers were ‘conservationists’. Most he knew, he said, did not care about waterlogging and salination and the only farmers doing anything constructive were those actually facing the problem on their land:

It’s about time ricegrower organisations and the WRC took more positive steps to stop salinity before it expands to the stage of the Wakool financial and ecological disaster. ... With immediate action and less greed, maybe the irrigation areas can be preserved for future generations.

Tom Pyle of Berriquin, claiming there were ‘... too many vested interests in the rice industry who preclude the long term well-being of future growers’, urged conversion to other crops using less water.5

A rice industry ‘time bomb’

The rice industry was subjected to increasing media attacks and its leaders to personal criticism. A Graham Blight comment that retail and building activity in the Riverina was at its ‘worst in twenty years’ as a result of the downturn in rice, for example, was
'met with derision' by sections of the business community sensitive to Hallam's 'ghost town' reference and anxious to increase regional population, believing this achievable without rice. Ian Davidge's claims that 'no alternative to rice' existed was flatly contradicted by several correspondents to Riverina newspapers. *Sun Herald* carried articles about a 'Rice Industry Crisis'. *National Farmer* spoke of an alleged 'Rice Industry Time Bomb: Riverina rice farmer Graham Blight is sick and tired of getting phone calls from city bankers asking when the bottom is going to fall out of the ... rice industry'. Many rice farmers were furious with Hallam for 'misinformed allegations', which were now, apparently, further impacting negatively on land values. Rumours flew that the rice industry had 'had it', destroyed by a collapse in prices, a world glut, uneconomic operations, waterlogging, salinity, and the prospect of future land sterility. Morale was low, growers were confused, not knowing who or what to believe and contending with terrible economic conditions.9

'Rebels' threaten legal action

In June the 'rebel' ricegrower, Kerry Kelly, called upon the Yanko and Tributaries Advisory Council at Jerilderie to support him in having restrictions lifted on ricegrowing in the Yanko Creek system, saying he had a '... constitutional right to grow rice and benefit fully from the water he paid for'. Kelly proposed a challenge to WRC in court. If Yanko Creek landholders followed him, he said, the whole of the Hay region would prosper. Objecting to the tag 'rebel grower' the accountant urged farmers to use their water as they saw fit, calling upon them to 'act dramatically'. For seventeen years, he said, '... he had supported this monopolistic industry but had made the decision to "breakaway" and not wait the pleasure of the Commission'. The Yanko Tributaries' Advisory Council voted initially to support Kelly but after Hunter Landale, the council's chairman, said he would resign because, if successful, the move would '... lead to the deregulation of the rice industry' and backfire on all growers, 'rebel' or not, the original motion was rescinded. In speaking against Kelly, however, Landale reiterated that the Hay District Water Users' Association fully intended to '... join the featherbed of the rice industry' and was becoming increasingly impatient with delays. There was plenty of soil around Hay suitable for ricegrowing, he said, and farmers had every right to use water allocations as they saw fit.

Kelly's court challenge was deferred until June 1985 during which time unsubstantiated reports circulated that his 'rebel' crop had failed.10

WRC under attack

Meanwhile, a storm had erupted in WRC. The commission was convinced that John Paterson's Water Audit was being used by Minister Crosio as a pretext for a 'hatchet job' on it. Certainly, WRC and Crosio shared a mutual mistrust. Paterson urged the government to abandon 'bureaucratic intervention' and enshrine transferability of water allocations in a system of auctioning of water rights on a valley by valley basis. WRC had traditionally favoured farmers over urban users. This had to stop. Commission engineers had '... put the construction cart before the service horse' and, Paterson argued, the control of irrigation areas should be handed over to municipal authorities, trusts, companies, or co-operatives and that WRC responsibilities should 'end at the farm gate', simply regulating supply, drainage and water quality control. Regulation of crop production should be left to the Minister for Agriculture, not WRC. 'Vast quantities' of water could be saved by adopting more efficient water practices. Flood irrigation, as used in ricegrowing, was particularly 'wasteful', Paterson said. A 'user pays' principle should be applied extensively for all new facilities and water should be perceived as a '... single resource, whether from bores or dams'. 'Effective pricing' was the best mechanism to ensure the most efficient use of water and to cover the capital costs of new facilities. *The Water Act* should be completely rewritten, establishing one authority for water with five administrative areas: water resource ownership and management; catchment management and pollution; agriculture; works construction; and finance and pricing.

WRC Director of Operations Ken Armstead characterised Paterson's thesis as 'irrelevant and inaccurate'. *The Water Act* was indeed seventy years old, but WRC had been completely renovated as recently as 1976. The reason for New South Wales water prices being lower than anywhere else in Australia was precisely because the
commission was so efficient. Moreover, the idea of local control was neither new nor widely supported in rural communities. Victoria, for example, was currently moving away from such a concept. Armstead hoped that Paterson's views would not prejudice the government's inquiry into water resources.

_Irrigator_ also took up the cudgels against Crosio and Paterson, giving coverage to the recently retired former minister, Lin Gordon, who defended both WRC and irrigators. In August, for reasons unclear in the available sources, Paterson resigned as chief of the New South Wales Water Audit and moved to the position of Victorian Director-General of Water Resources. Perhaps he was simply moving on to greener pastures but he would be back in a few years to haunt irrigators again as assistant commissioner in an Industries' Assistance Commission (IAC) Inquiry into the Rice Industry.

Minister Crosio used the occasion of Paterson's departure to announce a review of WRC by the Public Service Board Efficiency Performance team. A full-scale revue of the rice industry was also flagged and the minister hinted at further price increases for water. A 'special working party' was formed to determine restrictions on ricegrowing in respect of its affects on ground water and salinity. A consultant's study was commissioned to explore the adequacy of current restrictions, the criteria for assessment, land suitability and determine a program for the 'phasing in of further restrictions'. WRC had already commenced research into these questions but the minister had decided to '... re-examine the matter with a view to minimising the adverse effects of ricegrowing'. While Crosio reiterated that ricegrowing was not solely to blame for waterlogging and salination problems, it is clear from her tone that she believed WRC was 'protecting' the rice industry — and its own credibility.11

'The situation is desperate': The 1984 RGA Conference

There was plenty to talk about at the tense 1984 RGA Annual Conference held in the RSL Hall at Finley: water tables, water pricing, Crosio's scrutiny, Hallam's attacks, 'rebil growers, collapsing markets and incomes, banks threatening foreclosure and the urgent need for the rationalisation of RCM and RMB functions. President Graham Blight, at pains to play down tensions between the industry and government and heeding Ian Davidge's calls for moderation, spoke of the difficult 1983/84 season and how critics were painting ricegrowing as the 'villain' in waterlogging and salinity problems, arguing, as Alf Bowmaker before him, that research did not sustain these allegations, but:

The situation is desperate. Under pressure our real chance to overcome many of our problems is the true unity of purpose that we have within the Association and industry. It seems that we will have to work harder, perform better and contribute more than ever before to maintain our position as a leading agricultural industry in Australia.

The historical worth of the rice industry to the vitality of the irrigation system has been well-established over many years. A socio-economic study recently completed [The Powell Report, discussed below] again confirms how vital the financial success of the rice industry is not only to this region but its strong measurable value to the New South Wales and Australian economies.

Nevertheless, Blight continued, the industry was obliged to act on Minister Hallam's recommendations on water management in order to avoid the alternative of heavy government regulation and control. Governments and the community, all of whom benefited from the rice industry, should play their part. The rice industry was facing its worst financial crisis in years, returns the lowest in seven years, farm costs rising (by 45 per cent since 1980), while prices had fallen from $190 to $120 a tonne in the same period. A new federal tariff on headers alone had added $1 million a year to ricegrower costs. The industry was interested in exploring the possibility of alternative crops, but the viability of these needed to be established first. New rice varieties, promising yields of 10–12 tonnes per hectare, could well be the industry's salvation.

Mike Kettlewell, from Berriquin, proposed 'direct ... militant action' but RGA Senior Vice President and SRIDC President Ian Douglas said this would only worsen relations with the government. Some could not control their fury about Minister Hallam attacking grower efficiency. That really hurt good farmers. President of the Blighty–Mayrung Irrigation League Richard Swinton, who had escorted Hallam
around his farm during the minister's visit, called upon Hallam to 'put his money where his mouth is' and support drainage works to overcome the waterlogging problem. It was all very well attacking farmers but what about some practical help?

Terry Hogan of the CIA Branch argued against a proposed resource tax component in The Water Act Amendment Bill, describing this as contrary to the intent of the original legislation. Ian Davidge spoke of a 'moratorium of necessity' and urged a brake on expansion until the issue of '... rice being grown outside [established areas] is resolved'. A motion to this effect was endorsed. Delegates also decided to commission a management consultant to advise on industry operations, specifically, the amalgamation of the co-operative and the marketing board.

The Powell Report

The socio-economic report alluded to by Graham Blight at the Finley Conference was almost certainly The Powell Report, commissioned by the New South Wales Irrigators' Council and co-authored by Senior Lecturer in the Department of Agricultural Economics and Business Management at the University of New England Dr Roy Powell and Dr Rod Jensen, a Reader in Economics at the University of Queensland. The authors had employed an 'input-output analysis', applying a 'flow-on theory' (using 1981 as the base year) to argue that 100,000 jobs in New South Wales depended on the irrigation industry. For each $1 generated by irrigation, $6 was generated elsewhere. The sum 'multiplier effect' was worth $4 billion to the state's economy. One farmer and one irrigation employee equalled five jobs elsewhere in the state, they concluded. Clearly, by this reckoning, the beneficiaries of irrigation were numerous. The findings of the Powell Report were hotly disputed by some Bureau of Agricultural Economics (BAE) economists and statisticians, but were understandably welcomed by an embattled rice industry, which planned to give the report as much exposure as possible.

Deregulation proceeds

Certainly 'good news' was scarce. Soon after the RGA Conference, Minister Crosio announced increased water charges of 22 per cent for the 1984/85 season. RGA and SRIDC had sought 'nil' increase. The impost would add between $2,000 and $3,000 to average farm costs, equal to between $2 and $3 million from an industry already reeling from the effects of continued low prices and two poor seasons. Blight said he was '... staggered. ... Some irrigators will become very, very angry and some water accounts will not be paid'. The government and Minister Crosio, Blight continued, had no understanding of the squeeze facing the industry, which had become a '... target for the state government' whose decisions appeared to be influenced by 'someone who used to live here [Jack Hallam]. ... Why have we been singled out? ... It is sabotage'.

Crosio coolly replied that the increases cleared the way for a long-term WRC policy to '... recoup its recurrent costs of administration, operation and maintenance for the State's rural water supply and distribution system. ... The government cannot be expected to continue concessional arrangements'. As an off-setting arrangement, however (and consistent with a deregulatory agenda), the government would abolish regulations restricting the size of irrigation farms to 425 hectares and allow the permanent transfer of water applications within one valley. Crosio also announced a $6.6 million capital works program for irrigation and a $7.25 million program for salinity works in the Deniliquin area, partly funded by the commonwealth government. She defended the price increases by saying that New South Wales water was 'cheap' and farm values had increased by 200 per cent since the Wran Government had come to power.

It was a battle for legitimacy and statistics were bullets. In fact, farm prices were falling by between 15 and 20 per cent per annum and many rice farms were on the market without buyers. Already about seventy farm businesses, mainly in the CIA, were facing foreclosure. Certainly, prices for houses in Sydney had increased by more than 200 per cent, without the risks faced by farmers but, whatever the situation, neither rural nor urban properties had increased appreciably in value in real terms when nominal prices were adjusted for inflation.

The water price increases provoked state-wide meetings of farmers protesting that Crosio had not listened to farmers or visited rural centres and was simply 'using' irrigators for revenue collection, '... was playing Russian roulette with primary
industry’ and had no comprehension of what was involved in earning a living from irrigation. Murrumbidgee River irrigators operating in ‘land-locked’ public systems were also concerned about her apparent fixation with water transferability. Adrian Cruikshank, now the Member for Murrumbidgee (National Party), accused the Wran Government of entering a conspiracy with WRC and the banks to drive out irrigation farmers:

[The increase] is obviously to concur with the bureaucrats’ idea that rice is a bad thing. … Wipe it out. … Madam Crosio and Mr Hallam are in collusion to make the agricultural community conform to their warped economic ideas.\textsuperscript{13}

A ‘monster’ meeting at Leeton

More than 4,000 men, women and children turned up to a ‘water charge’ protest rally held outside the Leeton Soldiers’ Club on 24 September 1984. Buses ferried in hundreds of people from the Murray Valley and elsewhere. Three plane loads of journalists were flown in. The Irrigator brandished a notice from the New South Wales Irrigators’ Council and RGA notifying readers that, ‘Neville Wran’s flagship under the command of Admiral Crosio was sunk in deep water off the beach at Yanco. There were no survivors’. Members of the Leeton Chamber of Commerce marched along Kurrajong Street carrying banners declaring ‘Water: a Community Asset’, and ‘Mrs Crosio Couldn’t Run a Bath’. Ministers Hallam and Crosio had been invited, their non-attendance greeted by jeers from the big crowd. The assembly was addressed by New South Wales Irrigators’ Council Chairman Mike Bennett, SRIDC President Ian Douglas, RGA President Graham Blight, National Farmers' Federation Chairman John Whitelaw and others. Every speaker deplored the government's attempts to make ‘irrigators pay twice’. Douglas spoke of irrigator ‘fury’. Terry Hogan accused the government of hypocrisy for applying to farmers a ‘user pays’ principle while exempting itself and departments from such rigours. The angry crowd expressed disgust and dismay at Crosio’s increases, demanding the government withdraw them: irrigators could not afford such hikes under the present economic circumstances; the government should consult with farmers; the whole community benefited from water conservation and development and therefore the whole community should pay; any changes to land tenure arrangements should be thoroughly discussed with irrigators before implementation to avoid possible ‘… greater access by interests other than private individuals to hold land within irrigation areas’. The crowd was contemptuous of Jack Hallam, calling upon him to run for a rural seat in the Legislative Assembly so that New South Wales could ‘… demonstrate the extent of popular support for the minister and his actions’. The New South Wales Irrigators’ Council was given overwhelming support to continue negotiations with the minister and take the fight right up to the government.\textsuperscript{14}

‘Untie’ water and land

As a wave of agrarian militancy swept through the bush in the weeks after the Leeton meeting, polarised debates raged about irrigation and the role of ricegrowing in the regional economy. Supporting irrigation, H S Hall of ‘Murray Pine’ wrote:

… the dams and irrigation schemes have allowed the creation of prosperous inland communities in an otherwise arid plain. They have permitted decentralisation and the creation of important export industries which have contributed significantly to the wealth of the nation. Irrigation in New South Wales is a goose that has laid a lot of golden eggs. It is a pity it is being killed in that awful, mindless, innocent, ignorant way practised by Socialist governments and profoundly uninformed editorial writers.

Rice, Hall continued, brought export earnings which were desperately needed. If governments continued to increase costs, ‘Then the highly successful rice industry will go the same way as flour milling, wool processing, sundry coal mines and other export industries that became uncompetitive because of the costs imposed by the indexed society’. Fred Gibbings of Blighty said that the rice industry was a highly efficient industry and that Crosio’s transfer of water rights would drive family farmers off the land paving the way for big corporations to take over control of irrigation systems and the industries they supported.

Putting an anti-irrigation view, Sydney Morning Herald said:
The reality is that all Australia's irrigation systems have managed to do is spawn labour-intensive forms of agriculture in a country of high labour costs which can never compete with countries which produce the same commodities with cheap labour. The New South Wales ricegrowing industry, which claims it cannot even meet the cost of getting the water from dam to farm, is a case in point. If ricegrowers could not afford the water, *Herald* argued, let it go to those who could. There were plenty who wanted water — and better water quality; the South Australian government, for example. If WRC was carrying a $15 million deficit, users should pay. Untie water from land, *Herald* said; let the highest bidder take the water. Articles appeared questioning the future of irrigation on the Western Plains. Thousands of trees there were dying. Rice yields were affected, up to 25 per cent in some areas. Already 2,500 farms in the Lachlan-Murrumbidgee-Murray Valley systems had been knocked out of production by waterlogging and salination. Research conducted for WRC over a ten-year period by Hans Shroo suggested that the problem of waterlogging and salination had been ignored by 'successive governments'. Already 3,000 hectares had been lost in the southern Riverina, equalling $2 million in annual production, and thousands of additional acres '... have been hit to some extent'. Attention was drawn to the Tullakool Basin Salt Mining Evaporation Scheme, a joint state–federal program costing $15 million and operational for six years. Many more such schemes would be needed to assure the future of irrigation and avoid '... slow but insidious devastation' through salination. *Herald* again referred to Jack Hallam's 'ghost town' allusion.

**The Irrigation Farm Working Group**

On 15 October 1984, Minister Hallam announced that an Irrigation Farm Working Group had been formed to focus on: salinity and soil degradation; agriculture’s contribution of to this; specific measures for the more efficient use of land and water; the measurement of the current and future profitability of (specifically) large area farms; and the cost of restorative work. (It is not clear whether this working group evolved from Crosio's 'Special Working Party' set up to review the rice industry.) Hallam declared, 'It is time for a review of irrigation farming, its economics and practice to ensure its effective operation into the next century'. The task force was to be chaired by New South Wales Department of Agriculture Regional Director of Agriculture Dennis Toohey and included Departmental representatives, Dr Colin Gellatly and Dr Alistair Grieve; and farmer representatives, Ian Davidge (chairman of RCM), Geoff Wright (chairman of the Murray IREC), Jim Geltch of Whitton and Bruce Gowrie-Smith of Darlington Point. The working group, which was directed to meet at least seven times, would present a preliminary report in early 1985 and a final report in 1986 with a view to producing a constructive, research-based analysis returning some equilibrium to the emotional irrigation debate (because of dramatic events overtaking the industry, however, the working group did not report until May 1987 and is discussed elsewhere).

With gloomy predictions circulating of the imminent collapse in the rice industry, representatives of the New South Wales Irrigators' Council, including Ian Douglas, Graham Blight, Ian Besinett and Bruce Caldwell, met Minister Crosio on 24 October to discuss the water charge increases. The minister told the delegation that the increases were 'non-negotiable'; WRC was $15 million in deficit and the government was not prepared to carry this financial burden any longer. Crosio was not fazed by threats of political action or the withholding of payments, reminding the lobbyists that such threats had failed to materialise on at least two previous occasions. The delegation left the Minister's office 'frustrated to the limit'. Crosio was supported in her view by academics including Dr Aynsley Kellow of the University of Tasmania. Kellow held that cheap irrigation water in the Murray-Darling Basin was costing tax payers $300 million per annum and that '... the policy of subsidising water was adding ... to the salinity turbidity and other pollution problems of the Murray-Darling system'. The academic believed that governments should charge 'true cost' for water but advocated very gradual introduction of price increases and transferability of allocations because present landholders had already paid for 'the subsidised water' in the price of land. Bill Watson of the BAE, a major contributor to the federal government's 'Water 2000' strategy, which was to serve as a blueprint for commonwealth water policies, insisted that water transferability was essential and
that higher charges for water would provide greater incentive for more efficient use. Paul Verdich, a WRC economist, and Don Blackmore, an engineer for the Rural Water Commission of Victoria, also supported increases, the separation of land use and water supply, and the transferability of water entitlements. At a three-day conference in Griffith, organised by the Australian National Commission on Irrigation and Drainage (ANCID) to explore the socio-economic effects of irrigation in Australia, Verdich and Blackmore argued along these lines, meeting strong opposition from farmers in the audience. Such policies, farmers said, would kill the family farm and leave patches of non-irrigated, sterile land surrounded by productive irrigated land. The economics of the rice industry would be rendered dysfunctional, leading to a corporate take-over of the industry. Water was already efficiently and productively used, farmers complained, but it was clear that the weight of public opinion orchestrated by a generally hostile media was firmly against irrigation and, by association, the rice industry. Verdich and Blackmore listened sympathetically but stressed that something had to be done soon to arrest waterlogging and salination and allocate water resources rationally. Not everyone, they said, could be satisfied by outcomes.

A 'beleaguered' industry

By late October 1984, newspaper headlines such as, 'The Sixty-Year Old Rice Industry Faces an Uncertain Future' were appearing along with speculation that ricegrowing in the Riverina would be phased out by the end of the century. Rice farm land values were plunging. Already RGA was preparing to act to prevent the State Bank from selling up fifteen farms. The rice industry was seen as 'beleaguered', a recent 22 per cent water charge increase simply the '... straw that broke the camel's back in an industry dogged by set-backs since the lofty days of 1981'. Almost half of ricegrowers were unable to cover costs, indebtedness was running almost out of control, rice imports were flooding into the country; 6,000 tonnes in 1984, 4,000 tonnes of it from Thailand, mainly 'aromatic' and much of it subsidised and cheaper than New South Wales could produce rice. The supermarket chain stores, Woolworths and Franklins, were the main buyers. It seemed inevitable that a big industry 'shake-out' must come. The assessment was that for each rice farmer lost, an estimated four workers would lose their jobs; possibly 30,000 jobs, if the industry collapsed. Speculation about the imminent demise of the industry caused great consternation in the Riverina: the 'salvation' crop was in dire straits and still no viable alternative had been found!
bosom is moving from one of worry and frustration to one of wrath.' The rice industry, he said, was:

... starving amid plenty. The Australian rice industry is trim, tough, innovative — and facing a major crisis. Its problems are identical with those that confront nearly every farmer in rural Australia today. [Ricegrowers believe] someone is out to wreck their industry. ... The Australian rice industry is in torment, trapped between the hammer of weak world markets and the anvil of implacably rising domestic costs. The rice industry is on the razor's edge.

If this could happen to the rice industry, Cribb continued, the most efficient of the primary industries with the most professional co-operative marketing and communication set-up in all agriculture, it could happen to all other farming industries. WRC's 22 per cent water price increase would add about $6,500 to the average ricegrower's costs at a time when the rice cheque was dramatically shrinking. A perception prevailed that the industry was 'wealthy' and therefore could be 'soaked', but it was only prosperous because it had been run well. The industry had survived market downturns before but rice industry leaders were now convinced that the '... real killer is right here in Australia' and, Cribb concluded, 'The industry is in a quandary. Its radicals are calling for action. The next few months are likely to see rice farmers in heavy boots stomping the lawns outside Parliament'.

Graham Blight added, 'We are a well-organised and very productive industry [yet] we are in a position of absolute despair.... The economic situation of many farmers is simply untenable'. An anonymous grower declared, 'The psychological feeling around is either to chuck it in or find some heads to kick. They are making it too hard for any of us to survive. ... The costs beyond the farm gate have gone berserk'.

Industry leaders worked strenuously over the summer of 1984/85 to help city residents gain an understanding of Australian farming. Ian Davidge held press conferences in Sydney putting the industry’s point of view. The capacity of Australian agriculture to earn income through exports, he said, was diminishing. Federal government policies emphasising the export of manufactured items and services were misguided. 'Agriculture and cities are really inseparable Siamese Twins [and] if damage is done to one it has terrible affects on the other', Davidge reasoned. The rice industry was 'close to breaking point'. At least 12,000 jobs were immediately at risk; 4,000 in Sydney and 8,000 in the country. At the National Rural Outlook Conference in Canberra in February 1985, Davidge said:

We have put ourselves in the hands of a series of inherently expensive and inefficient non-profit motivated government utility organisations. These organisations put cost pressures on our industry that are not borne by our competitors. ... Our ability to compete is being nibbled away on all points — water, electricity, shipping, inefficient rail, government feather bedding, fuel, etc.

The RCL chairman demanded '... reimbursement for costs incurred'. Rice farmers now required '... some sort of immediate subsidy from federal and state governments [or] they could face financial ruin': profits were at an all time low; rice prices had plunged; exports in 1982 amounted to $206 million but now were worth $112 million; depreciation of the Australian dollar meant that farmers were required to produce and sell more for no financial gain; markets had been lost to subsidised competitors, including Thailand, whose rice the federal government freely permitted into Australia, while Japan and Thailand banned rice imports; restrictions in the United States were '... so severe that it isn't worth the effort'; Russia, previously a good importer, was now bartering with India for weapons; farmers were receiving 12 cents a kilo for rice and the price was falling. The federal government had an obligation to assist, Davidge concluded.

Federal Minister for Primary Industry John Kerin, a farmer and widely respected in the bush, was sympathetic and helpful, unlike some cabinet colleagues. Minister for Industry, Technology and Commerce Senator John Button, for example, refused to see an RGA delegation seeking reduction of a 15 per cent tariff on imported headers. Button was an 'industry man' and did not receive 'sectional interest groups'. National Farmers' Federation President Ian McLaughlin was shown the door when he requested Prime Minister Hawke to create conditions conducive to export — not protection. However, the federal opposition took up the plight of the rice industry.
Shadow Minister for Primary Industry Ralph Hunt, for example, supported industry calls for an embargo on some imports, believing this consistent with GATT requirements insofar as imports were subsidised. Hunt also attacked the Hawke Government for its 'full cost recovery' basis to commonwealth/states water assistance programs which, he said, was forcing state governments to pass on costs to water users.  

Against this background, and with WRC again under attack in the metropolitan press for allegedly causing an '... ecological disaster to nesting ibis near Booligal by diverting water from a swamp' (a charge flatly denied by local farmers), Minister Crosio visited the Riverina in February 1985 to inspect the Berriquin and Wakool Sub-Surface Drainage and Salt Intervention Schemes. Confronted on the water price increase issue, the minister said that any commission profits would be credited to irrigators in pricing but profits simply did not exist. Graham Blight spoke of a water pricing formula which varied according to world and domestic prices for rice and inflation so that WRC would 'prosper and suffer' in accordance with farmers' experience. The minister was not impressed. Neither was she moved by repeated references to farmer fury and threats of withholding water payments, reminding lobbyists that the State Water Plan Task Force would be taking submissions until May and inviting contributions, implying that if they were not provided, complaints would not be considered.

Early in April, over 400 irrigators marched from the Rocks in Sydney to Martin Plaza, distributing agricultural produce, including rice, as they went. The object of the exercise was to draw attention to *The Powell Report*, the plight of irrigation farmers and the necessary relationship between rural and urban prosperity. The impact of this well-orchestrated promotional exercise was dulled somewhat by a large religious group, who had occupied the Martin Plaza amphitheatre before farmers arrived, but this did not prevent Graham Blight from delivering a powerful and enthusiastically received speech given wide media coverage:

Why should anyone with a semblance of understanding of the rice industry wish to destroy it? Why should an industry that has been progressive, productive, technically oriented and a big rural and commercial employer be subjected to sabotage from outsiders who think it is their god-given right to manipulate people, industries and communities because of their cumbersome inability to contain their envy and patently misguided ideas. ... No longer can there be any excuse for inequitable decisions and policies. The *Powell Report* spells out quite clearly to all decision-makers that we are an important industry. The rice industry can no longer be dismissed as an uninformed, unproductive minority which complains for no reason at all. ... If the government discourages the greatest community crop in Australia then it will adversely affect four times as many people. Farmers can no longer support the social welfare component of government.  

**Land and water use: new criteria for ricegrowing**

Minister Crosio duly announced that there would be further price increases in the approaching irrigation season, but added in a conciliatory tone that it would be '... a damn sight less than 22 per cent [and] no way [would] capital works or deficits be added to water charges'. A consultative committee had been formed comprising seven members: three from the commission, three from the New South Wales Irrigators' Council and one ministerial representative; to determine rural water charges. This would report in mid-June, but, the minister emphasised, the committee possessed advisory powers only. WRC also released a comprehensive discussion paper on land tenure controls and water transfers in Irrigation Areas and Districts arguing that, as many irrigation farmers were 'landlocked', deregulation would give them greater flexibility in farm management planning, allowing scope for farmers to adjust operations to changes in farm input costs, market prices and other factors (such as environmental concerns). The minister emphasised that the government was not inclined 'to move too fast' on this, allowing ample time for consultation and adaptation — but water-access deregulation was coming.

In May, the minister announced that, pursuant of WRC Land Classification Working Party recommendations, she had directed the commission to introduce tighter criteria for classifying lands suitable for ricegrowing in order to control rising water tables.
This would involve the phasing out of ricegrowing on unsuitable soils and restricting ricegrowing to soils where it could be grown at particular levels of water consumption (24 mega-litres per hectare in 1984; 16 mega-litres per hectare by 1990/91). Farmers would be required to demonstrate that water used in ricegrowing was not contributing to water table problems with the onus of proof resting with them. More stringent policing of water used in rice production would be introduced. A WRC Review Committee would invigilate the new regime. Inevitably, some land would be reclassified as unsuitable for rice.

Minister Crosio's announcement, setting a timetable and guidelines for a reshaped rice industry by 1991, caused surprisingly little farmer reaction. Most growers appreciated the phase-in period and understood that the substitution of environmental and market considerations in determining irrigated land use and water pricing was a sensible approach in the interests of overall agricultural viability. RGA Secretary Bruce Caldwell, who had worked on the WRC Working Party, noted that only about 5 per cent of rice farmers would be affected and, 'They know who they are'. About nineteen farmers on the CIA would have to review ricegrowing immediately. Already WRC was sending them 'please explain' letters in respect of their water consumption.

In August, the minister released the findings and recommendations of an independent review of water policies in respect of existing and potential waterlogging and salination problems in the Irrigation Areas and Districts of the Riverina. Prepared by Gutteridge, Haskins and Davey and ACIL Proprietary Limited, this confirmed a view that ricegrowing should be phased out on unsuitable land. The process should be co-ordinated by a special sub-committee consisting of WRC, the Department of Agriculture and RICC representatives. Improvements in water use efficiency were to be co-ordinated by the State Water Plan Task Force. Feasibility studies into various surface and sub-surface drainage schemes would be conducted. Research into the impact of ground water movements and agriculture on shallow water tables would be expanded and strategies to overcome waterlogging and salination problems were to occur in a 'valley' context.

'A mood of abject despondency'

Meanwhile, farmer meetings continued through June and July 1985. Federal and state government policies and an '… apparent discrimination against country people in the form of increased charges and new tax proposals' were angrily discussed. On 1 July ricegrowers participated in a big rural protest in Canberra. Possibly influenced by the militancy, Crosio announced a 'nil increase' in water prices for the 1985/86 season but repeated that the government would not budge on increases in previous seasons. Talk of further militant action continued but the industry was divided on what action to take. SRIDC President Ian Douglas believed affiliates were prepared to fight on against the increase but the RGA Central Executive was not so sure, the government was clearly resolute and there were now so many variables in the 'deregulatory pie'. Moreover, with 'rebel' growers trying to split the industry, it would be unwise to alienate the government.

Problems afflicting the industry multiplied later in the year combining to create a mood of abject despondency. A chronic cost-price squeeze worsened. 'Rebel' ricegrowers proposed to build an independent mill. An international rice glut continued in the face of a looming trade war. There were more threats to the crucial Papua–New Guinea market as a flood of imports continued. Numerous irritating problems associated with industry structure arose, particularly the proposed RCM-RMB amalgamation. Minister Hallam kept up the attack and was reported to have said at an irrigation seminar (held at the University of New South Wales or Sydney University; newspaper reports vary) that rice production waterlogged the land, lifted the water table and threatened the viability of the CIA and the MIA. Rice production would have to be reduced significantly, he said, if the Areas were to survive for one or two decades more. While rice occupied 10 per cent of the irrigated area in the Riverina, he said, it used 60 per cent of the water. Irrigation consumed 80 per cent of all water used in the state. Hallam was also reported to have said that New South Wales irrigators '… fell considerably short of international standards in terms of gross production per mega-litre of water' and that farmers were incapable of utilising new technology which could overcome the problem. This wholly damning characterisation of the rice industry brought an angry reaction from Graham Blight and Member for
Murrumbidgee Adrian Cruikshank (National Party), who said the Labor Minister for Agriculture was '... fast becoming the greatest burden that this Area has to carry. ... Obsessed with creating alarm over salinisation (sic) [while] diverting attention away from the real problems of farmers'. 24

'Rebel' ricegrowers and industry divisions

As the industry contended with daunting economic, environmental and political problems, the threat of 'rebel' growers dividing the industry into opposed camps peaked. A syndicate known as the Jerilderie Rice Mill Committee had formed, proposing to build an independent mill at Jerilderie to 'encourage better performance from the existing RCM'. A trading company was formed to buy paddy from RMB and supply it to the Jerilderie mill. The syndicate included Barrie Arnold of 'Moore Park', a former SRIDC president, Bob Fraser (CIA), Kerry Kelly (Conargo), Bill Pinnuck (Jerilderie), Geoff Ham (Jerilderie), Kevin O'Neill (a councillor of Jerilderie Shire Council), Paul Sheed and Kelvin O'Connell (Jerilderie). This group, producing between 6,000 and 15,000 tonnes of paddy (reports vary), proposed a medium-sized mill costing about $1 million, 'splitting' consignments between it and the established industry. The prospect of 'splitting' consignments between the co-operative and the Jerilderie Rice Mill Committee was tempting for many farmers since, in theory, it appeared to offer the prospect of improved competition and therefore better prices. Anyone who knew the history of co-operatively organised industries, however, understood that 'splitting' consignments was the first step on the slippery slope to the loss of farmer control and would ultimately benefit a few entrepreneurs and mercantile 'middle-men' organised to pit farmer against farmer. Earlier in its history, the rice industry had struggled mightily to eliminate such interlopers through the device of a co-operative. Now, ironically, the Jerilderie Mill Committee was describing the co-operative as a '... costly, inefficient monopoly, a law unto itself', a poor marketer which was losing markets to importers and claiming that RCM was not adequately servicing the domestic market by concentrating on poor-paying export markets. RCM directors, Jerilderie spokesmen said, seemed '... sworn to secrecy and denigrating my organisation and earlier ... You are selling your product. You don't know where to find our weaknesses. You are [You] will drive the value of rice down on the market. You don't know where to sell your product. You don't know where to find our weaknesses. You are denigrating my organisation and earlier ... you were denigrating me. Growers have fought for years to build their co-operative and now you want to destroy it. 

Graham Blight said that it was, 'Incongruous that while things are a bit crook these people want to break away from the system and pick the eyes out of the market'. Bruce Caldwell said that if the syndicate were successful, price cutting would inevitably break out and it '... was impossible to believe that there [are] customers needing rice but unable to get it from the co-operative'. He believed that the committee was being 'hoodwinked' by domestic buyers who would benefit from lower prices produced by
undercutting. Inevitably, growers, all growers, would pay for this. RGA had commissioned a management consultant (McKinsey and Associates) to look into the whole question of industry structure and marketing. The Jerilderie syndicate should wait for its findings before proceeding further.

When the proposal to construct a rival mill was put, jeers and heckling broke out. Graham Blight moved a motion of no confidence in the committee and this was carried on the voices. Then 150 of the 200 ricegrowers in the Civic Centre got up and walked out. Barrie Arnold said he had expected this, but would continue to test RMB's 'total acquisition rights' and refusal to sell to anyone but the co-operative. If the committee failed to buy into the New South Wales crop, it would build a mill in Victoria and put RMB's powers to a constitutional test. Nevertheless, the Jerilderie Mill Committee would wait upon the McKinsey Report's findings before proceeding, while seeking legal advice on RMB control.25

A trade war begins

With the question of industry structure still unresolved, what The Australian Financial Review writer, Max Walsh, described as the 'opening salvo in a US trade war with the EEC' was sounded in the form of the US Bonus Incentive Commodity Export Program (BICEP). Under BICEP, the United States government provided $2 billion to 'free agricultural commodities for targeted countries', mainly wheat and dairy products. It was anticipated that Australia, 'an innocent bystander', would be adversely affected if a full scale trade war broke out (this happened in 1986). At the same time, news broke of another threat to Australia's supremacy in the PNG rice market, which then accounted for 110,000 tonnes, worth $60 million. Australia's 'preferred' status would continue until May 1986, but political pressure against dependency on Australian suppliers was again building and the PNG government was preparing to open the market to world suppliers. Several Asian nations were already positioning to take advantage of this. The RCM subsidiary, Rice Industries Limited, quickly moved to mill and market directly in PNG its popular 'Trukai' brand, preparing for the expected competition. Meanwhile subsidised Thai imports, amounting to 10,000 tonnes in 1985, one-fifth of the Australian domestic market, continued to arrive while Japanese bans on Australian agricultural imports stayed in place.26

The situation was grave. By late 1985 with no sign of an improvement in markets, a BAE-RGA survey of rice farmers for 1983/84 showed that the average rice farm debt had risen to $71,000 while interest rates (at 18.75 per cent on farm loans) and the now floating Australian dollar (diminished in value) saw farmers further exposed to additional debt. Up to 15 per cent of farmers faced bankruptcy. Banks were becoming jittery. Emergency meetings were being held in an effort to locate 'survival funds'. The New South Wales State Bank alone had $25 million in loans to the rice industry, $8 million of that in the CIA. Rising costs had produced an average negative return on capital and management of $5,000 per annum. Farm incomes had fallen by 17 per cent to $6,800 per annum, half the basic wage. Rice farmers, 'locked in' by soil characteristics, farm size and capital investment in infrastructure, to producing a commodity for which a glut existed, were close to collapse. Only 5 per cent of growers had finished 1984 'in the black'. Divorce, health problems, alcoholism and suicide were on the increase in rural communities. Hundreds would leave the industry if they could sell farms or find viable alternatives to rice.27

Ian Davidge issued crisis warnings about the over-production dilemma. The big 1985 crop had been moved quickly, but at very poor prices and, the RCM Chairman believed, 'The next twelve months will be a blood bath on the world's grain market [but] when grain stock-piles are cleared in twelve to eighteen months the indications are that some stability should return'.

By September Davidge was warning:

I think we are going to pay an awful price in the next ten years, probably longer. ... It will take ten to fifteen years to overcome what I consider to be a deeply declining agricultural sector. I fear what ultimately will happen, will be the beginning of a major recession or depression. ... A lot of farmers are locked in. I know of many who are looking for second jobs. ... There are tough times ahead. Farmers can't sell rice, wheat is not profitable and sheep aren't either. We are locked into producing a commodity that is being glutted in all sectors.28
With the rice industry tottering perilously on the razor's edge, The McKinsey Report, investigating the industry's structure and operational costs, was tabled.
Chapter 42

‘It is time to bite the bullet’:
The Marketing Board and the Co-operative, 1977-1984

Introduction
By late 1985 the New South Wales rice industry, beset on all fronts by weighty economic, political and environmental problems, faced the real possibility of collapse. There was little the industry could do about external problems associated with international market conditions or even about federal and state political agendas, but at least it could get its own house in order. The frequently unproductive gamesmanship between Ricegrowers' Co-operative Mills (RCM) and the Rice Marketing Board (RMB) had to cease. With economic pressures building to breaking point, the willingness of growers to tolerate the bickering and duplication of functions evaporated.

Background to the case for rationalisation
The RMB's watchdog role had become an anachronism. The Rice Growers Association (RGA) fulfilled that function, notwithstanding the protestations of RMB loyalists. There was also a general view that the industry was over-serviced in the capital area, especially for storage. Anyone taking a dispassionate view understood that two organisations operating independently, antipathetic, even, were incapable of making sensible decisions about appropriate capital requirements. Moreover, production appeared to have reached a plateau: so why the need for further capitalisation? Why, growers asked, should RMB and RCM operate separate payrolls? Why did RMB have to approve every sale made by RCM? Why did RMB seem determined to seek out discontented growers and customers and create the impression that everything negative about the industry was RCM's 'fault'? What was the point of interminable 'dog fights', those tedious and costly meetings where both organisations seemed intent upon winning for winning's sake? How much was this costing in wasted time, energy, skills and opportunities? What was the economic value of the vexed relationship and could growers afford it?

Few, however, wished to abolish RMB: the board's vesting powers and 'single desk' function in marketing were simply too valuable to discard lightly. Neither was privatising the mills generally seen as desirable since this implied the threat of corporate take-over and a return to the dark days of the cartel (for those who could remember). The option of milling overseas was problematical, on both economic and social grounds, for it had not been convincingly shown that this could be done cheaper, while the adverse effects of unemployment would impact badly on Riverina communities. Rice mills were highly specialised and ill-suited to other purposes. Moreover, milling overseas in no way obviated the possibility of trans-national corporate control, which was still seen as undesirable in many rural communities opposed to domination by foreign agribusiness. There seemed only one solution: blend the board and the co-operative; fuse them into one body incorporating the positive aspects of each and eliminating the negative. Was this possible and could it work? No-one could be certain.

Russell Emery: RMB Chairman, 1977−1979
As noted earlier, R F (Russell) Emery was elected RMB Chairman in an internal ballot, following the death of Noel Hogan in mid-1977. A gregarious, extroverted man who abhorred confrontationism, Emery possessed a detailed knowledge of the value of paddy down to the last 'cent', enabling him to take a broad industry view. The appointment was generally well-received but there were some misgivings, particularly in the Yanco, CIA and Wakool branches, where it was believed that Emery had 'got there' by default following alterations to RMB electoral boundaries, and, as a friend of Ian Davidge, was rather too close to RCM. Nevertheless, a generally more cordial relationship between the board and the co-operative followed.1

RMB articulated its functions clearly:
• formation of New South Wales rice industry policy in rice areas, production and marketing in equal participation with other component arms of the industry;
• end responsibility to producers for the conduct of affairs under specific statutory powers vested in respect of all paddy rice produced in Australia;
• receipt, storage and disposal of that rice on an annual crop pool basis;
• setting of paddy rice standards and the operation of an appraisals laboratory;
• responsibility for the quality of paddy rice received including the inspection of rice in respect of broken or immature grain, foreign material, insect infestation and moisture content;
• setting premiums for certain varieties based on equalisation of returns per hectare under a scheme approved by the Minister;
• setting other premiums and subsidies for appraisals, seed, cartage, etc.;
• sale of that rice to RCM under a registered supply agreement providing budgetary schedules against which milling yields, costs and market performance are reviewed;
• approval of sales of milled rice to ensure maximum return to ricegrowers;
• financing and distribution to growers of the net proceeds of sales in periodical advance payments;
• rice promotion and world market investigations and assessments and evaluation of world market trends particularly through attendance at the FAO and other rice conferences;
• selection, grading, specialised seed treatment and issuing of all seed under a pure seed scheme;
• purchase of fertilisers and other farm in-puts in bulk for growers to ensure such costs are kept at an economically viable level, and;
• administration of a Capital Equity Scheme which fund gives growers a financial interest in the Board’s assets redeemable on cessation of their growing rice.

Responding to an emerging view that the industry could no longer afford the 'luxury' of two organisations, the Rice Industry Economic Review Committee, comprising the RGA president and the chairmen of RMB and RCM, appointed an Industry Operational Costs Sub-Committee, consisting of Graham Blight and Bruce Caldwell, to investigate possible amalgamation of the co-operative and the board. Emery was not averse to this, but individual board members and RMB Manager John Tagliabue, in particular, felt uneasy about their positions and quietly conducted their own lobbying. The result was Emery’s defeat on the amalgamation question at board level. The Industry Operational Costs Sub-Committee subsequently recommended to the 1977 RGA Conference that amalgamation not proceed and this was adopted.

In the 1977 RMB election, George Kayess, the president of the Yanco Branch and Jim Small, representing the Eastern Murray Valley, were elected to the board. Both came with clear agendas: Kayess to shore up RMB’s position and stop its 'subversion' by RCM; Small to promote the interests of existing and intending Murray Valley growers.

Criticisms of RMB and statutory marketing authorities in general continued through the late 1970s with academics and economists attacking them for their alleged inefficiency and lack of public accountability, arguing that most things done by them could be done by private enterprise or co-operatives. In response, New South Wales Minister for Agriculture Day foreshadowed changes to The Marketing of Primary Products Act designed to improve the performance of marketing authorities and subject them to closer scrutiny by a marketing council. The New South Wales Livestock and Grain Producers' Association, however, was opposed, arguing that such a council would usurp the judgement of boards, reduce grower control, diminish the collective bargaining position of producers, erode orderly marketing and would be, in any event, 'non-elected'. A draft Rice Bill had been circulating for several years designed to give RMB 'adequate controls' in respect of acquiring paddy and determining agents, but this had fallen foul of RMB–RCM tensions and stalled at Central Executive level. Noting this, and farmer concern at a possible breakdown in orderly marketing, Day and the Department of Agriculture's Division of Marketing and Economics began a comprehensive overhaul The Marketing of Primary Products Act to be tabled in parliament by 1979. However, because of the complexity of the issues and political sensitivities, the changes were not completed until 1983.
Meanwhile, within the industry itself, dissatisfaction with RMB grew, the Equity Certificate Scheme, as usual, coming in for special treatment. RMB had spent $15.5 million on infrastructure between 1973 and 1977, which many growers considered extravagant, particularly as the board still seemed incapable of coping with heavy harvests, especially in the Murray Valley. Others were concerned at the vagueness of title, the possibility of the government acquiring grower-assets, and at dubious RMB depreciation and interest-paying policies. Some were convinced that particular Areas and Districts were subsidising construction elsewhere, while others believed that construction costs in some localities were excessive. Farmers leaving the industry for a period and then returning were peeved at the loss of storage entitlements. RMB's reply was that it was obliged by law to build '... for what may be grown up to the rice allocation per farm' and that it anticipated a further $12 million of expenditure over the next four years. The RMB Promotion Scheme was also seen as excessive, doing nothing to curb the impact of Queensland rice or US imports. Many doubted the value of the Appraisal Scheme and premiums paid for long-grain varieties. Farmers facing worsening market conditions, rising costs and liquidity problems demanded quicker payment and became increasingly impatient with delays and 'bureaucratic ineptitude'.

Not only RMB was coming under fire, other industry elements including RCM, RICC and RGA attracted farmer criticism. The Leeton grower, Jim Tiffen (Yanco Branch), for example, strongly supported by Jim Small and George Kayess, called for changes to the method of electing RCM directors. Tiffen believed that directors should be accountable to a particular District rather than the industry as a whole. The existing system, he said at the 1978 RGA Conference in Finley, meant that:

Voters from one District can elect someone totally unsuitable to another District who will not represent its needs. This is resulting in diminishing contact between farmers and the industry Executive. ... A director should be responsible to voters who elect him, ... vulnerable to farmer opinion.

Yanco Branch put a motion to this effect, strenuously resisted by RCM Chairman Ian Davidge, who believed such a policy would bring about '... home-town parochialism and parish pump politics'. Greg Graham, then senior vice president of the association, also spoke against the Yanco resolution, which was defeated together with an amendment that 'All the shareholders elect directors from determined regions'. Nevertheless, the industry's apparent MIA-orientation continued to gall many: the RGA president and the chairmen of RICC, RMB and RCM all came from that Area. The chairmen of the co-operative and the board both came from the Mirrool Branch. There were also protests about an alleged 'Leeton' orientation in RCM recruitment.

Some growers claimed that RICC did not abide by decisions taken at the RGA Annual Conference, especially in respect of grower participation in the industry. Growers wanted to know who the final arbiter was in such matters as farm build-up, transfer of rice acreages to related holdings and liaison with government in determining ricegrowing areas. Terry Hogan of the CIA Branch called upon RCM and RMB to prepare written submissions on these issues for consideration by the Central Executive, expressing a personal view that RICC should be the final voice in such matters. With pressure to complete the CIA still strong in 1978 and repeated calls from BIC for further expansion in the Murray Valley, some believed that the RGA Central Executive's 'cross representation' was steering RICC policy in a direction favourable to vested interests in the north. Terry Hogan moved:

That we request the Central Executive to investigate the increasing trend of cross representation of RCM and RMB members representing the RGA on the Central Executive as being undesirable and request the Central Executive to instruct the branches accordingly.

The motion was carried. The CIA Branch also demanded that matters for discussion at annual conferences go straight to conference and not via the Central Executive for vetting. There were calls for improved channels of communication and better information dissemination. Coleambally delegates moved that the co-operative and the board conduct educational seminars on exactly the same lines and subjects as covered by the Central Executive and that all RGA members be invited to attend. It was also agreed that the association and RMB should mail regular confidential letters to all ricegrowers informing them of events in the industry. RGA was urged to
revitalise the Industry Operational Costs Sub-Committee and to investigate all aspects of industry operational costs.\textsuperscript{5}

RGA President Graham Blight sought to differentiate clearly in the minds of growers the functions of the board and co-operative, declaring:

I am always surprised at the amount of confusion in growers' minds about the RMB and RCM activities and capital and debenture certificates. Below is a brief table indicating which organisations do what:

\begin{center}
\begin{tabular}{|l|l|}
\hline
\textbf{RMB Functions} & \textbf{RCM Functions} \\
\hline
Storage receival & Milling and transportation \\
Seed operation & Home and export marketing \\
Promotion (in conjunction with RCM) & Advertising \\
Payments and bulk purchase & By-product development \\
Equity Certificate (no interest payable deducted up to individual farm ceilings) & Sales income (distributed to RMB for payment to growers) \\
& RCM Debenture Certificates paying 6 per cent interest deducted each year on a per tonne basis — redeemed in 15 years or converted to shares at an earlier date \\
& RCM shares the original contribution to become a shareholder paying 12 per cent interest.\textsuperscript{6} \\
\hline
\end{tabular}
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The urgency to rationalise, however, subsided through 1978 when markets were buoyant and prices good. RCM achieved a record result, distributing almost $63 million to shareholders. With rice selling at $123 a tonne, profits were up by a hefty 27.1 per cent. Good progress was also being made with by-products, including the use of rice hulls in RCM’s stock feed mill and with stabilised rice bran products. Enthusiasm for structural change was also dampened by PNG government plans to cut back rice imports, including 85,000 tonnes from the Riverina worth $30 million.

With RCM Marketing recruit Jim Kennedy to the fore, however, a new five-year agreement was negotiated with PNG and RCM anticipated its 'busiest year ever' with exports in excess of 674,000 tonnes. Indeed the 1979 crop was sold by August and forward orders were already being taken for the 1979/80 season. New sales records were achieved. RCM group sales amounted to $124.2 million, representing a 12 per cent dividend on capital.\textsuperscript{7}

Notwithstanding these positive results, the possibility of RCM–RMB amalgamation existed so long as Russell Emery remained chairman of the board. Ian Davidge certainly believed it possible to meld the organisations ‘... without too much trauma’. Indeed, some were convinced that Davidge had completely subverted the RMB chairman. On the other hand, Emery’s exposure to RMB management was demonstrated by the unearthing of a plot which, if successful, would have had serious repercussions for RGA. A circular, inviting growers to participate in an alternative insurance scheme to the one from which RGA derived an independent income was discovered in the RMB headquarters, ready for distribution. Emery was genuinely shocked to learn of the scheme, which had been secretly ushered through the board unknown to him. Not only was the chairman now seen by opponents as 'soft' on the co-operative and, incorrectly, opposed to further development in the CIA and the Murray Valley, but as no match for the wily John Tagliabue and anti-mill elements in the board.

George Kayess: RMB Chairman, 1979–1985

Not surprisingly, the 1979 RMB election was hotly contested. The main contenders for the chair were the incumbent Russell Emery, Jim Small and George Kayess. Small, from Deniliquin, working 1,000 hectares of rice on four quotas was strongly pro-RMB. Many in the north, however, believed he was inclined to permit more new growers and push development faster than the industry could reasonably assimilate. Kayess’
anti-mill views were well-known and his support for a federal RMB along lines originally suggested by Noel Hogan, believed that a '... closed industry 'would provoke government questioning and could encourage others to break from the industry's control'. Nevertheless, he was a northerner and a stickler for orderly marketing. Moreover, Kayess was perceived as 'just an average cocky', a 'battler' who had developed his soldier settlement block, facing all the adversities and growing with the rice industry.

On 12 November 1979, George Kayess was elected RMB Chairman. Born at Yenda in 1924, Kayess served as a clerk in the Ingleburn Municipal Council before joining the army. In 1952 he took up farming at Yenda. In 1956 he drew Soldier Settler Farm 1306, 'Cudgee' (later 'Coree'), near Whitton and grew his first rice crop the following year. In 1964 Kayess was elected to the Central Executive and also served on RICC, IREC sub-committee, on numerous water-user groups and was a director of the Narrandera Pastures Protection Board for eighteen years, rising to the chair in 1979. Kayess could be stubborn to the point of blind obstinacy, but, like Noel Hogan, his heart was 'in the right place' and, in his political pantheon, 'God' was a farmer.

With Kayess at the helm, John Tagliabue heading up a committed team of board loyalists and farmer allegiance to the board still quite strong, RMB was given a new lease of life. The possibility of achieving industry rationalisation 'without trauma', as Davidge hoped, seemed remote. Indeed, the next few years had much in common with the most vexatious moments of the Noel Hogan board. Kayess lost no time in stamping his mark, blaming 'lack of policy' for confusion over the entry of new growers. He recommended a three-year plan for the democratic expansion of the industry '... in the interests of all growers', particularly with regard to capital funding and orderly marketing. The new chairman's views as ultimate industry authority were given wide press coverage. Much of it was nervous talk: growers were 'anxious over the possible effects of global trade tensions'; 'export turmoil' was predicted; ricegrowers were becoming 'Cold War victims'; a crisis was looming; rice men were 'worried' and full of 'fears'. Echoing Noel Hogan, Kayess complained about the prices the co-operative was obtaining, alleging that rice was being offered in 'plainly uneconomic markets' and promising to look into the situation 'closely'. On the vexed question of RCM−RMB relations, Kayess made it plain that the 'matey' days were over. 'It is my hope that important information will be clearly exchanged between the mill and the board and that co-operation and respect for the roles of each organisation will be the order of the day'. The chairman claimed that the board had succeeded in securing amendments to The Marketing of Primary Products Act, improving RMB's merchandising and finance functions, but had failed in a bid to licence producers and farm holdings as a production control measure. Kayess had held discussions with Jack Hallam, then Minister for Decentralisation Assisting the Premier, considering separate legislation for the industry '... to ensure phased expansion and orderly marketing'. An Area News correspondent noted that it was a pity that in all his reports and announcements the new chairman completely failed to mention the constructive work of his predecessor Russell Emery, who was still a board member.

It was apparent to advocates of structural amalgamation that, with the Kayess−Tagliabue team firmly ensconced new tactics would need to be found. One method was to improve the co-operative's 'intellectual horse-power', to build up personnel strength and simply outmanoeuvre the board with the quality and logic of RCM decisions and actions. Meanwhile, RCM strategists believed, other industry elements must chip away at RMB functions absorbing them incrementally into RCM and RGA structures, gradually marginalising the board and rendering it irrelevant in its current form.9

**RMB−RCM jousting**

It did not take long for the jousting to resume. As mentioned earlier, in the second half of 1980 a controversy blew up which delivered RMB kudos and saw the RGA change its president. Under shrill headlines: 'Farmers' Co-operative Is Involved', Irrigator reported on 19 August:

A Leeton Farmers' Co-op headed by one of the leading rural figures in New South Wales is involved in a controversy set to rock the rice industry. It has been
linked with moves to block cheap machinery sales to ricegrowers, many of whom are shareholders.

*Irrigator* said it was conducting an investigation into an affair in which an MIA co-operative was linked to an ‘... obscure organisation known as the South-West Machinery Dealers Association’, formed two months earlier by Area farm machinery dealers. ‘That same organisation is behind a current attempt to stop RMB merchandising to growers’, *Irrigator* alleged, adding that RGA President Graham Blight was implicated as chairman of MID Co-operative in trying to stop RMB providing ricegrowers with lower cost machinery, fertilisers and chemicals. *Irrigator* predicted ‘fireworks’ at the 1980 RGA Annual Conference in August. *Pastoral Times* expected Blight to come under strong personal attack:

An enormous storm is brewing. The issue could lead to direct confrontation between the growers and the RMB, on one side, and other factions of the industry including the RGA, on the other. ... There are fears that it could lead to a curtailment of the powers of the RMB. The whole affair is shrouded in some mystery.

*Area News*, however, defended the Machinery Dealers Association, saying that it was formed by:

... dealers who were becoming increasingly concerned with extensive Rice Board merchandising. ... The rice industry can do without those who would seek to gain personal, political mileage at the expense of others in the rice industry holding down executive positions ... fuelling the flames of discontent ... discontent [which] has mainly burned in neighbouring Leeton.

There were two central issues involved: the legitimate objections of private traders to competition coming from a statutory authority with extensive and compulsory acquisition powers, on the one hand; and a strategic move by rice industry elements seeking to diminish RMB income and functions, on the other. As retaliatory allegations flew that RCM was in breach of *The Trades Practices Act* — subsequently examined and rejected by the Trades Practices Commission — the South-West Machinery Dealers Association took legal action against the RMB merchandising operation. Nevertheless, as predicted, Blight came under heavy fire at the RGA Conference in August, many seeing his involvement with a competitor for RMB business as a blatant conflict of interest. Passionate debate for and against the board and the co-operative continued until, finally, the executive gagged proceedings on a technicality. Resentment simmered and in the ensuing election Greg Graham, a southerner, defeated Blight for the presidency of the association.

An RMB reunion was later held in the Hydro Hotel, Leeton, attended by members of Jack Brady’s family, together with Alan Malcolm, John Lyne, board members going back as far back as the 1930s, and several other industry ‘seniors’. There were toasts all round, the year had been a good one, Blight had been deposed, the co-operative had been given ‘a shake’ and the board was back ‘on the rails’.

RMB now upped the ante seeking to regain the policy ‘high ground’. Renovating its watchdog role, Kayess and Tagliabue alleged that RCM had retained $650,000 (approximately $1 per ton) of the available bonus payment, transferring this to General Reserves, claiming that, ‘This retention of growers' funds is contrary to the crop agreement and past pool accounting practices under the act’. Seeking also to retrieve the initiative in water policy debates, Kayess announced that he had been holding discussions with river pumpers and ground water pumpers and was considering ‘... issuing ricegrowing licences to Murray and Murrumbidgee irrigators using systems other than gravity irrigation'. The RMB Chairman had ‘not yet formulated a plan’, he said, since the availability of water had emerged as a limiting factor in production and (stating the obvious) because WRC did not give rice licences to pumpers, diverters and bore-water users. Nevertheless, Kayess continued, RMB had an obligation under its charter to explore the possibility of such water users developing a separate rice industry structure. Kayess also cultivated ‘goodwill’ between the three rice-producing states: New South Wales, Queensland and Western Australia; and the Northern Territory; predicting a 40,000 tonne harvest from Queensland upon completion of the Burdekin Dam; 10,000 tonnes from the Ord River Scheme and possibly as much from the Northern Territory. Riverina rice production was only 'safe'
for about another five years, Kayess believed. 'The board believes it is in the common interests of all ricegrowers in Australia to maintain orderly marketing with the common goal of maximum returns'. Such predictions unsettled growers. RMB talk of a 'separate industry structure' was provocative enough, but pontificating on water and rice entitlements incensed the RGA Central Executive.

The board attracted wide press coverage of its activities, skilfully orchestrated by RMB Commercial and Promotion Manager Bob Blake. Kayess was painted as the 'Average Cocky' with genuine 'grass-root rapport'. The board was a 'honest broker', the industry's 'Upper House' and 'Place of Review'. The board resumed Noel Hogan board’s habit of predicting future payments, often so prematurely as to be meaningless. The whole concept of the board is to see that the farmer gets the best money for his crop', Kayess explained to every audience.

Notwithstanding RMB' revitalisation, growers, struggling with serious economic difficulties, resented every dollar going into the industry's coffers. To them, it seemed like the Equity Scheme was a bottomless pit and that no matter how much money it consumed, RMB still could not deal with the speed or volume of paddy deliveries. Already a RMB storage shortfall of 129,000 tonnes existed and was only manageable because RCM provided a buffer. In mid-1981, a joint RMB–RCM Engineering Staff Committee was formed at the request of RGA, directed to report by March 1982 on ‘... all current aspects of storage technology’.

Again in 1982, the board was unable to cope with the 831,974 tonne harvest and was obliged to lease storage space. The Equity Fund had by then produced 650,000 tonnes of storage capacity, which RCM augmented with 61,870 tonnes of storage, plus mill bins. The complex operation was handled well by RMB Field Manager John Sharman but the storage shortfall highlighted a dysfunction between the industry's capacity to produce and its ability to capitalise storage. Something had to 'give' in the deteriorating economic conditions: increased Equity Scheme contributions were neither popular nor, in many cases, possible.

RMB made few friends in 1983, when as part of a cost-cutting exercise it opened sheds only for limited periods during the harvest. Many farmers, inconvenienced by this through no fault of their own, were resentful. The board did, however, cut costs from $5.6 million to $4.76 million and did not stand any employees down, something, Kayess quickly pointed out, RCM had been unable to avoid. Announcing a suspension of the building program to avoid costly borrowings as interest rates soared, or further increases to the Equity Scheme ceiling, Kayess pointed to RCM's construction of a $2.75 million office complex in Leeton, describing this as 'lavish' in such a time of economic restraint. Who would 'watch' the co-operative if RMB were not there, the chairman asked, reminiscent of Noel Hogan. The fact was, RCM investments, including storages, mills, equipment and facilities, now totalled $33.4 million, not significantly less than RMB's $37.4 million and the real issue was not simply 'watching' this hefty industry investment but being able to act decisively on its sensible deployment. With two contesting elements engaged in the process of deploying industry funds this was more complicated than it need be and unlikely to produce rational outcomes reliably.

RMB also continued to attract criticism on the issue of promotion, market forecasts, overseas travel and delays due to 'red tape'. The contentious matter of RMB levying growers for generic rice promotion campaigns blew up again at the 1981 RGA Annual Conference in Leeton. Earlier in the year, RMB employee Bob Blake had been elected chairman of the Primary Industries Promotion Council of New South Wales. From this strategic position, the RMB Commercial and Promotion Manager was able to influence debates on statutory and semi-statutory bodies and establish close ties with federal and state Ministers of Agriculture. Pro-mill elements in RGA decided it was time to rein Blake in, arguing that RMB was squandering one dollar a tonne on dubious promotional exercises, which seemed to be benefiting competitors. Following heated and sometimes acrimonious debate, it was decided, 83 votes to 66, to '... hand the promotion and advertising of rice over to RCM as the seller of the finished product'. This move stripped the board of a high profile function and the funding attached to it, significantly diminishing RMB's stature as a separate entity. Delegates also made it plain that they were fed-up with the 'bombardment' of RMB paperwork and price forecasts which not only varied from RCM predictions, but frequently were wrong.
RMB was advised to get out of forecasting altogether and leave it to the Bureau of Agricultural Economics (BAE). Furthermore, critics said, frequent overseas trips by RMB personnel, apparently for no greater reason than to ‘check up’ on the co-operative, were unjustified on economic and commercial grounds. How could RCM bargain hard with customers if RMB was always looking over its shoulder?

Tragically, the possibility of Russell Emery returning to the RMB chair and achieving rationalisation ‘without trauma’ was lost after February 1982 when he incurred terrible injuries in a car accident and was confined to a nursing home, dying three years later.13

The ‘odd bedfellows’: RCM and RMB

Even though mortal enemies on questions of industry leadership and policy, the fact remained that RCM and RMB shared a common heritage begun in 1949 when the then RMB Chairman Jack Brady stood up to proprietary millers and paved the way with a quota for the co-operative. Now the enfant terrible was struggling to break free of the parent while not fracturing the special relationship. The board’s orderly influence in marketing was not in question. Moreover, Kayess and RMB still strongly supported containment of ricegrowing in New South Wales, at least, to established producing areas and matched to markets. RCM also strongly endorsed RMB’s efforts to have ‘maverick’ producers trading independently with Victorian buyers reined in under the terms of The Marketing of Primary Products Act, and was equally concerned about constitutional uncertainties in respect of Free Trade (Section 92). The fact, that both organisations existed to serve the same constituency at different points in the economic cycle; RMB as a seller of paddy rice and RCM as a buyer; only complicated this special relationship. Growers, arguably, had benefited from such competitive tension over the years, insofar as it provided a generally productive system of checks and balances responsive to prevailing economic and political conditions. But this was no longer seen to be the case in difficult economic times for primary industry in the 1980s. In this climate, a general perception arose that the old system of checks and balances was both unproductive and costly — an anomaly.14

Changes to The Marketing of Primary Products Act, 1983

Seeking to clarify the constitutional question in respect of statutory and marketing authorities, the New South Wales government launched another inquiry into boards with a view to a complete overhaul, a ‘fresh start’. Conferences with primary producers, boards and associations to discuss a draft bill followed at Orange and elsewhere. In September the (now) Minister for Agriculture and Fisheries Jack Hallam presented a new Marketing Bill. This was passed on 3 December 1983. The act retained the Pool concept, describing paddy as a ‘declared commodity’, and obliged growers to continue to deliver to the board. If growers did not deliver paddy to RMB receival points, then the paddy became ‘vested’, the board clothed with powers to requisition it. RCM Export Manager Jim Kennedy is credited with coming up with the idea of ‘conditional vesting’, which gave the board greater flexibility in acquisition powers without diminishing them. The board was now able to buy and sell the commodity outside the Pool and deduct costs incurred plus overheads. The new act also included provision for the board to accumulate reserves and provided guidelines for futures trading in commodities and currency-hedging for forward sales. To oversight and monitor the operations of marketing boards, the position of Director of Marketing was created and filled in April 1984 by Barry Buffier, an economist (Farm Management), who had joined the Department of Agriculture in 1969. Boards were required to provide annual reports to parliament and growers to conduct annual meetings and regular audits. There was little in the reforms that RMB was not already doing, and doing well, but the notion of industry ‘co-operation’ was specifically broadened to encompass greater co-ordination between the elements. The minister’s reserve powers to intervene where industry ‘co-operation’ was not forthcoming were also strengthened and, although not acted upon, the possibility of the government wielding a ‘big stick’, existed. It was hoped that the renovated legislation would facilitate the commercial and efficient marketing of agricultural commodities in the best long-term interests of all producers, essentially strengthening accountability provisions in exchange for greater flexibility (and risk).15
Pressure for amalgamation builds

RMB promptly moved to take advantage of this 'fresh start', but not without mishap. When Government Nominee J M Burrell retired from the board at the end of 1983, he was replaced by P Byrnes, a former president of the Jerilderie Shire Council and the Murray Industrial Development Board and well-known for his 'anti-mill' views. The appointment was made ostensibly to strengthen RMB's position in relation to the new act but had the opposite effect, many growers seeing it as blatantly an Australian Labor Party (ALP) political move. Rather than strengthening RMB's credibility, Byrne's placement threatened the possibility of outright 'war' within the industry along political lines at a time of great uncertainty and economic hardship. As importantly, the board came to be perceived as increasingly isolated from mainstream industry opinion while tensions between the state government and ricegrowers on water policy issues peaked.16

Neither was the board's credibility improved by John Tagliabue's prediction at a BAE Conference in Canberra early in 1984 that the economic environment was set to improve significantly. RMB was predicting payments '... way in excess of $100 per tonne'. Ian Davidge, on the other hand, was forecasting a further fall in prices, or at best, a marginal improvement on account of extremely volatile and oversupplied markets. The forecasting discrepancy and obviously renewed tension between RMB and RCM obliged RGA Vice President (since October 1983) and SRIDC President Ian Douglas to disclaim the forecasts, advising growers that the board and the co-operative had yet to meet on the subject. Growers were nervous and confused: the industry seemed to have no clear sense of direction. Nervousness became grave concern as prices plunged to their worst level in seven years and a world-wide slump began, accompanied by a rice glut. New South Wales ricegrowers faced the prospect of not even being able to cover production costs! Angry growers accused RMB of performing a 'con job', of predicting higher prices to induce farmers to produce while knowing all along that prices predicted could not be realised. Some believed that ricegrowing was 'at an end' unless fundamental improvements were made to industry structure.

RMB also received harsh criticism from other directions. In June 1984 a senior government official from the Philippines, Assistant Director-General of the National Economic Development Authority Dr Jose Lanas, visited the MIA to inspect the rice industry. He was impressed by all levels of the industry but '... confused about RMB's place within the industry, there should be a stronger organisational link between the Board and the Ricegrowers' Co-operative'. Dr Shaw, an ANU academic accompanying Lanas, added, '... The farmers grow the rice, the co-operative mills it but the marketing board owns it. Why? I don't see the connection. I don't see the logic behind it'. The breakaway Jerilderie Rice Mill Committee, meanwhile, made great capital out of the RMB−RCM stand-off. Syndicate member Barrie Arnold broadcast a 'leak', almost certainly from RMB sources, that RCM had sold 22,000 tonnes of Calrose brown rice to Spain at very low prices and accused the co-operative of being a weak seller and operating on a policy of give-away prices. Arnold called upon RCM to take a carry-over (on the doubtful assumption that prices would improve) and urged all growers to lobby RCM directors for a meeting to decide selling policies. 'After all', Arnold said, 'it is the growers' co-operative mill and all should have a voice in their future'. The situation was potentially explosive. If growers believed Arnold and supported the Jerilderie Mill Committee in a deal with RMB, the industry could be split in two.17

Observing these ructures, and taking expert opinion about RMB, Agriculture Minister Hallam notified the public in July, as was his duty, that a petition would be circulated between 6 November 1984 and 8 May 1985 for dissolution of the board. Rice industry leaders were horrified. This was not what they sought; amalgamation with the co-operative, not abolition, was the goal. But Hallam was obliged by the act to proceed this way. If amalgamation were to occur, it would need to happen soon.

In the approach to the 1984 RGA Annual Conference, President Graham Blight (reinstated following the death of Greg Graham) told affiliates:

It is time to bite the bullet. The best people we have should be spending their time on constructive money making-issues instead of rehashing established facts,
decisions and results that invariably lead to confusion, particularly at grower level.

Blight argued for urgent changes to the industry's administrative and organisational structure, because the industry was ‘... over-administered, top heavy [involving] time wasting, frustration and bickering’. While radical change was warranted, however, great care should be exercised to preserve the industry's co-operative fundamentals, especially in respect of RMB's 'vesting' powers. The question of industry rationalisation, Blight said, should be put on to 'neutral ground' by bringing in an outsider to review the industry. There seemed to be no other way of getting the 'odd bedfellows', the co-operative and the board, to conceive an heir.18
Chapter 43

Birth of Ricegrowers' Co-operative Limited, 1985

Introduction
At the Ricegrowers' Association (RGA) Conference at Finley in August 1984, Association Deputy President Ian Douglas called for a management consultant to '... devise a workable plan for the future of the industry'. He also sought a commitment from the Rice Marketing Board (RMB) and Ricegrowers Co-operative Mills (RCM) to ensure this happened. An amalgamation of the functions of RMB with the co-operative was seen as a desirable outcome. RCM Chairman Ian Davidge and RMB Chairman George Kayess were expressly requested not to appear as 'industry spokesmen' through the course of the consultant's deliberations. Douglas was appointed chairman of an RGA Industry Organisation Sub-Committee briefed to steer the consultancy to a satisfactory conclusion. The board and the co-operative were to share costs. The management consultant firm, McKinsey and Company, was appointed after a complicated selection process and briefed to present a report by August 1985.

'Jockeying' for position
Kayess wished to retain the board's autonomy. Davidge sought amalgamation. The McKinsey team, headed by Graham Bradley and deluged with information from various camps of opinion and industry bodies noted the friction. Certainly it was not a 'straightforward relationship', Ian Davidge recalls, but at least, he believed, a perception was dawning in McKinsey and Company that a continued role for RMB existed. The question was: in what form?

As the review proceeded the whole question of orderly marketing was again thrown into doubt by a High Court finding against the Queensland Barley Market Board in a dispute with Australian Coarse Grains Proprietary Limited over a 1980 crop. The court ruled that under Section 92 of the constitution a board's powers of compulsory acquisition did not commence until harvest. Therefore, any contract entered into before that time, involving the moving of grain interstate, took precedence over state legislation for marketing boards. The ruling, which made it easier for traders to buy produce from other states, also encouraged 'rebels' ricegrowers associated with the Jerilderie Rice Mill Committee. Apparently, all they needed to do where interstate trade was involved was to enter a contract before the harvest. A New South Wales Marketing Boards' Association was immediately formed to defend the interests of boards. George Kayess was appointed chairman and John Tagliabue, secretary.

By now it was apparent to industry watchers that RCM was outmanoeuvring RMB and marshalling superior intellectual 'horse-power'. Terry Hogan, Bruce Barber and David Woodside joined the RCM Board in 1984. Moreover, RMB personnel changes had '... turned voting patterns upside down'. In May 1985, Gerry Lawson replaced Jim Small on RMB after Small accepted National Party nomination for the state seat of Murray. Other board members, Des Cudmore and George Rathbone, while unstinting in their loyalty to RMB, were fundamentally 'industry' in orientation. In June 1985, Minister Hallam appointed to RMB as government nominee the former Minister for Water Resources and Conservation Lin Gordon, who replaced Stan Lanham. The National Party cried 'foul' and 'jobs for the boys', questioning Gordon's objectivity and alleging that he was in effect a 'consultant' for RCM. George Kayess well understood what was happening: a choreographed event to deliver a strong RCM lobby on his board; but was helpless to do anything about it.

The McKinsey Report, 1985
The McKinsey Report: Setting Future Direction for the Rice Industry was presented in camera to RGA Branches in August 1985. The rice industry faced a difficult and uncertain future the report said as it was unlikely prices would return to the high levels of the late 1970s and early 1980s over the next few years. The report called for, 'Fundamental change in the way the industry has been structured for the past thirty-five years [to create] a stronger more unified and more outward-looking industry organisation'. Noting that the rice industry was among the largest 200 business organisations in Australia, employing directly 900 in storage, packaging, distribution and marketing, generating five jobs elsewhere for every person employed in the
industry, and commending its excellent export performance, the report also drew attention to the industry's disproportionately high operational costs, which amounted to $108 million in 1984/85, most of this associated with RCM operations. Storage alone cost $9 million per annum and had cost $4.5 million per annum in capital costs over the previous five years. McKinsey recommended changes to the way the industry was organised, in management practices and in the style and structure of industry leadership, arguing that it should move from an era of building and growth to one of consolidation. The focus of management should shift to ensuring cost effectiveness throughout the industry's operations achieved through streamlining, clarification of management accountability for both costs and effectiveness, the instilling of greater cost consciousness among all employees, and an improved understanding of forces at work in the industry's key markets. The current situation:

Created unclear and overlapping responsibilities for key areas such as management of storage and domestic advertising and promotion, duplication of functions among administrative staff and supervising staff. … [This] caused work of little value to be done in order to co-ordinate and report information between organisations [leading to] unnecessary overhead and administrative costs.

The current structure also created a divergence between organisations that was against the best interests of growers as a whole and caused a productive diversion of management time and attention.

Changes were required, McKinsey said, to improve market information and to develop and implement effective, responsive market strategies. Industry leaders should shift focus from internal issues toward ensuring coherent and united strategies for the future. To assist the industry to bring about these changes promptly and effectively, *The McKinsey Report* recommended three sets of actions:

1. Consolidate operations in one new, re-named organisation accountable to a single board of directors.
   - to streamline structure, reduce costs and increase management accountability;
   - structure the board of directors of the new organisation to ensure accountability of management and answerability to growers; and
   - include grower-elected members of RMB in the board of the consolidated organisation.

2. Focus attention of management of the consolidated organisation on four key strategic priorities:
   - the strengthening of marketing effectiveness;
   - the aggressive reduction of operation and capital costs;
   - the improved management of by-products business for improved profitability; and
   - active programs to improve grower economics.

3. Adopt a program to implement recommended changes effectively and equitably as soon as practicable after endorsement by growers.

McKinsey recommended a staff cut of 100 to 150, the closure of one mill, a change in the location of some storage and a six-month implementation phase in achieving these. A joint Implementation (Amalgamation) Committee of ten, five each from RCM and RMB, should be formed to recommend plans for adoption to consolidate and integrate the boards of the two organisations. The structural amalgamation, streamlining and other cost saving measures, McKinsey believed, could add $10 per tonne to growers' returns. Essentially, the report believed that, while the industry's operations were efficient the organisational structure was not, saying, 'The inertia of history will weigh against change and must be overcome by decisive leadership'.

**The structural amalgamation, 1985**

There was overwhelming branch support for *The McKinsey Report's* recommendations, which were to be reviewed at the RGA Annual Conference in Coleambally, but there was also plenty of heat left in the RMB–RCM stand-off. In the approach to a Special
Meeting in October 1985, where details of the amalgamation were to be thrashed out, and as the Amalgamation Committee negotiated the awkward business of inclusions and exclusions from the combined board, unsubstantiated rumours circulated that RCM had lost $8 to $9 million in futures trading. George Kayess rounded on the co-operative:

Under the general guidelines issued, the level of exposure should not go to the point of taking risks with producers' proceeds without there being specific reserves to cover losses. For the New South Wales rice industry it seems that futures trading would not be warranted nor does it seem to be normally appropriate to hedge foreign currency in respect of non-contracted sales.

A furious Ian Davidge dismissed the rumours as 'mischievous' but was confined in his comments by the agreement that neither he nor Kayess would appear as industry spokesmen while the McKinsey exercise ran its course. RCM General Manager Neil Donaldson, however, was not backward in rejecting the substance of the allegations, assuring growers that where such practices occurred this was only necessary because of the volatility of markets and shifting currency values. The utmost prudence was exercised, Donaldson continued, and the co-operative never traded in futures contracts without commodity backing. Moreover, while losses were sometimes incurred, growers generally gained. Some believed that the rumours were spread to damage Donaldson's chances of being appointed interim manager of the proposed new organisation in a transition phase.

RCM did not have the authority simply to take-over and RMB was not prepared to yield easily. Some RMB members and staff retreated behind an impenetrable wall of obstinacy meaning that Ian Davidge had to negotiate every gruelling step of the way and everything needed to be painstakingly conceded. A suggested name for the new entity; 'Ricegrowers' Co-operative Mills'; was objected to. Davidge suggested 'Ricegrowers' Co-operative Limited'. Kayess accepted, insisting that every element of The McKinsey Report recommendations be implemented; not just 'bits'. Davidge agreed.

On 3 October 1985, a Special General Meeting of RCM shareholders convened to consider changing the name to 'Ricegrowers' Co-operative Limited' and to decide the composition of the new entity's board. A board of seventeen was proposed, consisting of six RMB members and eleven RCM members, to be reduced to thirteen in total according to an agreed timetable by Annual General Meeting, 1989. RCM proposed 'up to five' RMB members (elected in the 1985 ballot) and two external directors on the eventual 1989 RCL Board. In the interim, RCM directors would be reduced by two, by AGM 1986, by another one by AGM 1987 and two in 1988, leaving six former RCM directors on the reconstituted RCL Board by 1989, five RMB directors and two external directors.

The question of appointing a manager for the new entity was controversial. Davidge and Tagliabue jarred terribly and could not work together. Tagliabue wanted both RMB and RCM managers to go. Donaldson said he had no problem with that — he was planning to retire ‘... in about three or four years time’. Davidge negotiated with Donaldson for a ‘transition’ stay believing it crucial that his skills and knowledge be retained through the perilous adaptation phase. Tagliabue was requested to set redundancy rates and was paid out immediately.

Still the painful matter of eliminating former RCM Directors remained. Peter Hinton went voluntarily. Then it was to be a ‘director a year’. RMB agreed to shed two directors on this basis. Ian Davidge recalls that the exhausting process ‘aged’ and dispirited him; the attrition; the voting-off of old friends and good people. ‘It wasn’t much fun’, he reflects. Moreover, in a quid pro quo with the minister, who, after all, was finally to agree to the amalgamation, two external directors needed to be identified, one appointed by the government on behalf of RMB and one appointed by RCL. Hallam proposed Barry Buffier, then Executive Director of Regulatory Services administering acts and legislation for agriculture. The co-operative was uncertain: why should a purely commercial operation be subject to ministerial oversight of its day-to-day operations? But such niceties were swept aside in the serious business of getting the amalgamation in place and quickly ‘bedded down’. Delays could be disastrous. (In the end, Buffier’s knowledge and skills were invaluable in facilitating the amalgamation process.) The task of locating another external director dragged on well into 1987. Finally, Derrick Docherty, a retired executive officer of IBM (Australia).
was identified, replacing Lin Gordon, bringing fresh perspectives and valuable experience to the new co-operative's board.\(^5\)

On Remembrance Day 1985, Des Cudmore of the Mirrool Branch replaced George Kayess as RMB Chairman and Kayess left the board. On 30 November 1985, RMB ceased operations as an autonomous body, transporting residual functions as an element of the amalgamated entity, Ricegrowers' Co-operative Limited (RCL). RMB, still possessing legal personality under *The Marketing of Primary Products Act* (1983), appointed RCL as its Authorised Agent and Authorised Buyer in a four-year agreement. RCL undertook to pay RMB a fee for depreciation and other costs associated with the board's assets, plus operating costs.

RMB presented its final traditional report in February 1986: a beautiful, glossy publication, predicting 'revolutionary changes' in the rice industry in the approach to the twenty-first century. The last page of this final offering after fifty-seven years of independent operation was left blank, depicting only the RMB insignia, flying like a defiant banner. The meaning was clear: the last page in the board's history had not yet been written.

Indeed it was not. Old loyalties still burned fiercely among former RMB personnel throughout the transition period. Indeed, Ian Davidge believes that the amalgamation was only made possible through the goodwill of existing board members, particularly Des Cudmore, who was both loyal to RMB and committed to amalgamation. Certainly, the amalgamation did not eliminate old tensions overnight. For at least two years *The McKinsey Report* was regularly 'trotted out' and referred to as gospel in many a tight encounter between the new partners. Neither did some seasoned campaigners always agree with the sylvan pronouncements of the management consultants, describing them as 'impractical' or 'inhumane'. RCL Deputy Chairman Clive Holden, for instance, recalls that the first employee recommended for release was to be the tea-lady. Holden thought tea-ladies were an essential element of an organization's social fabric and said that if she went, so would he. The tea-lady stayed. Savage cuts proceeded nonetheless, creating great uncertainty in the Riverina over the impact of a loss of at least 130 jobs — with the added possibility of the amalgamation failing.

Doubts about the final composition of the RCL Board also continued, well into 1987. Until then, RMB had five directors on RCL, outnumbering with the two external directors, the six former RCM directors. With the blessing of the minister this situation was changed to allow for seven co-operative directors, four RMB directors and two external directors, giving the co-operative a majority. The final composition of the RCL Board was (with date of appointment):

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<tr>
<th>FORMER RCM</th>
<th>FORMER RMB</th>
<th>EXTERNAL</th>
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</thead>
<tbody>
<tr>
<td>Ian Davidge (Chairman) 1960 (Yenda)</td>
<td>Peter Burrell 1987 (CIA) (replaced R J McCleary 28/9/87)</td>
<td>Barry Buffier (ex-RMB) 1987 (Deputy General New South Wales Department of Agriculture)</td>
</tr>
<tr>
<td>Terry Hogan (Deputy Chairman) 1984 (CIA)</td>
<td>Des Cudmore 1985 (Benerembah)</td>
<td>Derrick Docherty 1987 (Retired Executive Officer IBM [Australia])</td>
</tr>
<tr>
<td>Bruce Barber 1984 (Warrawidgee)</td>
<td>Gerry Lawson 1985 (Mayrung) (RMB Chairman in 1987)</td>
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<tr>
<td>Graham Blight 1969 (Whitton)</td>
<td>George Rathbone 1985 (Wakool)</td>
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<td>Knox Durrant 1973 (Caldwell)</td>
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<tr>
<td>Clive Holden 1960 (Deniliquin)</td>
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<tr>
<td>David Woodside 1984 (Benerembah)</td>
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The Rice Marketing Board had been the first statutory marketing authority in New South Wales to be registered under *The Marketing of Primary Products Act* in 1928. Now it was the first in the state to amalgamate with a co-operative. The 'honest broker' board had served its purpose well, first under the sway of proprietary millers but gradually as an independent arm of grower organisation. Under Noel Hogan RMB had assumed a valuable 'watchdog' role in respect of the co-operative but this reached
a stage where it became dysfunctional, triggering a long painful, angulated process of amalgamation. Still, no one was certain that it would endure or confident of the new entity’s legitimacy under Trades Practices legislation. For the time being, however, the new co-operative enterprise represented a creative response to a relationship which had outlived its usefulness.

Ricegrowers’ Co-operative Limited (RCL) hoisted sail under a brilliant banner:

1. To meet the needs of the grower and consumer by efficiently receiving, drying, storing, milling and packing all rice grown in New South Wales and profitably marketing all end products using the Co-operative’s own brands to the maximum extent;

2. To maintain the rice milling industry as an efficient and profitable producer co-operative;

3. To actively seek appropriate diversification and vertical integration in activities both in Australian and overseas using rice and other products which will add to and stabilise returns to shareholders from mainstream rice milling;

4. To maintain in co-operation with other grower associations, statutory bodies and government departments and infrastructure in keeping with the industry’s ability to grow, store and process for profitable marketing of milled rice;

5. To attract and retain a workforce of such potential and specific skills as will maintain a progressive and dynamic organisation and to offer career paths which will provide for succession within the Co-operative;

6. To maintain a sound financial policy taking the most effective advantage of available loan funds and allowing for sufficient reserves to cope with fluctuations both in rice production and end-markets, while providing the shareholders with maximum benefits relative to their investment; and

7. To maintain policies which ensure that the image of the Co-operative engenders confidence in the rural community at large, the workforce, legislative and political bodies and among shareholders both existing and potential.

The stormy marriage of the ‘odd bedfellows’ was complete. Now a veritable mountain of rice awaited the newly weds in paddy fields to wish the union fertility.6
Deregulation Regardless: Momentous Change in 1986

Introduction

In the vulnerable period following the functional amalgamation of RMB and RCM, which gave rise to Ricegrowers' Co-operative Limited (RCL), the rice industry was buffeted by powerful economic and political forces. General economic conditions for agriculture deteriorated further, exacerbated now by a full-scale international trade war involving the European Community (EC) and the United States of America (USA). Meanwhile, to the relentless tattoo of an economic rationalist beat, deregulation proceeded in agencies existing for the administration, allocation and pricing of water. The New South Wales rice industry, virtually on its knees and 'reviewed to death', braced itself for revolutionary change in irrigated water use. The rice industry had faced many challenges in its more than sixty years of history, but none so dire as in 1986.

A rural crisis

Commodity prices were depressed across the board in 1986 and rice was not immune. Rice production fell again by 20 per cent due to reduced plantings, diminished yields and lower prices. Costs just kept climbing. Capital equipment replacement costs rose by 15 per cent and wages by 6 per cent. Farm production input costs rose by 52 per cent (excluding water) between 1980/81 and 1985/86, compared with a 47.5 per cent increase in the CPI in Sydney. Water rates now accounted for about 10 per cent of total production costs. About 25 per cent of rice growers were in a serious debt-to-equity predicament, interest rates the big killer, peaking at 21 per cent at the end of 1985. Asset values continued to decline; the value of farm capital falling by 12 per cent in 1985/86 alone. The demand for farmland had almost completely dried up, apart from some cattle country. The rural property market reached such a crisis point that farmers, facing a cash flow dilemma while endeavouring to diversify or enlarge holdings, were simply unable to build farms to viable size despite the large amount of property on the market. A build up of livestock in rice growing zones was evident as more farmers moved out of the commodity. 'Pitt Street' and 'Collins Street' farmers were investing elsewhere, in largely unproductive and ultimately expensive city property and other speculative commercial building development. Taxation concessions for irrigation and the development of rural land ceased and uncertainty grew over further proposed federal changes to taxation schedules and compulsory superannuation.

Farmers once more organised to protest. Highway demonstrations were staged. There was more marching in Canberra. A group known as the 'Canowindra Seven' dumped wheat on the steps of the federal parliament, egged on by irate farmers. There were meetings in the bush where possible militant action was discussed along with other emotive issues: restrictions on foreign capital movement; changes to industrial relations; micro-economic reform; and the predations of the banking system upon farmers' livelihood. The National Farmers Federation (NFF) organised a 'phone in' to politicians complaining about interest rates, callers jamming government office lines. NFF President Ian McLachlan called for a $10 million fighting fund to launch a campaign for lower interest rates, new industrial relations and other reforms, particularly on the waterfront and railways. The appeal met with an enthusiastic response from farmers and allied industries. Australian farmers, the NFF said, were not demanding subsidies, unlike competitors. Farmers simply wanted locally imposed costs to come off to improve competitiveness. In the Riverina the Women's Rural Action Committee, led by Robin Tiffen, organised food parcels donated by the Letona Co-operative and RCL for distribution to farmers not eligible for (or unwilling to accept) social security.\(^1\)

The Berrigan showdown

Uncertainty still hung above the RCL amalgamation as these divisive cross currents shook the industry. The breakaway Jerilderie Rice Mill Committee (now Association), encouraged by the High Court decision in respect of the Queensland Barley Board,
was active. Consignments of paddy were being delivered outside the RMB–RCL arrangement. Responding to this challenge, former RMB Director Des Cudmore broadcast:

The board will take all the necessary steps to protect growers' capital investment in storages and mills and preserve the rice industry for the overwhelming majority of growers who have worked within the system for the past 57 years.

At 7.00 a.m. one chilly May morning in 1986, three RCL trucks rolled on to the premises of the Berrigan grain merchant, Howard Martin. RCL Manager of Grower Services John Sharman, who had made the transition from the old RMB, ordered the seizure of 40 tonnes of Calrose and 20 tonnes of Pelde from Martin's storage by force of The Marketing of Primary Products Act. Martin argued that the paddy was being stored as seed for a client, Bob Fraser, on behalf of 'several growers'. Fraser denied there were plans to mill the rice: the paddy was simply to be cleaned for a Victorian client. 'These people are hoping to research a new product not handled by the rice co-op or anybody else. It is a commercial secret'. Fraser said he had been unable to obtain any seed rice from RMB. 'You can't buy rice from RMB because it is vested in RCL'. The only way to get rice to clients, Martin said, was to try to cart it interstate. Martin accused the industry of harassment, of using 'police-state tactics' and was angry that his integrity was being questioned. The grain merchant accused RMB of 'empire building' at the expense of growers. Instead of building 'Taj Mahals' like the storage facilities at Finley, he argued, the industry should use private storage facilities, such as his own. About thirty growers stood by silently observing, making their disapproval of Martin obvious with eloquent body language. One broke the silence to say that Martin wanted to take them back '... to the bad old days when they were at the mercy of grain buyers'. There were a few present who remembered those days. The paddy was removed without further incident and taken to RMB stores. John Sharman said that the owners could claim it there, if they wished.

This highly publicised incident not only drew government attention to the new entity but sowed further seeds of dissent among growers. Rumours swept about that Martin's mysterious Victorian clients had offered to pay $250 a tonne for rice, far in excess of what RCL was paying. Whether the rumours were genuine or not is unknown, but as John Sharman pointed out, in such hard times, 'People desperate for finance would try to operate outside the system'.

Uncertainty about the amalgamation

In June, Minister for Agriculture and Fisheries Jack Hallam asked his Director of Marketing to inquire into concerns about the functional merger of RCL and the day-to-day exercising of the statutory powers of the board by the co-operative. Particular attention was to be given to the matter of public accountability and possible discrepancies in respect of the commonwealth Trades Practices Act. Critics of the amalgamation had raised doubts about RCL's ability to undertake RMB functions in the absence of any RMB-nominated members. There were questions about alleged avoidance of ministerial approvals required before 'certain functions' could be performed. Doubts had also arisen over the apparent inapplicability of ministerial guidelines under certain sections of The Marketing of Primary Products Act in respect of the New South Wales Co-operation Act, under which legislation RCL was registered. The RCL Board as a legal entity was charged with the responsibility of ensuring that growers obtained the best prices possible for their commodity and questions had been raised, the minister said, concerning the possible abrogation of this.

The Director of Marketing conducted an inquiry into the allegations and duly recommended that the minister consent to the amalgamation under certain conditions involving the Parliamentary Public Accounts Committee. The minister agreed but uncertainty lingered.2

WRC retreats from traditional roles

There was little time to think about these doubts, however, for momentous changes in water administration were under way. Following a by-election and cabinet reshuffle early in 1986, Janice Crosio was appointed Minister for Local Government and John Aquilina became Minister of Natural Resources. Aquilina, formerly a teacher and Mayor of Blacktown (1977–1981) emerged from a metropolitan background, as had his three predecessors. His wife Anne, however, had come from a sheep–wheat farm in
the West Corugan Irrigation Scheme meaning that some rural reference points existed (in a private irrigation context). Irrigators hoped for a ‘new deal’ with Aquilina, but it was not to be: increases in water prices announced by Crosio in the previous season were to be rigidly enforced. The new minister, promising to shut-off water to farmers who refused to pay, announced the impending introduction of boards of management for the Murrumbidgee, Murray and Lachlan River Valley systems, which would serve as advisory bodies to assist the government in pricing and other policies relating to water use, urging the ‘irrigation industry’ to nominate candidates.

Clearly, the government, and by implication WRC, was beating a retreat from traditional responsibilities in respect of water administration. Why? The commission had been concerned about the legality of pricing and selling policies for some years. There was a long history of farmer protests and media attention challenging commission controls. Publicity surrounding environmental problems with irrigation had brought sharp focus to the commission’s functions. The community was increasingly litigious and the WRC uncertain about its position in the event of a serious legal challenge to the regulatory regime. The judicious solution was to withdraw altogether from the business of determining land use, water entitlements and prices, allowing water consumers and markets to sort it out. Why was government in the field, anyway, *laissez faire* economists asked? There was no easy answer in these times of rampant neoliberal capitalism. And the task of withdrawing was relatively simple, expedited by disunity in the ‘irrigation industry’ as relations in the rice industry, for example, between ricegrowers and horticulturalists and private-system and public-system irrigators, north and south, remained as strained as ever. Such divisions were easily exploitable by governments and ambitious new water-use groups alike.

**The Department of Water Resources sets the ‘deregulatory clock’**

The sounding of the retreat from traditional administrative responsibility in land and water controls was given in June 1986 when the government announced that WRC would be abolished and replaced by a Department of Water Resources (DWR), effective on 1 January 1987. The change was necessary, Minister Aquilina said, because the government’s Water Audit, commissioned in 1983, had shown that water administration was shared by seventeen state bodies, six ministers and thirty-seven pieces of legislation. Such a rambling shambles had seen a chronic lack of co-ordination and accountability, develop. The new department would have responsibility for planning, policy, and management of water resources, including rural water supply and associated services, licences and flood plain management. The WRC’s design and construction functions would be transferred to the Public Works Department and land administration transferred to the Department of Lands. An advisory council comprising relevant government departments and representatives of the ‘irrigation industry’ and community groups would be constituted. Boards of management for the three river valleys (Lachlan, Murrumbidgee and Murray) would be formed forthwith. The permanent transfer of water rights was foreshadowed as, the minister believed, ‘The efficient use of the resource depends on an ability to trade in it’. An irrigator might now sell water rights, or land as ‘dry’ or irrigated, as the department was no longer in the business of controlling irrigation acres or regulating commodities. Rice could now be grown wherever soil was suitable with regard to environmental tests (although large river and creek frontages were limited to between 73 and 100 acres per licence or 30 per cent of the farm per season, to avoid the possible deleterious affects of hydraulic loading). DWR was strictly a ‘… water supply and distribution authority’ and would never again dictate what farmers could and could not grow. Water availability and environmental suitability were now the sole regulatory determinants of rice production levels: the historic linkage of rice industry and government through RICC was at an end.

These sweeping reforms, embracing not only water matters but land tenure and commodity production levels, finally tore up the contract between water entitlement, land use and irrigated farming, which had existed since the inception of the Water Conservation and Irrigation Commission (WCIC) in 1913, joined by the rice industry in 1924.

For ricegrowers the implications were immense. The geographic spread of the industry and farmer access to water were about to be fundamentally altered with an
attendant impact on land values, infrastructure investments and patterns of community settlement in established ricegrowing areas. Ian Davidge described the changes as ‘… revolutionary, untried, unproven’. Ian Douglas said:

The RGA did everything in its power … to convince the government that it was inappropriate to force this deregulation upon such a successful and well-run industry. But the push of “deregulation regardless” was too great and the changes occurred. The minister [however] did allow for a five-year phasing-in program of new growers from outside the traditional ricegrowing regions.

The five-year phase-in of the new regime was helpful to an industry beset on all fronts by economic woes and which might well have been driven over the brink by a sudden influx of hard-pressed wool and wheat farmers, for example, seeking improved returns through rice. The impact on farm profitability of such a rush could have been disastrous, particularly if new growers ‘danced in and danced out’ as shifts in commodity prices suited them. Nevertheless, the deregulatory clock was ticking and the alarm set to go off. The rice industry would never be the same again, not only the RMB in its traditional form a thing of the past, but now the Water Commission.3

Then SRIDC President Barrie Arnold announced what he described as ‘terrible news’: in a cabinet reshuffle following the retirement of Premier Neville Wran and his replacement by Barrie Unsworth, Janice Crosio had been appointed to the new portfolio of Minister for Water Resources! Stern letters from DWR were soon reaching 1,130 irrigation farmers who had not yet paid water charge increases, demanding payment due in November 1986, after which fines of $100 a day would commence.

It was ‘on’ again. Irrigators organised a media event at Finley, a protest bonfire:

They burnt the threatening [DWR] letters in a coffin, … Several attempts were made to light the letters and when the flame finally caught farmers surged forward and threw their notices into the blaze. Once the notices had turned to smouldering ashes, four irrigators carried the coffin into the front section of the WRC (sic) office to loud applause from the crowd. … They marched down Murray Street to Rotary Park as police controlled the traffic. At the front of the march were four pallbearers. Marchers also carried a water wheel and placards stating their feelings. … At the park, Mr Barrie Arnold told irrigators they must stand united, ‘All for One and One for All’.

There were other lively meetings on the MIA and the CIA. The RGA Annual Conference at Deniliquin demanded a reduction, threatening court action if necessary. Crosio was unmoved, saying at a Water Supply and Resources Conference in Sydney in November that, in the matter of water resources, the emphasis was now on management, not construction, and that any new construction would be paid for by users and any refurbishment, paid for by beneficiaries. Water was to be metered, ‘like Telecom’. The minister anticipated tendering for water allocations, with big corporations buying up large allocations. The department’s future pricing policy would force growers to produce for high returns or sell water entitlements and ‘… let market forces determine land use’. Some irrigation land might well revert to dry land, she said. Irrigation representatives present at the conference predicted a ‘… grave future for irrigation and suffering for industries such as ricegrowing’. Some noted a vindictive tone in the minister’s presentation but who could prove it?

Early in the new year DWR presented the ‘irrigation industry’ with a non-negotiable ‘discussion paper’ on water pricing, land tenure and the transferability of irrigation entitlements. The paper detailed what the minister had flagged at the November conference and itemised new charges and supply costs, operation and maintenance costs and component replacement costs, which amounted to between $5 and $6 per mega-litre additional for the price of water. The existing two-tier system of charging was to be abolished. Billing would occur twice a year. The minister dismissed RGA protests that the increases would drive many farmers, already facing negative incomes and mounting farm debt, out of business, saying that she would negotiate no further. The minister’s intransigence, however, did have the effect of spurring the formation of boards of management to oversee the management, use and distribution of water at valley level, with a brief to advise the department on charges and costs. Needless to say, competition for entry to these boards was intense.
The architecture of a deregulatory process in respect of water controls, which had originated in the final days of the Askin Government, was complete. The fact was now that DWR functioned as the public owner and supplier of a water resource, simply monitoring its use with reference to environmental factors and leaving the thorny business of water allocation, land use and production levels to the 'irrigation industry' while exposing water pricing to market forces. The rice industry had five years to adjust to the new reality.4

**The 1986 trade war**

The rice industry was not only facing a rural economic crisis, problems with the RCL structural amalgamation, 'rebel' ricegrowers and revolutionary changes to water policy, but now also a full-blown trade war between the US and the EC. The US Government's passage of the Farm Bill into *The Food Security Act* allowed US$35 billion per annum by way of subsidies and loans to assist farmers. An element of the assistance program was the Export Enhancement Plan (EEP), basically a US$1.5 billion 'slush fund' to enable US commodities to compete. American paddy was subsidised to the tune of $190 a tonne. Australian growers were receiving about $95 a tonne net. Between 2 and 3 million tonnes of US rice had been stockpiled ready for release. In April 1986, it began. Fears of US dumping into Australia and the vital PNG and Pacific markets mounted. Indeed, a company in PNG was already talking to the US Government. The Commonwealth Department of Prime Minister and Cabinet and the Department of Primary Industry approached the US and PNG governments, raising the matter of Australian aid. Australia had been a long-term and dependable supplier of quality rice and, while strong brand loyalty for RCL 'Trukai' products existed, this could easily be destroyed by US dumping. US subsidies were making selling difficult everywhere. RCL Export Manager Jim Kennedy observed:

> It is impossible to get anyone to buy anything [on the world rice market]. Buyers are holding out until the market hits rock bottom and it looks as though it hasn't yet ... and Uncle Sam is saying, 'I'll beat any [seller] who sticks his head into the market'.

RCL executives travelled to the United States seeking a diplomatic solution. The delegation was assured that the US government had no intention of harming Australian primary industry. President Regan even sent his ambassador in Australia, Jim Parker, to the Riverina to reassure ricegrowers. There would be great benefits for the Australian industry just as soon as the US reduced its stockpile, Parker told a Leeton audience. On the very same day, American rice at the 'fire sale' price of $60 a tonne was entering the PNG market for which US growers were receiving $260 a tonne! RCL accused the US Government of 'economic vandalism' arguing that subsidised American rice 'could spell disaster' for the Australian industry. What else could the co-operative company do?

**An appeal for industries assistance**

In this invidious situation, the rice industry entered a submission to the Industries Assistance Commission (IAC) for temporary assistance, requesting the underwriting of paddy prices for two seasons to prevent grower incomes falling below sustainable levels. The submission explained that 3,000 people depended directly on the rice industry, creating flow-on employment of 11,000, about 6,500 of these jobs in the Riverina alone, representing 25 per cent of the work force. The industry had already engaged in significant rationalisation pursuant of McKinsey Report recommendations. Ricegrower numbers had fallen from around 2,200 in 1980/81 to 1,737 in 1983/84. There were only 1,217 ricegrowers in the current season. The Yenda mill would probably have to close. The industry had sustained a negative return on capital for four consecutive years. The average rice farm had a debt burden of $89,000, land values were down by 12 per cent (according to Bureau of Agricultural Economics [BAE] estimates) and annual farm incomes in 1986/87 were expected to be around $2,400. Returns on rice production were down by 20 per cent, but even so, at around $95 a tonne, rice still produced a better margin than alternatives. Current exchange rates were working against Australian exporters. An effective 30 per cent devaluation of the Australian dollar on a trade-weighted basis required growers to produce more to countervail this, with an impact on capital costs and inputs. Thailand was preparing to respond to the US Farm Bill with a 20 per cent reduction in prices. Not only were US subsidies harming the industry, the Common Agricultural Policy of the EC...
imposed barriers on imports and influenced markets through subsidies. Japanese Agricultural Basic Law 196 restricted farm imports into that market and distorted other markets through subsidies. The submission noted that for the first time in eleven years RCL had not been able to clear domestic surpluses within twelve months. The co-operative was now three months behind in traditional trading and expected a revenue shortfall of up to $30 million in the 1985/86 year. The federal government was requested to underpin prices to the level of $126 a tonne for two seasons. Such an assistance package, worth $22 million, would guarantee grower payments, help the industry to maintain markets affected by dumping and subsidies and give it a 'breathing space'.

In August, the federal government agreed to an IAC inquiry. Few could have guessed at the harshness with which the commission responded to this rice industry appeal for assistance.
Chapter 45

‘All I have to offer you is objectivity’:
RCL General Manager Jim Kennedy

Apart from Chad Young's brief period as managing director of RCM in the early 1950s, the co-operative had had only two general managers in its more than thirty-six years of operation: John Kellock and Neil Donaldson. Both were superbly suited to the particular circumstances of the time: the mercurial Kellock out-maneuvering the cartel and imprinting the ‘Sunwhite’ brand indelibly upon markets; the phlegmatic Neil Donaldson overseeing rapid and complex technical development and consolidating the ‘Sunwhite’ presence. Each had confronted and dealt competently with the fluid problems of a co-operative in a highly competitive commercial world but neither had been required to deal with the combination of economic distress, corrupted markets, deregulatory pressures, environmental impact issues and managing on a seasonal basis the functions of an untried corporate structure. This tortuous task fell to Jim Kennedy when he was appointed Ricegrowers’ Co-operative Limited (RCL) General Manager in November 1986.

Jim Kennedy was born of working-class parents in 1947 at Baulkham Hills on the outskirts of Sydney. He was educated at Baulkham Hills High School and after doing various odd jobs entered the New South Wales Department of Agriculture as a clerk. He studied Commerce and Economics-Law. After winning a departmental scholarship, Kennedy completed a degree in International Economics and Commercial Law. In 1969 Kennedy was posted to the MIA as a departmental economics officer. His brief was to marshal Department of Agriculture resources for the benefit of farmers — not organisations — and to advise on government policy initiatives impacting on the region. With periodic intervals in Sydney and abroad over the next ten years, Kennedy distinguished himself by his independent and forthright views on policy issues and processes. The young economist was drawn into a ministerial advisory role but ‘... couldn't get along with the bureaucracy' and was considering doing further academic work when some major projects came up. One involved working with the Water Resources Commission (WRC) on large-area farms with regard to farm size and water pricing. He later spent some time in India on secondment to the Department of Foreign Affairs, establishing irrigation fodder-crop seed systems in village-based dairy industries. Returning to the MIA, Kennedy was involved in an on-going departmental review of The Marketing of Primary Products Act, looking specifically at ‘vesting’ provisions. As noted earlier, Kennedy is credited with conceiving the idea of 'conditional vesting', that is deeming only produce not delivered to RMB as 'vested' in the board.

In 1978, a listless Kennedy was on the point of resigning and moving on, possibly to further study or perhaps an engagement with the World Bank. He was at a Yanco Field Day when Ian Davidge asked him what he was going to do.

'I don't know', Kennedy replied. 'But I do know I am bored'.

'Well', said Davidge, 'what do you think the co-operative is like to work for?'

'If you blokes could only keep your eye on the ball, you'd be dangerous', Kennedy responded. As a departmental officer, Kennedy had witnessed first-hand over many years the altercations between RMB and RCM, the ‘... tragic, petty, ego-driven [squabbling] on both sides [where] the responses were often as silly as the goading'. He had been regularly caught up in letter-duels between the organisations, involving the minister. Kennedy's obvious impatience with the interminable bickering saw many an industry leader steer a wide berth around him. He tended to be more critical of RMB than RCM but hated being lobbied by either side and strenuously sought to stay clear of the politics. However, he suspected that:

... there inside the Co-operative was a worthy organisation trying to burst out of the straightjacket of this eternally stalking board. ... I took a very pragmatic view of the politics and I didn't really care who that offended — much! ... All I had in the toolbox was objectivity, nothing else, no other talent, and if I prostituted that I wasn't worth a squirt.
Kennedy had consistently argued against the improper location of storages ‘... purely so someone could put a brass plaque on it and have an opening’. He persistently advocated a longer-term view of marketing, not just simply dumping surpluses in any given year (living to experience the difficulty of achieving this) and insisting that farmers must plan for increases in the price of irrigation water over time. His views about the industry becoming too thinly capitalised if proper attention were not given to structure were well known.

'Well', Davidge repeated at Yanco, 'do you think you could work for them?' 'Probably not', the jaded regional officer replied. 'I am not used to working within an organisational team process'.

Some months later Neil Donaldson telephoned Kennedy. 'I have a problem', he told Kennedy. 'Could you come and see me?' Kennedy went along. 'You're starting work for us in a couple of months' time', the laconic RCM manager told him. 'Oh, yeah', Kennedy replied vacantly. He thought Donaldson was joking. But he was not. 'No, no. We've been down to the department', Donaldson continued. 'We've seen the minister and the director-general and Davidge has borrowed you for two years. You're on secondment to us. These are the working hours and this is where you find the pens and pencils'.

'Oh', remarked the nonplussed economist, 'I see.' He rang Davidge, 'What am I going to do?' 'Well. You know. It might be good fun', was the chairman's reply.

Kennedy was appointed Marketing Manager, second in line to the International Marketing Manager, who was based in Sydney. He had never sold a grain of rice in his life. After the marketing people in Sydney made it plain they did not want him down there, it soon became apparent to the new secondment that there was an 'actual' agenda and a 'hidden' one. The immediate commercial agenda was securement of a further agreement with the PNG government for the supply of New South Wales rice and a generally improved international marketing performance from the co-operative. The 'hidden' agenda was the co-operative's determination to end the debilitating contest with RMB. Seeking to make his position clear, Kennedy went straight to the Noel Hogan Centre to inform RMB officials that he was no longer a departmental officer and would not be advising the board on any matter relating to the co-operative. 'Don't bother to ask me. My job now is to maximise returns to growers and if you happen to be in the way, I am terribly sorry, but look out'.

There were cries of 'foul' and 'plot' at RMB. 'They might have been right', Kennedy recalls, for this was late 1978 when RMB Chairman Russell Emery and Ian Davidge were reaching an accommodation of views on the matter of industry rationalisation 'without trauma'. Certainly Kennedy knew The Marketing of Primary Products Act intimately and, from this informed position, could force issues, break deadlocks and flush out secret opinions and clandestine arrangements. Sometimes Kennedy would swing debates by pointing at an RMB government nominee and demanding, 'Why are you here? What do you think?' Kennedy knew, and he made certain everyone else knew, that the Act was silent on the functions of government nominees and he could sometimes exploit this to break a stalemate. But he also knew the squabbling made no economic sense and it distressed him professionally and philosophically. He tried to focus on the job, to 'build a fence' around himself. Kennedy was frequently out of the country for lengthy periods selling rice and developing markets, but whenever he returned to the Riverina he would inevitably encounter the 'deadly game of politicking' still going on. 'It was almost the boys playing with matches getting beyond them', Kennedy recalls:

Each organisation closely watched the other, nit-picking for mistakes. And they existed on both sides. It was as if the RMB, having foregone its 'birthright' to engage in milling, was determined to pester and haunt the co-operative as an 'Upper House' with vesting powers. The board would threaten to bring in another mill. 'We own the storage so we can starve you'. So the RCM would turn around and build another store to avert a possible strategic disaster. It was debilitating.
When sniping and 'double checking' intruded into his area of overseas marketing, however, Kennedy would suddenly come 'on heat':

... going straight down the line, treading on half the toes at the table (over) the luxury of this bloody expensive pettiness. I put my case and if I win 'em, I win 'em and if I lose 'em, I lose 'em, and I couldn't care less for the politics.

Then Kennedy would say, 'Look I have got to go and sell stuff. I'll see you later', and storm out of the room. Everyone would sit quietly for a while. It was as if Kennedy was above it all, belonging to no one but himself. He could be as abrasive as a hull-crusher but this was acceptable to the combatants because after the manager had said his piece he would just '... disappear and do things', allowing the deadly game of internal politicking to continue uninterrupted.

Kennedy knew that RCM was losing its competitive edge in international markets and Asian exporters, like Thailand, were now producing quality rice and stealing the co-operative's premiums:

It was only when I was on the inside that I realised how close to the edge the industry went so often. ... It really was barely keeping up quite honestly. ... I don't think growers realised how much "like the duck" we were, how smooth and clean on the outside and desperately paddling on the inside. I was hardly a star at meetings. ... I wasn't what you would call a popular little pork chop in those days.

But Kennedy's experience, his rapier-sharp intelligence and enormous capacity for work were as appropriate to the fortunes of the new RCL as the specialised skills of Kellock and Donaldson had been in earlier days. He did not apply for the position of general manager — it was offered him. Before accepting he thought deeply about the complexities of rice industry politics trying to discern a sensible path through the fracas. There had certainly been improvements since the amalgamation:

It wasn't easy to pull two disparate horses into the one team and make it go forward. ... Old ways die-hard. It took a year or two before we really hit our stride. ... But the way was shown by the board. I was very pleasantly surprised at the extent to which the Board of Directors ... having put the game of charades behind them ... focused on the issues. ... They were driven by the need to deliver on the consultant's [McKinsey's] promises and ... by the RMB members' ... fascination with what it was like to be on the inside rather than on the outside, sniping. The best way to silence the critic is to hand him the steering wheel and say, "You drive!".

Accepting the offer, in characteristic manner the new general manager put it straight 'on the line', telling directors:

Your job is to lobby growers. You have got to bring in a perspective of where the growers want the industry to go. My job is to marry markets and production. I have the power to hire and fire. The day you forget this is the day I will be out for all I have to offer you is objectivity.

In November 1986 when Kennedy became general manager, markets were still poor, returns feverish and the five-year breathing space to 1991 in respect of the deregulation of irrigated land and water use had already begun. A general expectation of diminishing returns in the years ahead prevailed. RCL directors and managers locked themselves together for several days and Kennedy asked them, 'Where do you want the industry to be in five years? What credit lines, market development and borrowing requirements are necessary to achieve your objectives?' A five-year plan was thrashed out, embracing the peculiarities of contemporary markets and the impact of deregulation. Kennedy described his marketing philosophy by way of seeking to develop up markets for the co-operative's quality brand names and, in the event of demand exceeding supply, to secure product from a comparable supplier to satisfy this. It was not just a matter of supplying guaranteed markets and shifting surpluses, sometimes huge, 'as best you could'. He believed it was appropriate to cultivate premiums while pointing out that they no longer necessarily existed in an over-supplied market. The formula for success was efficient production, improved yields, quality supply, value adding and flexible, bold and innovative business acumen:
Heads down, bums up, stand in the shadows and count the money. That's been my attitude. I am not interested in the public image. I'm interested in turnover and volume. ... My view is "devil take the hindmost". Grab the market, grab the opportunity and production will follow you.

All of this was predicated on matching available markets with products. With markets over-supplied and production controls about to come off, the question was how to achieve this? Kennedy set about discovering the answer.¹
Chapter 46
Reports Fair and Foul, 1987

Introduction
The rice industry, like most sections of Australian industry, was 'reviewed to death' in the 1980s, in a pattern of corporate introspection commonly referred to as the 'McKinsey Syndrome'. Inquiries impacting upon the rice industry included:

- *The Powell Report* on the economic impact of irrigator agriculture;
- *The McKinsey Report* on the organisation, structure and future direction of the industry;
- surveys on rice growing profitability conducted by the Bureau of Agricultural Economics (BAE) in association with the Ricegrowers' Association of Australia (RGA);
- a Department of Water Resources (DWR) Discussion Paper on Land Tenure and Water Transferability; and

Two major reports were released in 1987: *The Department of Agriculture Irrigation Farm Working Group Report: The Profitability of Large Irrigation Farms in the Murrumbidgee and Murray Valleys of New South Wales*; and *The Industries Assistance Commission (IAC) Rice Industry Report*. Because these two reports provide such valuable insights into the nature of change overtaking the rice industry, they are discussed below in some detail.¹

*The Profitability of Large Irrigation Farms Report*
The Department of Agriculture's *Profitability Report* began life on 15 October 1984 and took evidence up until December 1986. Originally it was to be released in August 1986, but because of momentous events affecting rice growing and water administration, was not tabled until May 1987. The report was born in the turbulent events of 1984 when Minister for Agriculture and Fisheries Jack Hallam was criticising the rice industry for alleged inefficiency in water management and Minister for Water Resources Janice Crosio increased the price of water by 22 per cent, precipitating angry farmer demonstrations. The report, directed by Department of Agriculture Yanco Regional Director Dennis Toohey, was focused primarily on rice growing. A detailed, well-researched and generally constructive, if bleak study, the report noted:

- the poor financial situation of irrigation farmers;
- prices ricegrowers were receiving for rice had fallen by 42 per cent since 1980/81 from $173 a tonne to less than $100 a tonne, the lowest prices since 1975/76;
- average receipts for rice farm business were predicted to fall by about $6,600 to $51,600 in 1987/88;
- average Farm Cash Operating Surplus (FCOS) had plunged by 43 per cent and was still falling;
- by 1986/87 it was predicted that 25 per cent of rice farmers would have an FCOS of minus $3,800 — only a handful of growers would achieve a high FCOS;
- increasing costs and falling gross receipts continued to produce negative returns to capital and management;
- average farm incomes in 1986/87 were projected at less than $5,600 — in 1983/84 the average income for farms involved had been $14,000;
- the ability of on-farm improvements to lift profitability had real limits because of physical, financial, biological, managerial and institutional constraints;
- modification of such constraints would assist farmers overcome a decline in the terms of trade — but this would not be possible if low prices, high costs and debts continued; and
farmers' capacity to recover depended on sympathetic and constructive

government policies in respect of re-establishing farming operations.

The report also noted, resolutely:

There is a strong belief within the group and by irrigators generally that the
foundations of seventy years of irrigation development and the infrastructure that has
been created will not be easily eroded or overturned.

The Profitability Report presented twenty recommendations with regard to water
supply, land tenure, Home Maintenance Area (HMA) regulations, rice growing
entitlements, soil suitability, environmental considerations and agronomic and
adjustment questions. Key recommendations included a relaxing of controls on land
tenure, irrigation entitlements and rice growing entitlements in the interests of
improved production efficiency, with the rights and responsibilities of all parties
clarified in law. The report acknowledged that some irrigators would have to leave
farming and/or the rice industry, resulting in a re-distribution of income in the
Riverina and requiring supportive infrastructures to aid adjustment.

On water pricing, The Profitability Report recommended a long-term strategy
involving landholders in the determination of policy. The transfer of water rights
should be regulated by environmental considerations and permitted only within the
constraints of available water supply and drainage capacity. The mechanism for this
should also be explained in law because ambiguities in respect of the property rights
of irrigators to water and the respective responsibilities of irrigators and authorities
required precise articulation. Review Committees should be formed to monitor
applications for water transfers in and out of various localities.

The report recommended a shift away from HMA restrictions towards the objective
of economic efficiency in land use, that is, away from notions of socio-economic equity
and toward principles of pure economic rationality. Patterns of land use would
change as HMA regulations were lifted. Currently, on the CIA, 75 per cent of farms
were less than the HMA of 425 hectares, with most ranging between 200 and 230
hectares. Rice accounted for 60 per cent of farm income on the CIA but occupied only
30 per cent of farm space in a rotation of fallow, cereal, pasture, wheat and sheep. On
the MIA and in associated Districts, about 70 per cent of farms were less than the
HMA, apart from some large area farms for dry wheat. Rice accounted for 59 per cent
of income, irrigated wheat 23 per cent, dry wheat 5 per cent and sheep 13 per cent. In
the Murray Valley, on the other hand, only 30 per cent of farms were less than 400
hectares, allowing greater diversification. Rice accounted for only 31 per cent of
income there, irrigated wheat 31 per cent, dry wheat 4 per cent, irrigated sheep 21 per
cent and dry sheep 13 per cent. Clearly, the report said, removal of HMA regulations
in the north would have greater impact than in the south.

The Profitability Report went on to predict that almost 300,000 hectares in the Irrigation
Areas and Districts of the Murrumbidgee and Murray valleys would be underlain by
shallow water tables by 1995. Water tables were continuing to rise. In 1986, 200,000
hectares of shallow water table existed less than 2 metres below the surface. This was
expected to increase by 50 per cent in both valleys by 1995. Much productive land
faced death by waterlogging or salination, resulting in regional losses of $5 million
per annum, averaging $7,000 per annum on each farm. Some believed average farm
losses would be $13,000, depending on how losses were measured. New
waterlogging problems could be mitigated by applying stringent environmental
controls on soils used for rice production and by improved land forming techniques.
Nevertheless, the impact of waterlogging and salinity would surely add to an
historical decline in farmers' terms of trade, further reducing the profitability of
farming. Many irrigation farmers would face increasing pressure for adjustment
because of the rising water tables and salinity alone, irrespective of economic
questions. This was inevitable and had occurred in all irrigated areas throughout the
world. But for those remaining, the worst was over and profitability was expected to
improve around 1990.

Noting community concern about '... systems of agriculture which are sustainable in
the long-term', The Profitability Report drew attention to a dilemma facing large area
farmers, including ricegrowers. In the past, water had been assumed to be an
'abundant resource', but demand was now rapidly outstripping supply and big
increases in water prices were inevitable, and essential, if the working group's agenda was to be fulfilled. Many growers would be obliged to leave rice growing for this reason alone. Nevertheless, those obliged to leave the industry for either economic or environmental reasons could possibly sell their excess water entitlement in order to finance other production, or help adjust to the trauma of bankruptcy. The department undertook to:

- assist farmers in determining their eligibility for Social Security;
- develop better farm budget handbooks;
- improve the computerisation of relevant information;
- advise on possible alternative or supplementary sources of income, on machinery purchases, syndication and other cost-savings; and
- provide current information on interest rates and bank service fees educating farmers in debt and re-financing management.

Other practical recommendations included:

- developing a financial and adjustment counselling service in rice growing areas;
- improving liaison between DWR, BAE, the Australian Bureau of Statistics, RGA and the Department of Agriculture in the development of statistics relating to irrigation;
- strengthening economic objectives in scientific research priorities;
- government purchase of a large-area demonstration farm for trials of a long-term nature including investigations into on-farm measures to control salinity and waterlogging; and
- leasing other trial properties for short-term experiments.

The Profitability Report recommended an increased emphasis on livestock in the rice farm rotation, in a cycle possibly including wheat, soybeans and subterranean-clover. While it was technically possible to grow rice continuously on impermeable clay soils, this was not advisable because of a '... inherent ecological dis-synchrony common to any form of monoculture'. Improved tests for fertiliser requirements and greater emphasis on soil structure in rice industry agronomy were encouraged, along with more research into efficient methods of land forming and a detailed investigation of permanent bed-cropping.

On the vexed questions of rice entitlements and production controls, The Profitability Report made radical recommendations consistent with the general deregulatory thrust of government policy and in line with a confidential Department of Agriculture report completed earlier on the removal of constraints on rice production. This had floated two possibilities: first, specific legislation for controls, allowing 'quotas' of rice production so that farmers, on unsuitable soils, for example, who were leaving the industry could sell their quota; or, second, the abandonment of all controls. The possibility of making ricegrowing entitlements transferable should definitely be explored. Currently up to 15 per cent of a rice entitlement could be transferred to another grower but only within a given irrigation season. Permitting the transferability of rice growing entitlements and water allocations, and freeing up land tenure controls, would improve the possibility of crops being grown on:

... those soils most suited to each crop-producing system and would lead to productivity. It would also have the additional benefit of reducing accessions to ground water levels and slowing the current growth in waterlogging and salinity problems.

In relation to production controls The Profitability Report appeared to endorse a view that growers and grower bodies were partly responsible for environmental problems:

While it may be argued that control over areas sown to rice by grower bodies has led to more orderly growth in the industry with associated cost savings and income benefits to growers, it can equally be argued that this has resulted in those benefits accruing to a select group of farmers (namely those who have entitlements) which may not necessarily maximise the benefits to society and has led to rice production on unsuitable soils resulting in ground water accessions being above what they would otherwise have been with all its resultant costs.
The reader of this book will recall numerous decisions made by politicians about areas sown to rice expressly against the recommendations of grower bodies: the huge, unsolicited increases of 1969, for example; the granting of 'temporary' rice permits on unsuitable soils against industry wishes and; the 'upgrading' of some Districts, permitting water allocations for rice with inadequate drainage in, for example. Grower control of areas sown to rice, therefore, would seem to be insufficient explanation for ground water accessions. Political expediency would need to be included in a list of reasons.

There is another aspect of The Profitability Report which warrants comment. In September 1986, the Bureau of Agricultural Economics forecast a further $42 million drop in rice export sales, representing an exit of at least $63 million from the Riverina and a loss of at least 300 jobs immediately, with many more to come. The outlook was very gloomy indeed and had come about because the United States and Thailand governments had thoroughly 'corrupted' rice markets. Nevertheless, The Profitability Report group, still taking evidence at this time, noted very weakly, 'There are already fragmentary and subtle indications that the market fundamentals for rice are firming and developing towards a more healthy situation'. This was clearly mistaken and consistent with a benign optimism about GATT talks pervading the report.²

**The IAC Rice Industry Report**

When RCM Chairman Ian Davidge sighted a preliminary draft of the IAC Rice Industry Report in April 1987 he was shocked by its 'extremely negative' approach. When the final report was issued in October, Davidge was:

... dismayed at the fundamentally destructive recommendations ... the implementation of which would go against the interests of all growers ... even going so far as to suggest that we should do away with our collective approach to a united industry.³

Indeed the IAC Rice Industry Report is notable for its caustic tone. The rice industry's many positive achievements, including democratic ownership and control, grower endorsed marketing arrangements, beneficial effects upon regional economies and significant contribution to exports, where these were not ignored, were dismissed as irrelevant or as actual impediments to efficiency. The rice industry ethos, with its roots in state planning, closer settlement, egalitarianism, regional identity and economic co-operation, meant little to IAC commissioners dedicated to neoliberal laissez-faire economics theoretically allocating resources rationally on a 'level playing field' in a global economy.

The report was supposed to tell the federal government whether or not it should assist the industry, to report on changes in overseas competition and to consider whether policies of Australian governments affecting the industry should be altered. Only 11 per cent of the report was concerned with world markets and scope for dealing with problems caused by foreign government intervention. A full 82 per cent was concerned with a description of the rice industry, assistance to it allegedly already existing (based on assumptions subsequently acknowledged to be mistaken) and recommendations for changes to land use controls, irrigation management, rice production and industry structure, which would strengthen a commonwealth position. IAC took as its charter recommendations for '... the welfare of the community as a whole and not just the interests of those directly involved in the industry under reference'. In other words, commissioners narrowed the focus in respect of information the federal government had requested, on the one hand, and broadened it in respect of matters about which the government had not sought advice, on the other.

The IAC itself was at an interesting juncture, with strong pressure from Treasury upon the Department of Industry, Trade and Commerce (DITAC) to have the commission transferred to it. Possibly IAC's astringency on matters relating to structural adjustment was influenced by this inter-departmental rivalry in pursuit of the high ground in political 'correctness'. Commissioner W B Carmichael and Deputy Commissioner R G Mauldon, who led The Rice Industry Report, were both long-serving IAC economists. Assistant Commissioner John Paterson, a supreme 'dry' in the matter of water policy, as we have seen earlier in the context of the New South
Wales Water Audit of 1984, thought the reforming process was '... putting to the sword all those who remain unreconstructed'.

The report began by noting what it described as three basic features of the New South Wales rice industry:

- around 75 per cent of output was exported;
- for most farmers rice growing was one of a number of alternative activities; and
- rice milling facilities had fewer alternative uses.

Commissioners stressed at the outset that they were focusing on domestic impediments to change, not the 'external environment':

The industry in order to meet the challenge of a volatile international market ... needs to be as adaptable as possible in all points in the production, milling, distribution and marketing chain identifying those domestic impediments to adaptability that are within the capacity of the industry or Australian governments to change or remove.

[The report] has concluded that a number of features of the regulatory environment facing the industry should be changed. ... The thrust of the report is that the industry needs to respond to market signals rather than be shielded from them. ... Rice production is not an end in itself. Rather farmers should only produce rice if that is the most profitable use of their resources. ... If rice can be produced more efficiently in some other way — for instance using larger scales of operation — then there should not be restrictions (apart from environmental considerations) on that method of production.

IAC commissioners strongly urged the commonwealth government to become involved with the New South Wales government in matters of rice production controls, irrigation water transferability and pricing, irrigated land use and tenure, farm size, the geographic location of the industry, marketing arrangements and industry structure. In other words: most everything to do with the industry. The report recommended the permanent abolition of production controls, arguing that these inhibited the entry of other farmers, prevented existing growers from expanding out-put and, by precluding larger scale operations, possibly reduced incentives to improve efficiency.

[Production controls] ... may at times provide stability for existing growers but they do so at the cost of inhibiting change which may be to the long-term detriment of the industry and the community as a whole.

The inference was that instability encouraged change and change, in itself, was necessarily good.

Virtually every element of the rice industry was attacked. IAC hoped that radical Department of Water Resources (DWR) reforms would see:

... some discouragement of rice. But the potential for re-allocation to more profitable uses would be lost unless some associated regulations were eased. Water entitlements tied to particular land holdings [is] a major impediment to the efficient use of water.

The idea was that water price increases alone would be insufficient to 'discourage' rice growing. This could only be achieved by abolishing the existing nexus between water entitlements and land holdings, that is, by extinquishing the raison d’être of irrigation systems. IAC supported DWR initiatives for the permanent transferability of water entitlements to '... create a market for the asset of water rights and establish a trading price reflecting the value of water'. Commissioners called for the removal of regulations on land tenure in respect of farm ownership, size, amalgamation and subdivision of irrigation areas, which:

... [had their] origin in schemes designed to promote closer settlement and family farming earlier this century. ... [This] would permit the more efficient use of water and land and would extend to ricegrowers the same adjustment options available to most Australian farmers.

Clearly, the welfare of communities which had grown up around ricegrowing was of lesser importance to IAC commissioners than the efficient allocation of resources.
Turning to the industry's 'pooled' marketing arrangements, commissioners said these were deficient because they did not provide growers with clear signals regarding the costs of marketing rice or the value of the rice they produced. Current arrangements, they believed, hampered the application of discipline on investments in industry facilities and the costs of services supplied, denying growers the opportunity to offer rice to lower-cost facilities operated by alternative suppliers or to dispose of their crop as they wished and this:

... restricts the ability of the industry to adjust to changing circumstances and is a source of inefficiency in the growing, milling and marketing of rice. For example, the pooling of costs and returns may [sic] not have led to the most efficient location of farms, utilisation of storage and milling facilities or farm management decisions concerning the quality of rice delivered. ... The pooling of finance arrangements, together with the lack of competitive market discipline on service providers, may [sic] have provided the potential for over-capitalisation in industry facilities.

There was also a need, commissioners continued, for the payment system to indicate more clearly to growers the market value of their paddy rice delivered and the costs of providing the milling and marketing services which they used. The inference was that a co-operative, owned and controlled by growers, could not possibly manage finances as efficiently as alternative service providers exposed to 'competitive market discipline'. No justification for the assertion, presented as a self-evident truth, was proffered.

On the matter of the RCL amalgamation:

The Commission has concluded that there are no substantive reasons to retain the acquisition powers of the [RMB] and growers should be given a greater variety of opportunities to sell their crops. ... The Commonwealth should investigate the divesting by the RMB of its statutory powers to the RCL as appointed agent to ensure that it was consistent with the New South Wales Marketing of Primary Products Act and the Trades Practices Act. RCL's idea of "single seller status" as essential to quality control, market development and the extraction of premium prices was faulty since the market would establish these in any event.

The fact that 'single desk' selling and orderly marketing enjoyed virtually unanimous grower support was of no consequence to IAC commissioners, convinced that such a mechanism interrupted free-market forces and was, therefore, dysfunctional. That 'market forces' in international rice trade had been corrupted by the intervention of foreign governments with serious consequences for the Australian industry meant little to IAC commissioners, who, by their own admission, were not concerned with the 'external environment'.

IAC urged the introduction of other firms to offer milling and marketing services. 'A more contestable environment would result in discipline being applied to the cost of providing services'. Ricegrowers with any sense of history knew what splitting the industry almost certainly meant: price-cutting with disastrous consequences for most of them. However, if RMB's acquisition powers were retained, commissioners continued, (a matter for state governments), the advantages of a contestable environment could be attained if pool payment systems were changed to reflect the market value of rice delivered, if growers were made aware of, and preferably bore the costs of, providing services used, and if infrastructure capital costs were removed from paddy payments and placed on a 'more commercial basis'. The IAC was adamant that the problem of over-capitalisation is:

... inherent in the environment created by the pooling and financing arrangements and the lack of competitive market discipline on the decisions of providers and users of services within the current arrangement.

No one doubted that the rice industry was over-capitalised in storage, a problematical legacy of a frequently strained RMB–RCM relationship. The remarkable fact that ricegrowers owned virtually every nut and bolt of that infrastructure, however, seems to have been of no import to IAC commissioners. It was important to growers. By investing in their own industry, they had freed themselves from the predations of a 'contestable environment' primarily serving the interests of middle men and opportunists, darting in and out of the industry to suit them selves. Everything had a
cost, so what was democratic self-regulation worth when measuring efficiency? Not much, according to the IAC.

Finally, the structural amalgamation:

... has implications for the exemptions granted to the board from the *Trades Practices Act*. Unlike the RMB, the co-operative is not accountable to parliament for the statutory powers that it has exercised. The commission has not been able to determine if the effective granting of the exemption to the co-operative complies with the *Trades Practices Act* but recommends that the issue be resolved. ... Without effective public scrutiny of the pricing practices of the co-operative the interests of Australian consumers may [sic] have been compromised by the merger arrangements.6

So, commissioners advised the government, RCL might not only be in breach of *Trades practices* legislation but possibly gouging consumers.

While attacking or casting doubts about virtually every aspect of the industry, the IAC made no recommendation for possible reciprocal action penalising foreign trade offenders other than a general one for the adoption of a New Zealand model of 'transparency' in foreign markets, which, theoretically, would enhance export opportunities:

The generality of this approach to promoting market liberalisation does not diminish its relevance to the rice industry. Ricegrowers do not constitute an enclave in the agricultural sector. They all produce other products or have the opportunity for doing so. A general transparency initiative would help them as farmers in addition to any specific access to overseas rice markets. It could thus facilitate adjustments within the agricultural sector by enhancing alternative export opportunities.

Essentially, the report argued that the rice industry should be destabilised to engender change, specifically by removing production controls. The milling side should be exposed to the 'discipline' of competition. Financing should be left to specialist 'service providers'. Nothing needed to be done about the 'external environment', for this was essentially an 'opportunity' for greater trade transparency while growers adjusted to producing something other than rice.

The IAC recommended that no assistance be provided to the rice industry which directly affected returns to growers, such as underwriting. Neither should changes be made to the tariff on rice imports (2 per cent), commissioners arguing that underwriting would distort growers' 'risk management', impose costs on the community (in that resources would not be allocated elsewhere), give growers false expectations of future returns and, therefore, impede adjustment. IAC did not consider the market downturn in the rice industry serious enough to warrant application of the federal government's Rural Adjustment Scheme. Moreover, while acknowledging an inability to estimate the extent of any subsidy (if any) from water inputs to rice growing, the IAC estimated that assistance already provided by statutory marketing arrangements placed the industry in the 'highly assisted' category.

This last barb was strenuously denied by RGA as both faulty in methodology and erroneous in fact since it assumed that growers were the sole beneficiaries of existing arrangements. (Indeed the Industries Commission [IC], which replaced the IAC, subsequently recognised this, placing the rice industry in a 'low category' of assistance, after 'beneficiaries' was more accurately defined.)7
Chapter 47
‘This is a grower co-operative run by farmers’:

‘Bring on the semi-dwarfs!’

When Jim Kennedy took the reins as general manager of the Ricegrowers’ Cooperative Limited (RCL) in November 1986, the industry faced complex problems. A market downturn continued through 1987. Growing conditions were abysmal with frosts and cold weather again ruining many crops. The harvest fell to 530,376 tonnes, 143,000 tonnes less than the previous year. The crop had reduced by 313,000 tonnes in two seasons and was now at its lowest ebb in eleven years. Moreover, milling quality was poor, the worst in seventeen years. Subsidy interference by foreign governments continued to distort markets. Indeed, RCL was obliged to purchase United States rice simply to hold Papua New Guinea (PNG) markets. The RCL subsidiary, Rice Industries Limited, found it necessary to engage in price-cutting and to consider installing milling and processing facilities in PNG to fend-off the American challenge. Dumping stifled trade and rice was once more being used as a ‘food weapon’, particularly in debt-ridden countries unable to pay for purchases in hard currency. The collapse of the Australian production volume, far short of market requirements, saw RCL diminishing as a market presence while industry unit costs continued to increase. In this context, great hopes were held for Japanese markets for New South Wales Japonica rice varieties, but that door stayed slammed shut.

In the search for possible market openings, RCL marketers studied the Asian monsoonal cycle in forensic detail:

- Failure of the monsoon has delayed the main Thai crop. Drought has set back or prevented about two-thirds of sowings. ... The harvest will be less than last year ... creating a demand gap. ... The same drought has seriously affected rice prospects in Vietnam and to a lesser extent those in Laos and Cambodia. We expect these three countries to be importers this year. India has recorded its worst drought for years and will have a major rice and wheat crop shortfall. ... Only parts of Pakistan have suffered drought but their rice exports will be reduced. The same is likely for Burma. ... China seems to have reduced grain prospects due to both drought and floods in different parts. ... The effects of severe flooding in Bangladesh will bring a human problem of great magnitude. ... Both drought and flooding have also hit some of the Philippines rice crop. Parts of Indonesia have suffered drought and insect damage. ...

Perhaps a global rice shortage might exist in twelve months. Perhaps prices would be higher in 1988. No one knew. As RCL Chairman Ian Davidge observed, the ‘pillage’ of rice markets by the United States made everything ‘an open-ended guess’. Moreover, great harvests were being reaped in the United States, Spain and Italy. Guessing the market was risky, but RCL was obliged to crystal-gaze:

If our harvest is over 675,000 tonnes, milling yields return to normal and the Australian dollar averages less than US$72 cents over the selling period we would expect returns to shareholders to increase by about $20 per tonne on the 1987 crop — perhaps more if the market develops as it could.

The palpitations of the (floating) Australian dollar were monitored closely, every one cent rise above US$73 cents cutting about $1.50 a tonne off the price of paddy. A higher-valued Australian dollar was seen as another ‘big risk’ in an economic climate where there were already risks enough.

With imminent disaster looming, farmers hurriedly experimented with possible alternatives to rice while the industry made efforts to diversify. Trials began with suckling lambs for the production of sheep milk, some farmers seeing this as a possible ‘saviour’ for the once ‘saviour’ rice industry. Graham Blight, for example, became involved in a project with Tavella Cheeses Proprietary Limited. After a promising start, hopes faded. More ricegrowers moved into livestock. It was apparent now, with the old RMB–RCM testiness largely a thing of the past, that a more incisive and innovative approach was possible:

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• ‘value adding’ opportunities were explored with greater deliberateness;
• joint ventures were entered into, for example, broken rice processing in Victoria;
• the co-operative’s research effort quickened, especially in respect of higher yielding varieties;
• an eight-year study of the qualities of rice bran was launched;
• the successful Coprice Stock Feeds operation was expanded;
• there was talk of RCL storing soy beans;
• new projects were launched, for example ‘Sunbrown Quick Ricecakes’, gluten-free flour, bran, stabilised bran products, cake and biscuit mixes, confectionery;
• the feasibility of using husks for building materials, fuel and horticulture was explored in greater detail;
• comparative nutrition studies were commenced, drawing attention to the positive food values of rice;
• an internationally award-winning series of advertisements for rice was launched, called ‘Sculptures’, which helped to boost domestic sales; and
• the co-operative supplied growers with urea and other fertilisers and chemicals at competitive prices.

RCL was obliged, nevertheless, to close the Yenda Mill, losing forty employees. Despite this reluctant cut-back, most were convinced by late 1987 that the RCL amalgamation was producing positive outcomes. RMB Director Des Cudmore, for example, reaffirming that rice not delivered to the system would be seized under the RMB’s ‘vesting’ powers, believed that the rationalisation was helping unity and, ‘If ever there was a need for a united industry, it is now’.¹

Understanding that RCL should never be in a position not to be able to mill all the crop, thereby encouraging competitors, Jim Kennedy paid great attention to improving efficiency in, and removing mis-matches from, the milling system, wherever these existed. This resulted in improved through-put and fuller utilisation of capacity, improving the unit cost situation. Kennedy believed that growers in the past had paid dearly for ‘unused capacity’ but now considered this:

... a fortunate accident. Here I was with a magnificent piece of machinery to do the job that could do it and do it again. It was quite a ‘psyche’ to stop this: this ‘psyche’ of spending $8 to $10 million on upgrades and latest technology.

Investments in market research and agronomic research were expanded in the pursuit of optimum varieties. A Calrose-type semi-dwarf, M7, developed in California and widely grown there, had been released in 1983 for commercial evaluation by the Department of Agriculture, following trials at the Yanco Agricultural Institute conducted by Ross Hartley, Laurie Lewin and Tony Blakeney. M7 had a grain quality similar to Calrose but was less prone to lodging and produced a glabrous (smooth) grain, facilitating harvesting and involving less ‘itchiness for farmers’. But it was susceptible to low temperatures during the seedling establishment and floral development stages and had a slightly inferior milling quality to Calrose, which was still the backbone of the industry. On-farm seed production of M7 began in 1984/85 when seed became more readily available. A long-grain variety, Pelde, was replacing Inga. Other semi-dwarf varieties, Amaroo and Bogan, were nearing readiness. The newer semi-dwarfs rekindled hopes for long-grain production in southern districts because, with their shorter straw, flowering panicles were brought closer to the warm body of water reducing the risk of cold injury. Hartley, Lewin and Blakeney believed the new varieties could dramatically boost production with yield improvements of up to 20 per cent possible. A lodge-resistant replacement for Calrose was a top priority for the industry’s plant breeding arm.

This fortunate convergence of improved through-put and suitable varieties gave Kennedy the momentum he needed to steer the co-operative through troubled times:

And so we opened the gate and said, "Right, let 'er rip". Bring the 'semi-dwarfs' in as fast as you can. .... Amaroo and Bogan [were] the star performers. The introduction of high-yielding semi-dwarf varieties in medium-grain equally applicable in north and south changed the industry. .... My attitude was, "Open the gate and ride the tiger" ... because I can fiddle and twiddle with the nobs of the industry and the capacity I've
got but that won't make the impact on grower-income that an extra one and a half
tonne or two tonne per hectare will do for the grower.2

Tentative optimism, 1988

For many ricegrowers (and farmers in general) 1988 was a 'make or break' year. Much
of the poor quality 1987 rice crop had not been sold. Kennedy believed that the image
of RCL's products was suffering as a result of the delivery of mixed and stack-burnt
rice. If growers wanted a good return they had to deliver good rice. There was,
however, some tentative optimism around. A shortfall in world production seemed
probable and while the 1987 crop was selling painfully slowly, it was at least shifting
at better prices than expected. Moreover, the growing season for the 1988 crop was
good, although rains in May made for a wet harvest. Yields improved by 9 per cent
and, despite a reduced planting, the crop was up by 212,000 tonnes to 742,399 tonnes.
Quality was much improved with the new high-yielding 'semi-dwarf' varieties,
particularly Amaroo and Bogan, but also Pelde producing excellent results. The
M7 variety, however, appeared not to have stabilised fully, producing all manner of
variations. In the rush, it had probably been planted a season too early. About 90 per
cent of the 1988 crop was forward sold to hedge against shifts in currency exchange
rate values, proving beneficial on this occasion since prices fell significantly again at
the end of the year (by 15 per cent). Nevertheless, the 1988 crop returned about $20 a
tonne more than the previous season, although Kennedy did not think this could be
repeated in 1989.

By 1989 about 85 per cent of all RCL exports left the country as milled, packed
products under brand-names in many languages. More than 2,000 pack-size/brand
combinations were in use. The 'Sculptures' advertising campaign, in which foods
were 'sculpted' from rice grains, was still having a positive impact on domestic
consumption, which climbed by a further 10 per cent. Organic rice was now being
marketed separately into the health food trade. A distribution network was
established in Saudi Arabia. Rice Industries Proprietary Limited achieved greater
diversification in PNG. A joint venture was launched in Britain. Hull disposal, ash,
bran, brokens and other by-products all continued to do well with RCL subsidiaries,
Coprice and Biocon, making good progress with stock-feed, animal-bedding, soil-
conditioning, potting-mix, carbon-ash for the steel industry, filtering mediums for
liquids, heat-energy, confectionery, breakfast food and health-food operations.3

In line with The McKinsey Report, the old Equity Certificate Scheme was altered to
ease the burden on growers, effectively separating the system of paddy payment
from infrastructure financing, which now involved borrowings, including
shareholder term deposits and a roll-over system redeemable at set periods. The new
scheme was to be phased-in and, although some old RMB stalwarts, including
George Kayess, were opposed, was generally received well. RCL also wiped its
Shareholder Register clean of 'dry' shareholders; that is farmers or retired farmers no
longer producing rice; adopting an 'active membership' policy consistent with new
co-operatives' legislation to defend the co-operative against manipulation by non-
producers amenable to corporate raiders. A period of two years 'grace' was applied,
at board discretion, before 'dry' shares were forfeited.

Hard selling, 1989

At 786,914 tonnes, the 1989 crop was the third largest on record. Yields of up to
10 tonnes per hectare were recorded in an 'unbelievably wet' and lengthy harvest.
High moisture content made milling difficult. There were few problems on the
production side, but markets were still volatile and virtually unpredictable. While
world rice stocks were low and markets did appear stronger, the high Australian
dollar was making selling hard. Moreover, it was apparent now that Thai and US
exporters were enjoying a steady beat of regular demand in markets following
several seasons of subsidies and other export enhancements. Large quantities of
subsidised rice were being purchased by China, India, Indonesia, Iran, Arab Gulf
states and South American nations and RCL found the going very tough in those
markets. Another record Thai crop was about to come on-stream. Vietnam, after a
twenty-five year absence, was re-entering world rice markets strongly. Political
instability in PNG and the shut-down of the Bougainville Mine (from which the PNG
government derived 25 per cent of its revenue), threatened RCL exports there, which
still accounted for about 25 per cent of all Riverina production. Rice imports, now
accounting for 15 per cent of the Home Market and rising, continued to flood into the country and with the Australian Quarantine Service rejecting industry protests about a disease threat, permitting table rice with a higher content of paddy to enter the country — about one grain per kilo.

With the Department of Water Resources (DWR) deregulation alarm-clock set to sound in 1991–1992 and markets still clogged, worrying resumed in earnest. In March Ian Davidge announced:

It is impossible at this stage to make any forecast as to crop size, time of harvest or milling yield for the 1989 crop, all of which are central factors to forecasting a return. The market fundamentals we see [are] more upside down than ever. I realise … this will be something of a disappointment … It is difficult at this stage to forecast any significant improvement in returns. … On-farm costs are increasing at rates greater than the CPI and the costs of milling, transport, shipping and finance continue to increase. … The fact remains that in most years there is an adequate global export supply of rice to more than cover effective … demand. In this situation we will continue to place emphasis on value-adding and other food-based activities both here and overseas.

In the past we have met this problem by regularly increasing rice areas and production. With limitations on water availability, drainage and land-use we may by now just have used up this option. Our main hope for improved productivity lies in sustaining the recent growth in field-yields.

**Further attacks on rice industry structure**

The industry's structure was again coming under attack. Following the IAC Rice Industry Report (1987), discussed earlier, the New South Wales government ordered another review of marketing boards, with special attention to RMB. The (now) Industries Commission (IC) also launched a review of statutory marketing authorities for the federal government. Both reviews continued until 1991, involving RCL in much time-consuming responses to requests for information and submissions. For its part, RMB argued for exemption from The Trades Practices Act in respect of vesting powers, requested continuation of the industry’s 'single desk' seller status, defended the present set-up as 'vigorous and effective' and denied that the industry received generous assistance (erroneous IAC assumptions, notwithstanding). The fact that RMB and RCL had renewed the vesting arrangement for a further twelve months (for the 1990 crop) was '… testimony of the confidence the RMB has in the co-operative'.

But as reviews proceeded, doubts about the role of statutory marketing authorities in free markets continued.

Concerned at the possibly destructive impact upon the industry of simultaneously discarding land, water use, production and marketing controls, Ian Davidge declared:

… Some suggest that the industry would benefit from deregulation. At present, growers have some control over their destiny. They can collectively decide whether or not to use the benefits afforded by the legislation and they can change the structure of the industry. Deregulation would remove this option — growers would lose the ability to choose in favour of the special advantages now offered by legislation. Complete deregulation would almost certainly lead to reduced overall returns in the rice industry as competitors ate away premiums which the co-operative currently obtains for its brands and from its current de facto sole exporter status. I do not believe that a multiplicity of competing sellers would suddenly discover new and higher paying markets for our rice. Nor would competing millers lead to a significant change in our rice processing technology or reduction in costs. I share the concern of all growers that a recovery of crops world-wide is likely to lead to a market more favourable to buyers, with international prices more likely to decline than increase. However, I do not believe that the solution to this fundamental exporter problem lies in a major change to our industry's structure. … As before, our best result will come from emphasising our strengths, continuing our aggressive international brand marketing program, while attempting to hold domestic costs and to diversify into other value-adding activities.4

In February 1991, the New South Wales Minister for Agriculture and Rural Affairs released Review of the Rationale for the RMB. Prepared by economists at the University of New England, the review called for comment over the next few months. The
central argument was that current marketing arrangements probably allowed price premiums to be earned on domestic markets at the expense of consumers and that the existence of the RMB was probably not fundamental to the earning of price premiums on export markets. Because of costs involved in pooling the crop, and the lack of choice for growers this implied, the review recommended that vesting of the rice crop be discontinued and that the RMB−RCL arrangement be terminated.

Ian Davidge urged growers to respond to the Review, observing:

It is accepted that this could lead to lower returns for rice and, after a period of adjustment, a smaller rice industry. We reject the principle conclusions as exercises in speculative theory without factual support. In forming an opinion growers need to realise that the structure of the rice industry is in their hands — they can change it through such bodies as the RGA. They can remove vesting for a while if they wish. However, if this Report (sic) is implemented the option of vesting will be lost for the future.

Taking note of commentary from the rice industry, the minister announced that the current marketing arrangements would continue largely unchanged on condition that the director of marketing participate annually in a review of crop arrangements signed between RCL and RMB. Approval was to be at the minister's discretion. In arriving at this decision, Davidge believed that:

The minister was particularly influenced by two factors. First, an analysis which showed the extent of international market premiums obtained from the effective single-desk selling of our branded product range while at the same time ensuring that consumers within Australia have the widest choice of rices from ourselves, Queensland and imports from many origins. Second an analysis presented by RCL to the Industries Commission as part of its inquiry into statutory marketing arrangements bought considerable reductions in previously noted levels of assistance to the rice industry with which we have always disagreed. The IC now concluded that the only assistance that the rice industry obtains from government is through the state marketing arrangements and that the effective rate of assistance has fallen from previously published figures of between 50 and 60 per cent to a level of around 10 per cent [actually 10.6 per cent].

The state government's helpful response to the Review of the Rationale for the RMB and the Industry Commission's (IC) removal of the rice industry from a list of highly assisted industries, boosted confidence and encouraged ricegrowers to plant expansively but uncertainties about deregulation lingered. Indeed, there was widespread suspicion of a special Premiers' Conference in July directed to the elimination of barriers to interstate trade, which might trigger a de facto deregulation of statutory marketing authorities, particularly those designed to prevent the sale of goods interstate. Doubts also still surrounded the RCL amalgamation in respect of the High Court's Queensland Barley Board decision.5

A co-operative conundrum: capital adequacy, 1990

The 'semi-dwarfs' could not care less about deregulation or a bleak market outlook producing a record crop in 1990, a bumper 893,584 tonnes, 107,000 tonnes greater than the previous year. Supplies were up everywhere around the world and demand was flat in extremely quiet markets. Barring disaster at the end of the Asian monsoon season, potential international rice supply in late 1990 was more than adequate to meet demand. Most international sales were now supported by subsidies or other enhancement schemes, the United States, in particular, continuing to undercut competition. Rice exports to Thailand were prohibited by royal decree. A price war had broken out between Vietnam and Thailand. Most trade was on a government-to-government basis as currencies fluctuated in value and the ability of nations to pay diminished. Mounting tensions in the Middle East, culminating in the Gulf War, were shattering markets and depressing rice hull utilisation (used in the export of live sheep). After three years of effort, everyone in the industry was desperately hoping for a breakthrough in trade talks as the Uruguay round of GATT discussions ground to a halt. Hopes were still high that a 'small opening' might exist in Japanese markets, possibly for brokens, flour or sake rice. RCL urged caution on this, advising growers to disregard media reports that Japanese markets were about to open and using this prospect to justify dramatically increased production. Already RCL marketers were
anticipating a 100,000 tonne carry-over in 1991; some believed it would be nearer 150,000 tonnes; at a time when it was still virtually impossible to time placement or spot destinations.

There was, nevertheless, some good news:

- domestic sales continued to climb;
- nutrition experts were extolling the virtues of rice bran as an '... important new break-through in diet-related diseases such as heart disease, diabetes [and] constipation';
- RCL 'Only Natural' health and nutrition lines were making good progress;
- the effort to develop fragrant and hard cooking long-grains, the mainstay of Queensland and foreign import competition, was beginning to pay dividends;
- more lucrative niche markets for specialist lines were being identified;
- organic rice was attracting great interest. Indeed, about 1,600 tonnes of organic paddy was produced by five growers in 1990 and George Kayess, long an advocate of organic production, was particularly enthusiastic about the prospects; and
- the 'Rice 2000' Project, exploring ways to ensure that ricegrowing would remain environmentally and economically sustainable while modifying 'incorrect views' in government and elsewhere about the rice industry, was developing well.

It was becoming increasingly obvious, however, that the co-operative was beset by a serious problem typical of all co-operatives in periods of rapid growth or adjustment to radical change: adequate capitalisation. The essential question was how could the industry finance itself with fewer and fewer growers while retaining a democratic structure? The promising growth of 'Coprice', for example, could not proceed without further investments. A stock-feed mill at Tongala, in Victoria, required more finance. Indeed, funding the crop itself, as uncertainties about statutory marketing authorities continued, was becoming a sensitive issue in its own right: who ultimately was responsible in the event of a crop failing or the RMB–RCL arrangement being rendered void? Jim Kennedy pointed to this thorny problem with characteristic candour:

The rice industry operates on a wholly commercial basis and there are no government guarantees or support for borrowings like those which apply to such industries as wool and wheat. In attempting to maximise advances to growers we must also present a commercially realistic borrowing program. This is a grower co-operative run by farmers. We understand the need to maintain a good cash-flow on the farm, however, we must be commercially realistic about the true market values of our products. Because we are a co-operative any improvement over budget goes back to shareholders in subsequent payments.6

The industry, Kennedy repeated, had been coasting since 1986 on the largesse of an earlier generation of growers embodied as investments in infrastructure. With record crops coming in, and yields seemingly increasing without effort, this 'free-ride' could not go on indefinitely, particularly as markets stayed sluggish and generally over-supplied.7

**A lack of production controls**

Capital adequacy would not go away as a problem and neither would the related difficulty, the other side of the coin — production controls. Basically there were none, apart from informing, warning and urging growers to co-operate in their self-interest. RGA had tried to stop the tide of deregulation but had only succeeded in slowing it. RICC had striven to retain some semblance of regulatory order but DWR was no longer interested. In 1987/88, for example, RICC had 'agreed' to lift temporarily entry and area controls on a trial basis. It also undertook to manage the development of rice areas in respect of new environmental standards pertaining to suitability of soil, water supply and drainage. It 'requested' the department to retain existing maximum areas for ricegrowing on each farm and within existing producing areas, while permitting the entry of farmers who had been waiting for some time for permission to grow rice (particularly in the Yanko Creek and Tributaries region). Despite these efforts to retain some semblance of industry self-regulation, it was evident by 1990
that RICC had lost any real authority in determining areas sown to rice and hence, production levels. Production was fluctuating wildly, falling by 170,000 tonnes and 143,000 tonnes in 1986 and 1987, respectively, climbing by 212,000 tonnes, 44,000 tonnes and 107,000 tonnes thereafter before plunging by 127,000 tonnes in 1991 and soaring again by a massive 334,000 tonnes in 1992.

The problem now was not so much a matter of dealing with big harvests, but big variations in them. There were many explanations for the variable harvests. Some said it was uncertainty over water and supply. Others blamed generally poor economic conditions, particularly in the Murray Valley. Certainly water costs continued to climb through the period with authorities passing on costs wherever they could. Some thought unruly harvests were a symptom of the break-down in co-operation within the industry. Certainly, tensions between horticulturalists and (particularly) large-area ricegrowers still existed in irrigation communities. Smallholders were convinced that governments, ideologues and large-area farmers were determined to drive them from the industry and hand everything over to wealthy investors and foreign corporations. Large-area farmers were frustrated by the apparent inability or unwillingness of horticulturalists, in particular, to work co-operatively with ricegrowers in seeking such remedies and opportunities as existed.

**Voluntary production controls, 1990/91**

By 1990/91 the effects of deregulation on production and the impact of this upon the RCL capitalisation situation as the co-operative sought to diversify into value-added areas, were beginning to show. Anticipating another huge harvest and with markets still down, RCL Chairman Davidge and General Manager Kennedy met on the eve of the 1990 RGA Conference to consider a proposal for voluntary production regulation, which would take into account the Gulf War and the possibility of a huge carry-over. A plan was worked out, RCL undertaking to receive and mill everything, but warning growers that anything above about 675,000 tonnes of paddy ‘... would attract low marginal returns’, possibly not justifying the effort or expense of producing paddy; not unlike Noel Hogan’s ‘two pools’ system. RICC, RGA and the Minister for Agriculture all approved of the idea. Each holding was to be set an allocated area, generally confined to 75 per cent of the 1989/90 allocation. All paddy above the target tonnage (75 per cent of the 1990 crop) would be received without incurring additional costs, where improved yields was the reason for this. Additional tonnage would incur extra costs and ‘... RCL reserves the right to direct ... excess tonnages to storages other than the growers’ normal receival depot with no cartage subsidy’. Indeed, with deregulation proceeding apace and new growers remote from existing facilities now entering the industry, the question of cartage subsidies was a thorny one. Excess tonnage would incur a deduction of $40 a tonne — or more. An anomalies committee would be established to resolve disputes. The scheme was to run for one year only, but might be revived with grower permission if disaster again presented.

Jim Kennedy recalls, ‘... They did it. There were yikes of complaint but it shows how farmers will really pull together in adversity’. Indeed, the voluntary production regulation system of 1990/91 worked very well. The area planted to rice was reduced by 23 per cent while production fell by only 15 per cent due to record yields (averaging about 9 tonnes per hectare, around 40 per cent higher than the ten-year average). The resultant reduction in production (down 127,000 tonnes) helped reduce the carry-over to 55,000 tonnes, saving about $1 million in reduced payments for excess paddy. Savings were used to offset costs involved in extra handling and funding the carry-over. Most importantly for growers facing cash-flow problems, prices for paddy averaged about $150 a tonne, a marked improvement on the previous year. Co-operation had again shown its potential.⁸

**A ’saviour’ crop, 1991/92**

An Australian Bureau of Statistics (ABS) Survey in the middle of 1991, when most of New South Wales was still drought-affected, noted that most farmers were living off savings to survive, the first time this had occurred since records began in 1959. Farmer numbers continued to decline nationally (to around 126,000, effectively 5 per cent of the political voice). The farm sector faced a collapse far worse than the crisis of the destructive drought of 1982, producing a negative income of $138,000 million in the March quarter. An Australian Bureau of Agriculture and Research Economics
(ABARE) Survey noted that farm income had fallen from $3.96 billion in 1989-90 to $1.2 billion in 1990-91 and was expected to plunge to $269 million in 1991-92. It was reckoned that farmers’ purchasing power was now about 5 per cent of 1988-89 levels. A National Farmers Federation (NFF) Survey found record levels of debt in rural communities, observing that the depth of the crisis was ‘unknown’. Meanwhile, federal and state governments continued to squabble over the terms of a Commonwealth Rural Assistance Scheme, basically retirement ‘packages’ to assist farmers, in many cases emotionally and psychologically ill, out of primary industry.

Desperate farmers, seeking a cash-flow, observed the $150 a tonne return for rice. They also noted sustained improvement in RCL gross sales revenue over the previous decade — doubling between 1981 and 1991 from $172 million to $346 million and improving every year since 1987! Notwithstanding a generally flat rural property market, demand for rice farms remained brisk and few were on the market.9

Once more, rice presented as a ‘saviour’ crop and pressure again mounted for access to ricegrowing from farmers in widely scattered regions. Such interest, and new confidence attending the minister’s affirmation that the existing ‘voluntary’ marketing arrangements were the best means of maximising grower returns, saw enormous enthusiasm for rice production in 1991. All the co-operative could do in meeting this demand was inform, warn, forecast and employ intelligent suasion. RCL’s ‘information sheet for shareholders, Update, for example,’ noted that international stocks were low and markets were very quiet, in many cases characterised by a lack of credit worthiness and an inability to service debt. Food aid programs for refugees were more evident. Despite GATT talks, the US Government was still providing EEP subsidies and this was ‘our largest marketing problem’. Markets were being recklessly flooded as trade hostilities continued between the US and the EC. The June edition of Update, however, did speak of hopes for Japanese markets:

It is likely that the conclusion of GATT negotiations at the end of June (1991) may see a decision by Japan to allow imports of between 3 per cent and 5 per cent of market requirements. It will be important to see whether table rice imports will be allowed or whether shipments will be restricted to rice for processing. The conditions under which imports are allowed are vital. We can probably expect high tariffs and a tightly administered scheme of import quotas.

Whether this Update observation induced growers to plant more in 1991 is unknown, but record applications for paddy seed were received. Meanwhile, 50,000 Japanese farmers, waiving stalks of rice, were marching in Tokyo, joined by half of all Japanese parliamentarians, protesting the possible easing of rice import restrictions. Seven Japanese farmers were preparing for a hunger strike in front of the Agriculture Ministry claiming that ricegrowing was as an essential element of the Japanese culture, as intrinsic to the Japanese identity as Mount Fuji. ‘Not one grain of foreign rice shall enter Japan’, they chanted. Clearly, the issue of rice imports into Japan was highly sensitive and politically charged. Indeed, Australian rice samples were removed from a Foodex-91 International Trade Fair in Tokyo, foreign rice a ‘forbidden fruit’ in Japan.10

Meanwhile, in New South Wales, possibly partly in anticipation of entering this lucrative market, a record planting was under way. As DWR controls over land use came off, many new ricegrowers were expected among river pumpers along the Murrumbidgee and Murray Rivers. New growers at Carrathool, Hay and elsewhere downstream of Darlington Point on the Murrumbidgee River, and West Corugan irrigators, for example, were expected to produce at least an additional 60,000 tonnes of paddy in the 1991/92 season alone.

Calls for the reintroduction of production controls

Farmers and some rice industry leaders, worried about the lack of sensible controls, called for a reintroduction of production level and area controls. For example, a Monaro farmer, Andrew Roberts, urged RGA to consider ‘rice ceiling caps’, fundamentally a return to a rice-acres-per holding system. The voluntary system had worked well, but improved returns associated with this had simply encouraged farmers elsewhere to get into rice. RGA President Ian Douglas replied correctly that the association ‘... did not have the legislative power to enforce such a scheme’ and
did not think the government would allow it. Nevertheless, Roberts organised a campaign to promote ‘... a return to the old system’, saying he would explore with ministers every way possible of achieving the best and fairest method of dealing with the problem of extra tonnage. One possible system, he thought, was charging higher equity to growers with excess acreage, or to new growers. But while this could cover the cost of extra tonnes it would not solve the problem of physically milling and marketing the crop. On the other hand, Roberts believed, placing a ceiling cap on rice acres, provided this was determined by growers themselves, might solve that problem while also reducing the threat of new growers with river pumping licences planting massive, possibly unwieldy acreages.

It was all déja vu and, not surprisingly, Coalition Minister for DWR Ian Causely was unsympathetic: the government could not tell people what to grow or how much; DWR could not stop the entry of new river-pumper ricegrowers; deregulation was for all ricegrowers, actual and potential, ‘across the board’ and; the industry’s wish to self-regulate production was irrelevant. On the other hand, the minister was ‘... not opposed to the industry controlling the amount of rice accepted at the mills. ... It is up to the industry to decide what they want’. Everyone knew that turning-away paddy from the mill door would simply drive growers into the arms of rivals, challenging, probably destroying, the RCL–RMB ‘vesting’ arrangement. In this way, the rice industry would be hoist with its own petard.

**Uncertainties in a deregulated environment**

Indeed, RGA was sorely divided on the issue of production controls with confusion and anxiety about the absence of any mechanism to control production with the possibility of the industry running out of control. Some believed that the association was not doing all it might to advance the idea of self-regulation but as RGA Central Executive Member Lance Gardiner said in Deniliquin, echoing President Ian Douglas, self-regulation was impossible without legislative back-up, or at the very minimum, ministerial approval and neither existed. There was simply no point in the association agreeing to a policy which was unenforceable. What would the ceiling be? Who would enforce it? What penalties should be imposed? Would new growers be restricted more than traditional growers? Would the ceiling be imposed on water rights or on a farm-by-farm basis? Who could answer these questions and produce an equitable solution? The industry once had had the capacity to do this, but no more. In any event, Farmer Terry Jones said in *Southern Magazine*, it was wrong to blame new bore- and river-pumpers for the prospect of a possibly uncontrollable rice crop: it was the state government, which was introducing full deregulation, and RGA, which was controlling the phase-in stage.

The Member for Murray Jim Smeal met Minister Causely to consider the possibility of reintroducing some mechanism for production control, but the minister was adamant that the industry was:

... on its own. It is unrealistic to turn the clock back [and] tell irrigators the type of crops and quantities they should produce with their water allocation. ... The government is not about to re-impose production controls on one of Australia’s best managed market-driven rural industries. [Such decisions] are best made by irrigators after careful consideration of all the market information available. ... [The industry] does an excellent job in providing timely market information to the growers to help their rice planting decisions. It’s the industry’s business.

Moreover, the minister concluded, DWR delivered water ‘... in the most cost-effective way and ensures it is used in an environmentally sustainable manner’. The responsibility for ensuring the equitable and efficient allocation of water now rested with irrigation management boards. It was no business of government.¹¹

With the New South Wales government reaffirming its commitment to deregulation, the Industries Commission (IC) began an inquiry into water resources and waste water disposal, examining:

Institutional regulatory or other arrangements subject to influence by governments in Australia which lead to unsustainable and inefficient resource use and advise on courses of action to redress any problem having regard to the established economic, social and environmental objectives of governments.
RGA believed this inquiry ‘... was potentially threatening to the irrigation industry’, especially if it concluded that cost recovery should include environmental costs in water pricing policy. The possibility of a federal Resources Tax on Water (Natural Resources) combined with big increases in water prices linked to permanent water transfers, was interpreted by many association affiliates, and small irrigators in particular, as a blatant attempt by government to kill off the family irrigation farm for the ideologically-driven reason that these did not represent the most efficient allocation of resources. Federal Primary Industries Minister John Kerin denied this. Nevertheless, the association suspected that the federal bureaucracy would persist in some other guise, such as charging irrigators for Snowy Mountain water under the pretext of system refurbishment. RGA totally rejected this idea arguing that the Snowy Scheme had been built originally to generate cheap (and defensible) electricity and that water released for irrigation was simply a bonus. Nevertheless, the association joined with SRIDC in conducting a detailed inquiry into the beneficiaries of irrigation. Led by Dr Roy Powell and funded by the Murray and Murrumbidgee Irrigation Management Boards, this signalled an attempt by irrigators to replace the prevailing 'user pays' philosophy with a less punitive 'beneficiary pays' orientation.

A paddy avalanche, 1991/92

With no effective production controls and the prospect of big hikes in water prices looming, farmers prepared paddy fields for the 1992 crop, planting about 124,000 hectares, 25 per cent more than the previous year. Many established growers described this uncontrolled, lemming-like rush to production as 'economic madness', possibly reducing Pool prices to an uneconomic level. Realistically acknowledging the planting, however, Ian Davidge said:

The industry is deregulated. Therefore, this is not the year to repeat the voluntary acreage reduction scheme implemented in 1990/91. ... The improved prices from such a scheme creates a desire for expansion into the industry by other growers. This is something that has to be kept in at least as much control as we can possibly maintain. We haven't got a great deal of control over it but we have to make sure we don't have an artificially enhanced price by reducing our acreages on a continual basis. This would make it too attractive for people to come in and capitalise on the situation.

Answering criticisms of RGA’s performance in the deregulatory phase-in period, President Ian Douglas defended the role of new growers in the industry. While recognising that the amount of extra rice produced by this group might not be helpful under current economic conditions, he believed it would not ruin the industry. RGA estimated that new growers would be producing about 60,000 tonnes in the approaching season, representing only about 5 or 6 per cent of the total crop and less than the increase in production from existing growers. What was important was that the industry kept in close contact with all new growers ensuring they grew and delivered rice within the existing system:

I cannot stress strongly enough that industry solidarity and orderly marketing are paramount to our future success. This industry is united in our support of the unique marketing arrangements used by the Rice Marketing Board and Ricegrowers Cooperative Limited. I fully appreciate the frustration that has been brought on to growers by deregulation. However, we were all new growers once, and I am sure we felt the many opposing vibes by the established farmers and for much the same reasons as exist today.

In the longer term this industry must move forward to enable us to grow stronger and become more dynamic. We will need growers from the river and creek systems to continue on as regular growers to enable the industry to maintain a stable pattern of production.12

Anticipating a million tonne crop, RCL built stores and upgraded facilities, the first sizeable investments in plant in eight years. The industry still only possessed about 700,000 tonnes of independent storage, giving rise to concerns about possible chaos in the event of a wet harvest. The long-term lease and aeration of Grain Corp Sheds was arranged. Loans were organised through merchant bankers and other finance houses, prompting concern at the prospect of new growers leaving the industry when commodity prices improved in other markets: who would repay the loans? Might banks gain control?
There was no time to ponder such questions for the semi-dwarfs were unfurling in the fields and about to unleash a paddy avalanche. There were also more immediate questions to answer. For instance, what was to be done with a mountain of rice hulls from the record crop, estimated to weigh 200,000 tonnes, sufficient to build a column 2.6 metres wide and 1 metre high from Griffith to Sydney? Only about half of this could be utilised for stock-feed, livestock bedding, chicken litter or horticultural purposes and burning was unacceptable for environmental reasons. The industry faced a huge disposal problem associated with rice hulls alone.

Market research indicated that reasonably secure markets for around 800,000 tonnes of rice existed — the remainder would have to go into volatile, low-priced ‘spot’ markets. The vital PNG market had declined by 7 per cent and similar drops had occurred elsewhere in the Pacific. This was an American presidential election year and export enhancement schemes designed to secure the rural vote were again in place. A price slump of at least 12 per cent seemed probable. Describing 1992 as ‘...a major test for the Co-operative’, Jim Kennedy hinted at the possibility of RCL disposing of the Echuca Mill by suggesting that the co-operative had ‘... no marketing need for Echuca’:

Echuca was bred for the Western Murray Valley where there is no doubt it can offer significant advantages to growers. Last season the weather was exceptionally good. It is therefore likely we will continue to trial Echuca in 1992. A concerted education campaign will help growers manage crops to reduce chalk and broken, although we will probably modify delivery conditions to increase premiums for both whole-grain yield and freedom from chalk.

The paddy deluge started to arrive, 1.1 million tonnes of it, 334,000 more than the previous season, despite one of the coldest growing seasons since 1980 and large losses to ducks. Quality generally was not good. The enormous milling process began. Sales were euphemistically described as ‘falling behind plan’. Domestic sales were still good but imports were now running at 28,000 tonnes, mainly Thai fragrant rice. The Queensland industry was price-cutting and providing house-brand names for importers. The first RCL Australian fragrant rice was not released until July 1992, Goolarah ('Sunlong Jasmine'), and three new ‘upright’ packaged products: organic, fragrant and wild rice; were given successful trials in Victoria. Great hopes were still held for entry to Japanese markets but the powerful rice farmer lobby there stymied progress.

'So, what does all this mean for shareholders?'

Anticipating a carry-over of at least 150,000 tonnes and the prospect of relying upon the intensely contested international bulk trade, where lower prices existed (unless a ‘weather disaster’ occurred somewhere) attention returned to production controls for the 1992/93 season. Jim Kennedy tested the water:

There has been considerable discussion among growers as to whether some form of production limiting scheme should be put in place for sowings later this year. However we are not currently driven by the same difficulties which faced us at the time of the Middle East War. It is difficult to find a scheme which is fair to all, would enjoy shareholders’ support and retain the benefits of current industry structure. We are obviously concerned at the prospect of a big crop coming on top of a significant unsold carry-over, but it is too early to make any judgement. We must therefore keep our options open. The last six years have demonstrated a regular and directly inverse relationship between crop size and paddy price. In making production decisions, growers understand that in most circumstances a bigger crop means a lower average pool price. However, because we are a relatively small proportion of world rice trade, the price pattern is interrupted when world production falls generally for weather reasons. With improving ricegrowing technology throughout Asia this has not occurred for a number of years although the possibility remains. We will keep you informed.

Other than appeals to commonsense, the vagaries of climate and weather were now primary determinants of rice production levels in the brave new world of deregulation. The only other brake on production was the draconian one of a fall in the price of paddy to uneconomic levels presaging in turn the failure of family farms and/or the possibility of a rival miller entering the industry as a ‘white knight’,
briefly bidding up prices and splitting the industry with long-term damaging results for all growers. Kennedy asked:

What do we do? We will only continue to provide reasonable returns to growers if we match long-term production with sensible market availability. Any attempt to limit production now is acting in anticipation of the problem which may not eventuate. We will of course continue to give every effort to clearing this crop before next harvest. However, it is possible that we will have a significant carry-over at the time of harvest of another large crop. If this happens and there are no favourable movements in the international market then we will all need to take action to give the right market signals to growers. Obviously the costs of moving and storing any unsold carry-over will reduce our anticipated returns for the 1991/92 crop. In the limited medium-grain market it is not simply a matter of trying harder to move additional quantities at any price. We are already covering every market opportunity. We have valuable brand presence and market premiums to protect. We are already making maximum use of low quality paddy in stock-feeds and other activities although the abundance of broken paddy this year limits our ability to do this.

So, what does all this mean for shareholders? The co-operative is currently going well. Our unsold carry-over problem is potential rather than actual and we are not suggesting a scheme to limit production this year (1992/93). However, we are telling growers clearly before sowing that another big crop would mean lower paddy prices, especially if we face the added costs of moving and storing the carry-over. If this occurs we will need to take action to ensure production is closer to market off-take. The risk in signalling this prospect now is that some growers will try to build up what they expect to be a good base by sowing more rice this year. Any future production limiting scheme will need to account for this.13

At the 1992 RGA Conference in Coleambally, Ian Davidge and Jim Kennedy told growers that if they wished to keep prices up they should limit production to around 850,000 tonnes a year. Prices had fallen for the 1991/92 crop and would go on falling if growers mismatched production and market off-take. In the year of the voluntary cut-back (1990/91) growers had received $178 a tonne for medium-grain and around $210 a tonne for long-grain. They could expect around $134 a tonne for medium-grain in the current year, ‘…a fairly severe reduction in cash-flow [equal to] $400 a hectare’. Another million tonne crop in 1993 could see further reductions to around $120 a tonne. And Davidge added, ‘It is not my intention to recommend a reduction to you for the coming year but I want to leave it to you to think very seriously about it at this time next year’.

RGA President Ian Douglas, however, argued that limiting production was not the answer. The industry’s marketers should adapt to handling bigger crops. Controlling production could be ‘quite disastrous’ for the industry in the long-term because, ‘The fact is we no longer have the legislative support to police such controls and it is virtually impossible to draw up a system that is equitable to all growers’. Limiting production would drive growers outside the industry structure in order to sell surplus rice. The voluntary system of two years previous had won grower support to get the industry through a ‘tight situation’ in the Gulf War and he believed growers would support a similar move if the industry got into trouble again. But not now.14

The ultimate regulator: Nature

With the industry still divided on the question of production controls, seed orders equivalent to another million tonne crop were received. The indications were that ricegrowers were preparing for another huge planting in 1993. But, again, the ultimate regulator, nature, intervened, rain falling through the sowing season in the wettest spring on record in many parts, turning paddy fields into a quagmire. Farmers could not get in to plant the seed, machinery bogged, cold snaps, down to 4º around Leeton, were recorded and fitful squalls and storms swept the Riverina slowing everything down but duck flight. Sowing went on into December — the optimum planting time was October! Rice is a resilient plant but it was doubtful that even the stocky semi-dwarfs could bounce back from such a rocky start. Perhaps the industry would have its production controls after all. And better news still, by early December 1992, the 1993 crop was virtually sold at around $150 a tonne, reasonably above what had been expected. A fragile improvement in GATT talks was noticeable and a sliver of light was creeping under the Japanese rice door.15
Postscript

The Growers’ Paddy?

At this point in the research funding ceased and the project was brought to a halt, aborting the possibility of detailed analysis shedding light upon co-operative behaviour in an industry which might have universal application, a task awaiting subsequent researchers. As noted in the Preface, an illustrated coffee-table version drawn from these data was published in 1994. The major manuscript, however, languished in a bottom drawer for years until Dr Gary Oliver of the University of Sydney Co-operative Research Group (CRG) found out about it and with the support of CRG Director Professor Greg Patmore and CRG Deputy Director Dr Leanne Cutcher organized to have this PDF version published, for which I am truly grateful.

What are we to make of this remarkable example of a democratically owned and controlled Australian agricultural industry in the seventy years to 1994?

The International Co-operative Alliance (ICA) defines a co-op as an autonomous association of persons united voluntarily to meet their common economic, social, and cultural needs and aspirations through a jointly-owned and democratically-controlled enterprise. ICA believes that co-operatives are based on the values of self-help, self-responsibility, democracy, equality, equity and solidarity and, in the tradition of their (Rochdale Pioneer) founders, co-operative members believe in the ethical values of honesty, openness, social responsibility and caring for others. ICA holds that there are seven co-operative principles by which co-operatives put their values into practice:

1. Voluntary and Open Membership
2. Democratic Member Control
3. Member Economic Participation
4. Autonomy and Independence
5. Education, Training and Information
6. Co-operation among Co-operatives
7. Concern for Community

In general, RCL and its progenitors abided by these principles, more entirely in some cases than others, a dynamic which would benefit from closer analysis than has been possible here and may be a fruitful area for other researchers. Rice co-operatives were created by farmers to address common economic problems and served as a platform for achieving shared social and economic objectives normally unavailable to the isolated individual. They did so by applying ‘self-help’ methodologies and principles of mutualism: ‘Each for All and All for Each’. These egalitarian ideas, transported into irrigated communities by migratory industrial and immigrant workers and soldier settler-smallholders, emphasised the family farm and community welfare ahead of an individual’s capital power or the subsuming of individuality within a collective entity. The freedom of the individual, co-operating voluntarily with others similarly motivated, lay at the heart of this equitable thesis. To the extent that collectivisation was relevant, this side of the autonomous self-management equation was addressed by a statutory marketing authority, answerable to farmers and to elected governments. Together, in an often stormy but generally productive relationship, the co-operative(s) and the board interacted to improve farmer returns fairly and meet farmer input needs in the provision of goods and services, returning profits commensurate with that part played in their creation by member-farmers dealing with their co-operative (the patronage principle). In addition, farmers financed their own infrastructure because farmer ownership and control beyond the farm-gate was important. In this co-operative ethos, democratic ownership and control were placed on a par, often ahead of, the profit motive, generally, but not always rationally, in the endless jousting between co-operative and board. Fiercely independent and proud of the role they played in community and regional development, RCL and its predecessors espoused independence from the state and the corporate world, opposing laissez-faire capitalism and centralised bureaucracy with equal vehemence notwithstanding a client...
relationship with public water authorities, occasional approaches to government for assistance and a growing need for bank finance as the industry expanded beyond traditional growing areas. Great rice industry leaders such as Ian Davidge argued for co-operation as a way of life, holding that political and industrial action were incomplete in the absence of co-operation and that to succeed in their claims, whether it be access to water, setting production targets, cultivating markets or achieving fair returns, farmers must co-operate. The alternative was to be picked off, one by one, permitting economic power to become incrementally concentrated in fewer and fewer hands, weakening farmer market influence, ultimately to the detriment of farmers and farming communities. Central in this argument upholding farmer 'self-help' was the assumption that democracy and economics were natural partners in the matter of resolving antagonisms inherent in the capitalist mode of production existing between labour and capital and that only by co-operating and sticking together could farmers construct a countervailing economic force wielding real bargaining power in contesting markets and a genuinely community-based alternative to reliance upon corporate capital or the state.

In the 1980s, however, the atmospherics for co-operation in Australia changed adversely as competition policy and deregulation characterized political and economic debates shaping policies. Following a decade of turmoil, as we have seen, the cooperative rice industry faced an uncertain future. As ever, its destiny lay in making cogent decisions about farming, soil, water, capital and markets. The difference now was that production levels were guesswork and the life-blood of the industry, water, was subject to market forces and strict environmental controls. How was the existing democratic structure to be justified when markets and soil suitability alone determined what could be grown, where and by whom? Was the industry’s democratic fabric actually hampering its capacity to respond to change and market signals as the IAC had argued? Was democracy an incumbrance to the rational allocation of resources? And how could a co-operatively organised, self-funded industry adequately capitalise growth, on the one hand, or moderate growth, on the other, when it no longer had any control over production levels or access to water? How was it possible to accommodate new geographically dispersed growers, unfamiliar with co-operation and, in some cases, contemptuous of it, while adequately servicing existing members whose loyal support had built the industry, without incurring unsustainable debt? Was it that co-operation was better suited to adverse pioneer and industrial developmental phases than to mature, albeit corrupted global markets characterized by unpredictable shortages and gluts and government to government trading? Or was it simply that co-operation had passed its 'use by' date in high cost, capital intensive Australian rice production and that superior competition mounted by international capital employing foreign labour was destroying its competitive edge?

These and other tantalizing questions await answers suggested by interested researchers. Suffice it to say that if there was a single fatal flaw in RCL’s response to change, it was that the co-operative clung to the 'single desk' convenience of the statutory marketing board too long, protecting the industry from real competition, so that when the regulatory ice-age finally thawed, it was not as prepared for domestic competition or globalisation as it might have been. To this must be added the caveat that any industry, co-operative or not, failing to pay due regard to ecological sustainability must necessarily be, in a historical sense, short lived. This is not to say that the rice industry per se was more or less culpable than other agricultural industries in the period, only that ricegrowing depended for its existence upon fragile irrigation systems, the design and use of which were periodically subject to political expediency often at odds with environmentally sensible choices recommended by peak grower bodies and concerned farmers.

In the decade to 2011, prices for rice more than doubled to around $600 a tonne but, affected by drought and water shortages, the industry was unable to take advantage of this. The harvest fell from a record 1.7 million tonnes in 2001 to less than 20 000 tonnes by 2008, the smallest since the 1920s. Indeed, the co-operative was required to import rice, simply to hold local markets.

In 2005, RCL listed on the stock exchange as Ricegrowers Ltd (SunRice). The restructured entity retained co-operative features in shareholding and corporate governance, offering, for example, 'A' and 'B' class shares. 'A' class shares, confined to
active growers, carried voting rights. 'B' class shares were restricted to growers, ex-growers, employees and superannuation funds. In this way, by inviting in external shareholders, the co-operative rendered itself vulnerable to privatisation, like so many agricultural co-operatives before it.

In 2006 domestic rice markets were deregulated but SunRice retained its statutory monopoly as the exclusive exporter of New South Wales rice. The following year SunRice bought storage sheds from the New South Wales Government for $190 million. Heavily geared in debt, much of it short-term and owed to banks, on four separate occasions the board asked growers to convert rice 'bonds', that is, a 10 per cent hold back, into equity when they matured, but growers were either unable or unwilling to support this capital raising initiative and little headway was made.

In 2010 Spanish food giant, Ebro, the biggest rice processor in the world and the second biggest pasta processor, made a $610 million offer for Ricegrowers Ltd. The multinational was especially interested in the industry’s infrastructure, which then included mills at Leeton, Deniliquin and Coleambally, and attracted by economies achievable in shipping rice along with durum wheat.

The offer, favoured by the board but bitterly dividing growers and other industry stakeholders, failed to achieve the necessary 75 per cent of 'A' and 'B' shareholder approval at a May 2011 Jerilderie shareholders’ meeting and was rejected.1
PART VI

APPENDICES
Appendix A

‘A clap of thunder followed by an angry wind’:
European Occupation of the Riverina

There is no point in repeating what has already been said amply and well elsewhere. Peter Read’s A Hundred Years War and Bill Gammage’s Narrandera Shire provide valuable insights into the Wirajuri experience. Gammage also deals expertly with European settlement and the squatters’ defence of pastoral runs. The labyrinth of political intrigue from which the MIA emerged is tracked in W R Cowper’s The Barren Jack Scandal. The development of Leeton and Griffith is covered well in Alf Bowmaker’s Brief History of Leeton, Sue Chessbrough’s A Spread of Green and B M Kelly’s From Wilderness to Eden. The following discussion, provided by way of background to Growers’ Paddy, draws extensively on these and other excellent secondary sources which the author gratefully acknowledges.1

Two defences of Riverina land occurred in the nineteenth century. The first was by far the more grave, involving the original inhabitants, the Wirajuri Aborigines, against the wholesale destruction of their traditional ways by outsiders. The second, by the usurpers, the squatters, war against the ‘Men of Sydney’, who would sub-divide huge pastoral runs for closer settlement. By the early 1840s, the Wirajuri armed resistance was broken and a long and successful struggle for the retention of cultural identity had begun. The squatters’ grip on the land would not be prised loose until the early years of the twentieth century, notwithstanding numerous attempts by selectors and their political advocates. Then came closer settlement. Water was the key and the Murrumbidgee Irrigation Area (MIA) was part of this.

The Wirajuri

Bill Gammage tells us that people have lived and worshipped in the south-west of New South Wales for at least 40,000 years, possibly much longer. When Europeans began their westward push from Bathurst after 1815, the Wirajuri confederacy spanned roughly the area within the present day settlements of Albury, Gundagai, Lithgow (near Merriwa), Dubbo, Parkes, Booligal, Hay and Lockhart; a vast region on the south-west slopes of the Great Dividing Range embracing the Macquarie, Lachlan and Murrumbidgee Rivers. Estimates of the Wirajuri population prior to European settlement vary greatly but most authorities believe it was in the vicinity of 2,000 to 3,000 people.

It is beyond the scope of this study to describe in detail the rich and complex Wirajuri tradition, but it is interesting to note in a book about Australian primary industry that the Wirajuri successfully managed their environment for millennia with present and future needs in mind. They gathered grass seeds, stored and processed these, planted food and medicinal plants strategically throughout the bush, constructed water works to conserve drinking water and harvest fish, used fire to manage and mould the landscape and organised animals into areas suitable for culling. They also fought, stole and exacted revenge like people everywhere, traits aggravated by European encroachment, which shattered totems, detached the Wirajuri from land, denied food sources and saw terrible bloodshed annihilating much ancient knowledge. Within thirty years of the Europeans’ arrival most Wirajuri territory had been expropriated, but not without a fight.

The Oxley expedition, 1817

When in June 1817 General Surveyor Lieutenant John Oxley, accompanied by Deputy Surveyor G W Evans, botanist Alan Cunningham, two geologists and eight convicts reached Mount Brogden (also known as ‘Mount Bingar’ or ‘Binya’) about forty kilometres from the Murrumbidgee River, his exhausted eyes scanned the baked plains below and he despaired:

The whole country seems burnt up with a long continued drought ... A country which for bareness and desolation has no equal. ... I am the first white man to see it and I think I will undoubtedly be the last. There is a uniformity of barren desolation in this country that wearies one more than I am able to express. ... One tree, one soil, one water and one description of bird, fish and animal progressively alike in ten miles and for one hundred. The variety of
wretchedness is at all times preferable to one unvarying cause of pain and distress.

Oxley sent two men south-west in search of water. They reached a point somewhere near present day Yenda, finding it impossible to continue because of thick bush and a dry that evaporated the life out of everything. Poignantly, in rippling heat under Mount Brogden, Cunningham planted acorns, peaches, apricots and quinces:

... with the hope rather than the expectation that they would grow and serve to commemorate the day and situation should these desolate plains be ever again visited by civilised man of which however I [Oxley] think there is little possibility.2

The Wirajuri respond

On 5 June 1817, John Oxley observed columns of smoke rising from the horizon. The whole country seemed to be in flames. It must have seemed like Hades in the sore eyes of these parched Europeans, but it was probably the Wirajuri employing fire for hunting or building a wall of consuming flames to discourage (or direct) Oxley’s advance. Almost certainly the Wirajuri were monitoring the party’s progress, keeping clear because of a fear of disease, including smallpox, which had decimated coastal tribes and might already have moved inland along Aboriginal trading routes. Certainly, Gammage believes, smallpox had hit the Wirajuri by 1829, wiping out possibly 60 per cent of the population and interrupting the oral tradition and knowledge of Biame, Maker of the Universe.

In 1822 spearings began outside Bathurst. The government declared Martial Law. Peter Read tells us that ‘up to 75 mounted soldiers rode the ranges shooting at every Aborigine in sight’. Not until the late 1830s, however, were Wirajuri clans along the Murrumbidgee left with no alternative but to resist the European invasion.3

The European push

Europeans began moving westward along the Murrumbidgee River in the early 1820s. In September 1820, Charles Throsby reported to Governor Macquarie the discovery of Lake George. He had heard from Aborigines of a great river further to the south called the ‘Morumbidgee’, roughly translated as ‘never-ending water supply’. In March 1821, Throsby encountered the ‘Morumbidgee’ near the present day village of Tharwa, outside Canberra. By 1826, unauthorised occupation of land had occurred on the Limestone, Breadalbane and Yass Plains, elsewhere in the Monaro District and on heavily timbered country between Bargo, Goulburn and Yass. Most early squatters were Irish emancipists, some associated with the Irish Rebellion of 1798 which had been put down by the English with heavy loss of life. The Irish community had congregated around Cabramatta Creek, west of Sydney, in the Airds District near present day Campbelltown and in the vicinity of Liverpool after that town began in 1810. By 1829, Airds emancipists were at the junction of the Murrumbidgee and Tumut rivers. By the following year the Murrumbidgee frontier was at Gundagai. Bill Gammage believes that Europeans had inspected Murrumbidgee foreshores as far west as Wantabadgery and probably Wagga Wagga by then. It is possible that a party led by Peter Stuckey had penetrated even further downstream.4

Sturt courses the Murrumbidgee, 1829–1830

On 3 November 1829, Charles Sturt, accompanied by George Macleay, three soldiers and nine convicts, left Sydney, commissioned by Governor Darling to determine the course of the Murrumbidgee with a view to settlement. Reaching an area (Hamilton Plains) not far from the present day site of Yanco Weir, about 60 kilometres east-south-east of where Oxley’s party had languished, Sturt enthused upon the grazing and farming potential of the region. But his opinion changed as he journeyed west:

[17 December 1829] Our route during the day was over as melancholy a tract as ever was travelled ... not a tree of any kind was visible. ... [It] appeared as if the river was decoying us into a desert there to leave us in difficulty and in distress. The very mirage had the effect of boundlessness. ... It cheated us with an appearance of water and on arriving at the spot we found a continuation of the same scorching plain over which we were moving instead of the stream we had hoped for.
[18 December 1829] It is impossible for me to describe the kind of country we were now traversing or the dreariness of the view it presented. The plains were still open to the horizon but here and there a stunted gum tree or a gloomy cypress seemed placed by nature as mourners of the surrounding desolation. Neither beast nor bird inhabited these lonely and inhospitable regions over which the silence of the grave seemed to reign.

Almost one month later, having taken to the river in whaleboats, Sturt recorded:

About one we again started. The men looked anxiously out ahead ... On a sudden the river took a gentle southern direction but in its torturous course swept round to every point of the compass with the greatest irregularity. We were carried at a fearful rate down its gloomy and contracted banks. ... Hopkinson called out that we were approaching a junction and in less than a minute afterwards we were hurried into a broad and noble river.

... [We] continued to gaze in silent astonishment on the capacious channel we had entered and, when we looked for that by which we had been led into it, we could hardly believe that the insignificant gap that presented itself to us was indeed the termination of the beautiful and noble stream whose course we had thus successfully followed.5

Sturt had burst upon what came to be known as, the Murray River, the greatest waterway in Australia.

The first Riverina squatters

On his way back, Sturt passed through Airds country reporting rich prospects along the Murrumbidgee frontage. There was little immediate interest as drought continued, but in 1831 migration began after the government abolished the free-land grant system. Now the only land which could be squatted without fees was literally 'beyond the law', in so called 'unoccupied' land: Wirajuri territory. With pastoralist activity increasing in a primary products boom lasting until 1840, occupation of Murrumbidgee River frontage by squatters and their stock leapfrogged. Between 1831 and 1833 land seekers laid claim to about 160 kilometres of river frontage as far west as Darlington Point. The squatters were neither poor nor landless, having generally been treated well by the administration. Most owned stock and had been assigned convict servants. Few intended to settle along the river but to use the land for grazing.

In 1836, the government introduced an annual fee of £10 to squat on Crown Land. This was designed to fund commissioners, who were provided with troops, to extend British law to the new squatting districts.6

The Narrungdera resistance, 1839–1841

In 1839, the Narrungdera (Jew-Lizard) Clan of the Wirajuri (after which Narrandera is named) took up arms to stop the encroachment. Until then the Narrungdera had been hospitable and helpful, notwithstanding the unauthorised use by settlers of grass plains and clearings prepared to trap game, and the contamination by stock of water holes and bountiful lagoons. With allies from beyond the Murray and Lachlan, the Narrungdera began guerilla action to drive out the invaders. By late in the year, the Aborigines had cleared squatters from about 100 kilometres of riverfront. There was awful bloodshed. Bill Gammage believes Europeans fought a pitched battle with the Wirajuri at Hulong Sandhill and, early in 1841, trapped sixty to seventy Wirajuri men, women and children on what is now known as Murdering Island, in the Murrumbidgee. Only one Aborigine escaped. Gammage and Read believe there were other massacres. For Wirajuri survivors, the suffering had only begun as large tracts of hunting territory were taken and traditional ways destroyed. Gammage thinks that the Wirajuri 'adapted the stratagems and compromises of a conquered people', keeping what they could of the old values and beliefs and refusing to become like white people. Around 1878, possibly the last great tuning initiation ceremony was held on Tubbo Station across the river from Darlington Point. By 1880, virtually all Wirajuri land had been alienated and a decade later probably no Wirajuri lived independent of the European community as a 'steadily tightening net of dependence, poverty and degradation' closed around them. Peter Read thinks that the last corroboree in which Wirajuri people participated occurred in 1914 along the Euabalong Track. In the early 1990s about 3,000 people of Wirajuri descent identified as Aboriginal and possibly as many did not, a remarkable achievement of survival and adaptation.7
The second wave of squatters
The Wirajuri resistance, economic depression in 1841–1843, and drought in 1842–1843, saw a lull in the European advance. Indeed, many Airds squatters retreated from the Riverina. But by 1844, the push was on again. Squatting was now paying. A new wave of immigrants, mainly English, Scottish and Ulster Irish, were taking up land along the Murrumbidgee and associated creek systems. In 1847, the squatter-controlled New South Wales Legislative Council issued Orders-in-Council permitting squatters on the frontier to tender for fourteen-year leases over runs, at £10 a year. No run was to enclose a river or major stream and additional charges were to be levied for excess stock. In the next few years, Sydney-based squatters and pastoral houses manipulated Orders to lay hold to millions of hectares of Riverina land, dispossessing many of the first immigrants. The first immigrants had brought cattle, but by 1851 sheep outnumbered cattle five-to-one. By the early 1850s, squatters were at the junction of the Murray and Murrumbidgee Rivers and along the Edward River and the Billabong and Yankó Creek systems. By the late 1850s, most Murrumbidgee River frontage was controlled by pastoralists with Sydney or British connections.

The spread of pastoralism
Pastoralism boomed through the 1850s gold rushes when an enormous demand for food and commodities existed. The Australian population trebled to 1.2 million in the decade and Victoria became the wealthiest colony in the Empire. With traffic between the colonies dramatically increasing, Narrandera became an important staging and manufacturing—service town. The Riverina prospered. By 1858, three-quarters of all pastoral investment in New South Wales was in the Murrumbidgee and Lachlan districts. Paddle steamers were reaching as far upstream as Gundagai, wool prices were excellent and, by 1877, wool exports accounted for more than half of Australia’s export earnings. Fencing, clearing and deforestation continued apace, much of this backbreaking work performed by tough Chinese itinerants after the gold petered out.

With most prime river frontage locked up by the late 1850s, subsequent waves of squatters and selectors ventured into drier, marginal backblocks, frequently guided by Wirajuri trackers. Most found it as arid and desolate as Oxley had described and many were driven out by the harshness. Commissioner Bingham believed that much of the backblocks away from the river was useless for settlement. For many years the northern Mallee and Pine Box Scrub were used only for winter pasture. So long as pastoralism remained profitable, there was little interest in closer settlement. Certainly squatters were opposed to the break up of runs which might permit this.

In 1861, the Robertson–Cowper administration made a determined effort to break the squatters' monopoly of prime land, passing The Crown Lands Alienation Act (25 Vic No.1) and The Crown Lands Occupation Act (25 Vic No.2) (hereafter, 'The Robertson Land Acts'). The acts were designed to convert non-freehold land controlled by squatters to smallholdings and regulate the use of land under licence or lease, encouraging closer settlement. But, employing methods such as 'dummying' (getting people to act on squatters' behalf) and 'peacocking' (tying up key resources, particularly water), squatters stymied the spirit of the legislation. In addition the British common law principle of Riparian Rights, upholding the legal rights of landowners on a riverbank, was used as a means of locking up river frontage into 'water reserves'. A blatant example of this was an attempted cutting from the Murrumbidgee River into Yanko Creek, which was used by squatters as a pretext to tie up 170,000 acres of river frontage a mile deep as a 'water reserve'. The acts' selection provisions were exploited not only by squatters, but by unscrupulous selectors who over-grazed land or felled timber for sale before moving on to another block with no intention of settling. Frequently, such irresponsible individuals left behind a badly damaged tract of land. Many genuine selectors, on the other hand, were confined by the squatters' grip to arid, degraded or unsuitable land. Broken by great hardship, many abandoned farming for grazing, or simply walked off.

A Royal Commission in 1883 showed that since passage of The Robertson Acts, 29 million acres of Crown land had been sold in New South Wales. Nevertheless, the area under crop had increased by only half a million acres, most good rainfall areas and reliable water sources, locked up in grazing. Vast, unpopulated areas remained largely in the hands of wool 'kings', pastoral companies and other finance houses. Expensive public railway systems, of dubious economic merit in some cases, serviced
these areas. Land not so controlled lacked the necessary ingredient for closer settlement — water.\(^8\)

**A changing environment**

While the bush yielded to pastoralist advances, it punished errors of judgement awfully. A devastating drought in 1850–1851 gave way to calamitous floods which destroyed much of Gundagai and Wagga Wagga. About ninety people perished in Gundagai. Thousands of livestock were swept away. The 1860s saw five years of drought and eight floods. A very bad drought in 1861–1862 ruined many squatters and briefly deterred further settlement. One of the worst droughts in the nineteenth century began in 1866 lasting with few breaks until 1869. Then, plagues of locusts flew so thick they obscured the sun. The Murrumbidgee River virtually dried up followed by severe flooding — nine floods in 1870 alone. Stock which had survived the drought were drowned. Terrible fires claimed lives in 1871 and 1872 in another three-year period of drought. Thirteen floods came, then several good seasons in the second half of the 1870s, prompting hopeful selectors, battlers and opportunists to follow the now verdant banks and busy streams further into the hinterland.

Another settlement wave began. The Riverina seemed like a pastoral paradise. Settlers found kangaroo grass saddle high, profuse native grasses and wildflowers, and swamps and springs providing excellent water. These great stretches of kangaroo grass and native perennials, however, dwindled as restless herds of hard-hoofed omnivores spread across the Riverine Plain. By 1894, there were 13 million sheep in the Riverina. To the west the saltbush vastness receded before this winter grazing onslaught, the denudation not only reducing pastoralist insurance against summer dries but exposing the red earth to the elements. Winter annuals colonised ever enlarging gaps between receding clumps of saltbush. In summer these were scorched out and vacant areas expanded, the wind bearing away loose soils. Rabbits devoured anything left like a ‘grey tide … and nothing wanted to grow after they had gone’. Of all the areas affected by the rabbit plague the Western Riverina was the worst, much land north-west of the Murrumbidgee, devastated. Most of Benerembah Station, for example, was abandoned. After the government transferred the onus for rabbit eradication to landholders in 1883, increasing costs and eroding profits, 10 million rabbits were destroyed in New South Wales in 1887 alone. Meanwhile, in an effort to maintain profitability, stock numbers were increased and over-grazing was common. The compacting action of cloven-hoofed stock reduced the absorptive capacity of soil and, combined with deforestation, the run-off increased. Bereft of cleansing Wirajuri fire, forests in the catchment were periodically incinerated by wild conflagrations, altering flood patterns and silting waterways. Emus, bilbies and wedge-tailed eagles were declared noxious pests in 1887 while kangaroo numbers exploded as earthen tanks and wells doted the landscape, spreading their range. In 1888 kangaroos and wallabies were declared noxious pests. Wild dogs, feral cats (released to control rabbits), brumbies, pigs, and later goats competed with stock and fauna for scarce food and water in a rapidly altering eco-system.\(^9\)

A Royal Commission on Crown Tenants in 1890 recorded growing alarm at the environmental degradation. N P Carver, for example, a civil engineer engaged by the New South Wales Railway Department, said:

> The changes may be pointed out by the older and more observant stockman. Spots in our rivers, once their deep fishing places, are now shallow and dry drifts. And the beds of what were in their recollection permanent brooks now and for years past as dry as tips. Upon our tableland and at the sources of our watercourses the swamps are visibly losing their function as natural reservoirs. I believe that the silting up of our water courses and the drying up of our swamps is the result of a wholesale destruction of vegetable life [creating] a naked, over-heated and hard earth and an equally over-heated and highly electric state of the atmosphere which bursts with a clap of thunder followed by an angry wind that sweeps all loose earth and dust into available depressions. The rain follows under high pressure. … Soon all is gone. The water speedily runs to waste taking much with it many cubic yards of earth to fill in our main watercourses.

W G Walker, a district surveyor of Hay, said:
The whole of the western division of the Hay Land Board District has deteriorated since I first saw it in 1877. There is more scoured or wind-blown country. Over-stocking as well as drought has been the cause. By spelling the country, or very light stocking, it will work up to its condition in 1876.

The manager of a Station at Wilcannia, observed:

The stocking of the country has cut it up and now the wind is blowing away the soil. There is an area of 100,000 acres on Teryawynia which is as bare as a floor. There is only the clay sub-soil left.10

By 1889, banks and finance houses owned three-quarters of all pastoral holdings in New South Wales. Very few squatters remained profitable and their status in towns was not as high as it had been in the 1870s. While still only ten people owned 78 per cent of all land alienated in Narrandera Shire, their grip was loosening. Finally, the defence of runs against sub-division was broken. This came about through a combination of fear of the impact of a wool industry collapse upon the financial system and property values, market downturn in the late 1880s, economic depression, industrial conflict and a catastrophic national drought (1895–1903). For governments, grappling with financial difficulties, which included the loss of revenue from land sales and other taxes and duties in the move to Federation, closer settlement presented as a possible solution. But nothing could happen without water. In the heat of economic necessity a link between irrigation and closer settlement was forged on the anvil of political expediency.11
Appendix B
The Thirsty Years: Closer Settlement And Irrigation, c1885–1906

Early water conservation

Government interest in water conservation, outside Sydney, was slight before the 1870s. The Department of Lands, however, did excavate several earthen tanks and wells on travelling stock-routes along the Darling, Lachlan and Warrego Rivers around 1866, involving expenditure of £2,900. John Robertson, the architect of the 1861 Land Acts, consistently argued a link between water conservation and land reform but was blocked by squatters citing common law principles of Riparian Rights and failed to attract government interest in the construction of necessary infrastructure. The only way around the squatters' defence was land nationalisation but no New South Wales government was willing or able to consider this until very late in the nineteenth century.¹

Nevertheless, individual squatters engaged in water works on properties from around the mid-1850s. Between 1855 and 1856, for example, as mentioned earlier, squatters along the Yanko and Billabong Creeks co-operated to make a cutting between the dry Yanko Creek and the Murrumbidgee River. Several attempts failed with the flow simply disappearing into the absorptive riverbed. In 1858, C P Desailly stopped the flow of Billabong Creek where it ran through Coree Station. Squatters downstream, led by Ricketson and Dun, stormed the offending dam, demolishing it. Desailly repaired the dam, took legal action and constructed a fort, promising to shoot intruders.

G L Buxton believes that the era of New South Wales' water conservation really began in 1859 when James Tyson made cuttings from backwaters on the Lachlan River near Oxley forming several lakes large enough to tide him over consecutive dry years and more than doubling his sheep-carrying capacity. One lake was six miles long and fifty feet deep. Pastoralists flocked to inspect his works.²

By the early 1860s, at least ten Riverina squatters were pump irrigating, using horsepower, portable steam pumps or manually operated devices. For instance, the powerful squatter, Samuel Wilson, spent about £30,000 in 1861 on a cutting from Colombo Creek designed to improve the carrying capacity of his Coonong property of 122,000 acres, twelve miles from Urana.

In 1864, Wilson's nephew, Samuel McCaughey (1835–1919) became the sole owner of Coonong. McCaughey had arrived from Northern Ireland in 1856 to work for his squatter uncles. A shrewd, abstemious and inventive man, he would emerge as 'king' of the squatters and an important figure in the development of irrigation. By 1911, McCaughey was the largest sheep owner in Australia, possessing 1.7 million hectares in New South Wales and Queensland. At Coonong, McCaughey developed an interest in water works, a matter of some concern for pastoralists on lower parts of the Yanko, Billabong and Colombo creeks. Improvements included: the draining of several swamps; irrigation and cultivation using reticulation channels; electricity generation using steam pumps; the utilisation of flood water irrigation employing a dam; the reticulation of refuse water used for wool-scouring; extensive tank excavation using a McCaughey invention, the 'Tumbling Tommy'; and tree planting. Copying a neighbour, W W Davis, McCaughey also sank thirty-nine bores to tap artesian deposits, dramatically improving wool production on his Toorale and Dunlop properties.

There were other water conservation works through this period. For example, the North Yanco, Kooba, Buckingbong and Gogeldrie Stations were irrigating large gardens as early as 1875. A system of canals was later constructed on Buckingbong Station to water dry areas south of the Murrumbidgee. Artificial lakes were built at Willaruh and Warbreccan Stations, placing about 300 acres under irrigation, using pumps. David Brown, the Manager of Kallera Station on the Darling River near Bourke, discovered the Great Artesian Basin in 1878, enabling the development of settlements away from river frontages. James Alston's invention of the steel windmill,
allowing the pumping of sub-artesian water, permitted stock and settlers to move into even more isolated and dry areas.³

Other water works were associated with mining and the railways. Discoveries of gold, tin, copper, silver, lead and iron ore saw the need arise for reliable water in dry areas, for sluices, smelters, washing and steam engines. The introduction of railways meant at least two things: strategically placed water for locomotives and commerce to make the lines pay. That a handful of squatters should benefit solely from massive public investments while thwarting closer settlement, or that Melbourne or Adelaide might tempt the Riverina (where separatist tendencies existed) into their commercial and political orbits, exercised the minds of Sydney parliamentarians.⁴

Hugh McKinney and the Lyne Royal Commission, 1884–1887

A Royal Commission took evidence between May 1884 and May 1888, inquiring into methods of conserving rainfall, developing underground reservoirs and the practicability of a general system of water conservation and distribution in order to counteract drought. Hampered by inadequate funds and political turmoil, the commissioners referred extensively to the work of Hugh McKinney, an engineer with the Public Works Department. McKinney had first visited New South Wales in 1875 as an irrigation service engineer and canal magistrate with the British Administration in India. Visiting family at Kooba Station near Whitton (where irrigation was already in use), McKinney was convinced that irrigation on a grand scale was possible on the Riverine Plain.

McKinney recommended construction of a canal from the Murray River at Bungowanna and two canals from the Murrumbidgee six miles below Wagga Wagga, one distributing water north to One Tree Plain and one south to Old Man Plain. He argued that losses incurred in a single year of drought equalled one-quarter of all costs involved in construction and that the economic impact of the absence of water conservation impacted not only upon the pastoral industry and agriculture but also mining. Moreover, the expensive railway system was left with nothing to transport. Countering the Riparian Rights defence, McKinney pointed to the American experience where water resources had been nationalised, recommending that the same occur in New South Wales.

The Lyne Royal Commission recommended inter alia that:

• on water conservation mainly depends the prosperity and development of the whole extent of the central and central-western divisions of this Colony and ... will add to the productiveness and therefore to the value of the land;
• the great object of water conservation in this Colony and particularly in the country west of the Divide is for irrigation;
• the purposes for which irrigation is chiefly required are (a) to provide fodder for grain for horses, cattle and stud sheep; (b) to afford supplies to be kept in reserve for saving stock of all kinds in bad seasons; (c) to provide fruit, vegetables and miscellaneous crops; and (d) to increase generally the productive powers of the land;
• any well-considered and properly executed project for irrigation west of the Dividing Range would afford a good direct return on capital invested and would be a distinct benefit to the colony at large;
• legislation on the subject of water rights is a matter of pressing necessity, both to protect the rights of the state and foster and encourage local and private enterprise; and
• as projects for the construction of irrigation canals from the Murray and Murrumbidgee have been submitted to us in a definite form by our engineer ... the necessary funds should be sanctioned as estimated and the surveys started therewith.

As the Murrumbidgee River ran wholly within the boundaries of New South Wales, development of an irrigation scheme employing these waters was preferable to a Murray scheme where 'inter-colonial' difficulties might exist.⁵

Following the Lyne Royal Commission, a sub-department of Water Conservation was created in the Public Works Department and McKinney was appointed Chief Engineer for Water Conservation. There matters rested while the progress of an ambitious
Victorian irrigation scheme was observed and political instability in New South Wales continued, centring on land scandals, deficits and escalating railway costs. Ample rain also fell in the seasons preceding 1894, dulling interest in water conservation (but leading to further over-stocking and, ironically, greater pressure for closer settlement) as depression deepened and industrial turmoil continued.

**The Chaffey Scheme, 1886–1893**

In October 1886, George and William Chaffey, Canadian brothers who had been involved in a private irrigation venture in California, were granted the right to develop and irrigate 20,235 hectares at Mildura in Victoria on the Murray River. Approximately 250 kilometres of canals and 500 kilometres of secondary channels were excavated and pump irrigated by steam engines. Settlement at Mildura began in 1888 and later at Renmark in South Australia. By 1893, however, hit by depression and unable to raise capital, the Chaffey brothers were declared insolvent. Nevertheless, the irrigation system per se was seen to be productive where the capacity of private individuals organised in Trusts to sustain costs associated with developing such schemes was shown to be doubtful, strengthening an argument for state development.

**The Murrumbidgee North Canal Proposal, 1890–1891**

Hugh McKinney pressed ahead. Seeking to overcome the squatters’ Riparian Rights defence and garner support for a large irrigation scheme, he addressed the Australasian Association for the Advancement of Science and the Royal Society of New South Wales in 1888 and 1889. By 1891, he had succeeded in firmly pinpointing in the public mind the Murrumbidgee as the preferred site for an irrigation scheme. The Engineer then presented the Public Works Department with several options for irrigation schemes on the north side of the River between Wagga Wagga and Maude, an area of approximately 1.5 million acres, involving the sub-division of large estates. One proposal involved using natural storage in Lake Mejum (Meejum) and Lake Coolacumparna, both of which filled during floods. Another argued for a storage dam at the headwaters of the Murrumbidgee when the feasibility of irrigating the Riverina using natural storage had been established.

Observing his Murrumbidgee North Canal proposal wandering directionless through a political labyrinth, however, McKinney also canvassed the possibility of a private irrigation venture involving Sam McCaughey and the Tyson, Wilson and Learmouth families. There was little interest: costs were prohibitive and in 1891, only McCaughey and a handful of other pastoralists maintained profitability.6

**The link between water conservation and closer settlement is strengthened**

Work on water conservation, meanwhile, proceeded slowly. A private dam 4.3 metres high was constructed in 1885 near Lake Cargelligo, for example. What some consider to be the first irrigation area in New South Wales, the Wentworth Irrigation Area, began in 1890 at Currwaa, a few kilometres from the Darling-Murray Junction. This small municipal venture eventually involved 1025 hectares and 123 farms producing mainly grapes, oranges and peaches using pump irrigation. In 1892, a much-vaunted government-sponsored irrigation system at Native Dog Bore, 60 kilometres north of Bourke on the Darling River, was established, involving 257 hectares divided into eight hectare blocks and a 120 hectare experimental orange orchard (by 1894 this scheme had failed due to alkalinity). There was some government work at Lake Menindee for unemployment relief. In 1892 another small municipal pump irrigation system began at Hay on the Murrumbidgee. The first large dam west of the Divide was completed in the same year; the Bethunga Dam between Cootamundra and Junee; constructed to provide locomotives with water. In June the Narrandera Council planned an irrigation colony on both sides of the Murrumbidgee, producing cereals, fodder and fruit for the town, but this failed to develop. In 1895 work commenced on the Junction Reef Dam near Lyndhurst, the first dam west of the Divide solely for water supply and hydro-energy for a gold mine. On Buckinbong Station a system of small canals was cut to water the back blocks south of the river. Work on the Yanko Creek Cutting also proceeded, primarily to justify the use of a squatter ‘water reserve’.

In 1893 New South Wales and four other colonies enacted legislation for co-operative settlements as an unemployment measure. While these made little impact on employment, the principles of shared leasehold, self-government and self-sufficiency
they embodied attracted much public interest, introducing ideas of rural closer settlement to a wider audience.

The British land reformer, Henry George, was influential through this period when radicalism, including calls for land nationalisation, was increasing. New political allegiances were evolving. The old free trade–'protectionist' polemic, though still dominant, was being weakened by liberalism and socialism. Farmer elements in Parliament, the Riverina 'Hay and Chaff' Group, and land reformers, who had coalesced initially as an ineffective lobby among Protectionists, were now achieving greater influence as they swung support behind the Liberals. In 1891, thirty-one Labour Electoral League members, three Australian Socialist League members and two Henry George 'Single Taxers' were elected to parliament, carrying ideas of land reform and closer settlement with them.

Great structural change was affecting agriculture and an urban drift was developing. Not only had selectors been unable to make any real impact on squatter runs but now country towns, hit by unemployment, were dwindling and still only a handful of people controlled most of the land. An expensive public railway system ran through vast tracts of unoccupied land while the wool industry languished. As wool prices stayed down, improved farming techniques saw the emergence of an important new wheat export industry by 1900. The dairy industry also received a boon from refrigerated transport. Seeking to woo farmers, Liberal Member Joseph Carruthers, vigorously promoted a Homestead Selections and Settlement Leases Bill arguing that closer settlement and greater agricultural activity could increase productivity, add value to land and provide insurance against a collapse of the wool industry.

Public pressure for closer settlement was mounting as squatter economic power waned and, in this context, a perception grew that water conservation and irrigation could help achieve the former while eclipsing the latter.

**The Water Rights Act, 1896**

Nine years after the Lyne Royal Commission had recommended state control of water resources, the Water Rights Bill was enacted in 1896. The bill vested all flowing water in the Crown with private individuals entitled to water from a river for domestic purposes or irrigation of a garden less than five acres attached to a dwelling. Water use for all other purposes, for example dams, cuttings and pumping, required a licence. While the bill did little more than recognise irrigation and conservation works already completed, it did foreshadow a possible end to the Riparian Rights defence, encouraging pastoralists to do more in the way of on-farm conservation and irrigation. The Department of Works immediately began surveys in areas thought suitable for irrigation, which took ten years to complete.

**Colonel Home’s visit, 1896**

At Hugh McKinney’s suggestion, the New South Wales government invited Colonel F J Home, a retired executive officer of the Indian Civil Service, to visit the colony and advise on the prospects of irrigation. Home, a friend of Sam McCaughey, studied the Murrumbidgee North Canal proposal and accompanied McKinney on an inspection of possible dam sites. Reporting in October 1897, Home recommended not one but two dams, one each on the Murray and the Murrumbidgee, agreeing that the latter was preferable to avoid ‘inter-colonial difficulties’. A dam at the outset was essential, Home believed, to achieve the necessary flow to reach dry backblocks remote from the riverfront. Home also recommended that the southern bank of the Murrumbidgee be surveyed and estimates of irrigation costs made. He emphasised the great costs involved and stressed that annual maintenance costs would preclude profitability for some years; a major irrigation canal might take ten years to recover costs. Moreover, irrigation was problematical and great caution and patience were necessary in developing a scheme of such scale. Given establishment costs, irrigation for wheat and fodder alone seemed impractical. Other crops and primary products would be necessary. The Snowy River should not be diverted for purposes of irrigation (as suggested by the Lyne Royal Commission) as only a moderate supply could be added to the proposed system in dry years, not warranting costs involved.

Home’s emphasis on costs and slow profitability worried deficit-ridden governments and was seized upon by irrigation’s opponents as a reason to do nothing. Again, developments in public water conservation and irrigation stalled.
Other developments propel events, 1896–1900

A conceptual link at public and political levels between water conservation, irrigation and closer settlement, however, continued to develop. For example, three irrigation pumps in the Forbes district on N A Gatenby's Gemalong Station on the Lachlan attracted great interest between 1896 and 1898. The Belebula Dam between Blayney and Cowra was completed in 1897. Gogeldrie Station was pumping for three months a year, irrigating 40 hectares of lucerne, sorghum and wheat. By the late 1890s, more Stations, including Buckinbong, were pumping for at least one month of the year.

In 1897, *The Artesian Wells Act* provided for government assistance to settlers constructing bores and the distribution of water in open drains across arid plains. This provided a strong precedent for state involvement in conservation and reticulation works. Three successive unimproved land taxes were imposed through this period, forcing the surrender by squatters of some leasehold land, generally land useless to farmers — without water.

The great 1895–1903 drought devastated vast areas. By 1900, the Murrumbidgee had almost stopped flowing at Hay and most creeks in the catchment were bone dry. Improvements by William Farrer and others to dry land wheat varieties had seen the wheat industry spread into ever more marginal areas but now, in drought, many wheat farmers were in desperate circumstances; in the Parish of Jondaryan, for example. Some starving dry-land farmers literally begged the government for water — water!

Meanwhile, the railway system had replaced river transport and, for the first time, weir systems could be built without fear of obstructing river traffic. Furthermore, with New South Wales' revenue from the sale of Crown Land almost exhausted and income from Customs and Excise duties about to be surrendered to a new commonwealth government, pressure for closer settlement continued to build in parliament. Whilst the squatters' grip was still quite firm, now Labor radicals were threatening wholesale land nationalisation. The idea of compulsory resumption gained currency. James Gormley (MHR, Wagga), for example, argued in debates about the Agricultural Settlement Bill (later the Closer Settlement Bill) that the only certain way to break-up the great pastoral estates, settle people on the land and make the railways pay, was through compulsory resumption. The Hay–Narrandera Railway, he pointed out, which traversed properties held by the descendants of squatters, was losing between $40,000 and $50,000 a year — and this for an installation practically fronting the Murrumbidgee River for much of its course.

**Sam McCaughey ‘object lesson’, 1899-1902**

Notwithstanding *The Water Rights Act*, disputes over Riparian Rights continued. The most celebrated case involved Sam McCaughey and eight squatter pastoralists below Billabong Creek west of Coree. In 1896, McCaughey applied under the act for licences to impound waters on his Coonong and Coree properties by raising the height of existing dams by three feet. Landholders downstream complained to the Urana Land Board saying that the available flow on their properties would be adversely affected. Hugh McKinney testified on McCaughey's behalf. After the Urana Land Board recognised McCaughey's licences subject to certain conditions objectors appealed to the Supreme Court. J H Blackwood, of Boabula, sued McCaughey's brother, David. Sam financially backed his brother. Amidst much publicity, in March 1898, a jury returned a verdict for the plaintiff awarding damages against McCaughey, who was forced to lower his dams. Publicly magnanimous in defeat, McCaughey was privately indignant, believing that without the Wilson Cutting and other works constructed by himself and his family, there would be no flow at all in the Colombo and Billabong Creeks.

Soon after the Supreme Court finding, and possibly because of it, McCaughey sold Coonong and bought North Yanco Station from Sir Charles Douglas for £220,000, making this his home. Patricia McCaughey believes her uncle-in-law moved to North Yanco on the north side of the river:

... determined to make it an object lesson of what could be achieved with water conservation in this country. It was a demonstration of the possibilities of closer settlement and intensive cultivation in dry areas; the irrigation was also used to increase the station's capacity to carry sheep. He intended to sub-divide North
Yanco in due time and to settle employees and others on irrigated farms. It was an ambitious long-range plan that this man of sixty-four embarked upon. He knew that he could not live to see its full fruition, but future generations of Australians would reap the benefit.\textsuperscript{11}

Richard Cowper suggests (with little supportive evidence) that McCaughey bought North Yanco believing that a large irrigation scheme would be developed there. Cowper is also critical of the idea that McCaughey's North Yanco Station 'object lesson' was instrumental in the MIA's development. It is not a function of this discussion to enter such debates but we do know that after his great friend, Premier George Reid, lost office in 1899, McCaughey entered the Legislative Council. No evidence establishing his influence in that chamber on the MIA's development, if any, has come to hand. We do know, however, that in May 1900, McCaughey joined with five neighbours to form the Riverina Creeks Committee (later, the Riverina Creeks Preservation League) to protect and utilise the water potential of the Yanko, Colombo and Billabong creeks. This is not to say that McCaughey was orchestrating events to his own advantage. The squatter's irrigation plan for North Yanco, extending originally to the subterranean watering of a garden, had expanded by 1902 to include sixty miles of supply channels irrigating 750 acres of lucerne and 250 acres of sorghum, capable of feeding 16,000 sheep for three months. McCaughey now had the capacity to graze fifteen sheep to the acre on 15,000 acres of lucerne which was not watered for twelve months, employing 200 people in developing channels and running irrigation operations. Two engineer relatives from Northern Ireland supervised construction of a scheme embracing a further 200 miles of channels, irrigating 40,000 acres including 10,000 acres of grassland, 500 acres of lucerne capable of producing five or six cuts a year and the selective cultivation of wheat, oats and potatoes. By 1903, more than 150 miles of channels had been excavated on North Yanco and an elaborate system of weirs and regulator pumps involving Bundigerry and Cudgell creeks almost to the north-west boundary of the Station had been completed. Patricia McCaughey believes her relative always had such a comprehensive plan in mind and that it also included intakes at Bundigerry Creek upstream from Narrandera, at Oak Creek and the junction of Cowabbe Creek and Bundigerry Creek, draining about 200 square miles of country around Grong Grong. Notwithstanding Cowper’s doubts, such impressive work can only have provided an 'object lesson', especially as nothing else comparable existed in New South Wales.\textsuperscript{12}

The Closer Settlement Bill, 1901

With McKinney's Murrumbidgee North Canal proposal languishing and howling rows continuing in parliament on land reform, nationalisation, leasehold, freehold, public and private control of natural resources and the means of production, the Closer Settlement Bill was debated. Rendered useless by squatter objections to the resumption clauses and by Labor's rejection of freehold provisions, another three years would elapse before the bill was amended to be of any use for closer settlement.\textsuperscript{13}

The Water and Drainage Act, 1902

Nevertheless, the state was being gradually drawn into the field of water conservation. As the great drought continued, demand for water from primary and secondary industry grew and United States reports of government irrigation projects linked to European settlement in arid regions circulated. The New South Wales Water and Drainage Act of 1902 marks an important step in this progression. The Bill authorised expenditure of £1 million over five years in relation to small water supply, conservation and drainage works. It also made provision for Water Trusts, normally consisting of three trustees: one a governmental appointment, two elected by ratepayers. Rates were to be levied to reimburse the state for construction, administration and upkeep, a provision which met strong resistance from landholders objecting to paying anything for water. Government funds were made available under the act to cut a link between Old Man Creek and Sandy Creek on the Brewarrina River for stock purposes. By 1904 the government was also involved under the legislation in the construction of a weir to divert high river flows into Lake Cargelligo, permitting irrigation. Humble as its origins were, the act later provided the legal basis for construction of one of the world's biggest dams, the Burrinjuck Dam, enabling the Murrumbidgee Irrigation Area to proceed.\textsuperscript{14}
Fed up with delays, Hugh McKinney resigned his position as chief engineer of Water Conservation in 1900, after thirteen years of service. Having made little impact on the Riparian Rights issue, the engineer now concentrated his efforts exclusively on the proposal for a private venture on the Murrumbidgee.\textsuperscript{15}

McKinney argued that land above Narrandera was unsuitable for a main canal off-take. However, he believed the topography below Narrandera would allow adequate dispersal and more direct delivery, but only if a storage dam were constructed in the Murrumbidgee headwaters. In association with a wealthy pastoralist, Robert Gibson from Karingal, east of Hay, who was president of the Hay Irrigation Trust, McKinney sought permission to construct a canal on the Murrumbidgee's north bank and a dam at 'Barren Jack' (from the Aboriginal 'Booren Yiak') near Yass, as a private venture. The proposed scheme would provide water to dry back blocks between the Murrumbidgee River and the Lachlan River, between Mirrool Creek and the districts of Mount Eliot, Mount Ida and Gunbar. An off-take was planned for the western boundary of Narrandera (downstream) stretching roughly between Whitton and Gunbar. A branch canal would run between Hay and Booligal. The 'Barren Jack' Dam was essential to achieve the necessary flow for outlying regions. Because land sales were necessary to finance the project, leasehold was inappropriate. The problem with this was that most of the land involved had already been sold to finance railways. For McKinney's proposal to be 'financial', therefore, land sales would either need to be willing, and presumably at a premium, or resumed expensively by the state using powers it currently did not have.

In July 1903, Gibson sought leave to introduce a private bill, the Murrumbidgee North Water Supply and Irrigation Bill, to establish an irrigation system and construct the 'Barren Jack' Dam as a private enterprise. The proposal attracted wide criticism. Who would finance it? What would it cost? What were the implications of such a massive resource in private hands? Surely a project of such scale would need to be a government undertaking. Private enterprise could not possibly bear the establishment costs. Why give private interests a 'monopoly' of water as well as land and almost exclusive use of the railways? McKinney and Gibson stayed tight-lipped on the question of finance, saying only that funds were 'available in London', but, when pressed, admitted that W Cain (MLC, Victoria) and Sir Malcolm McEachern, then in London, were keen to be involved. Many believed, rightly or wrongly, that Sam McCaughey was behind the proposal.

**The 1903 Select Committee**

Against this stormy background, the McKinney–Gibson Bill was referred to a Parliamentary Select Committee, itself torn along party political lines on questions of leasehold versus freehold and state versus private control. Liberal Opposition Leader Joseph Carruthers was (at this point) opposed to private control, believing it wrong to hand to individuals responsibility for construction of one of the largest projects ever considered in New South Wales. McKinney replied that experience had convinced him no government would ever act on irrigation, therefore, private enterprise should be allowed to run its course. Gibson added that the government could have no reasonable objection to the scheme because Home's earlier proposal for a public scheme involved the southern side of the Murrumbidgee. For Public Works, L A B Wade reminded the committee that his department had a similar scheme (McKinney's original proposal) under consideration, saying that surveys were already under way and that the project should definitely be state-managed, referring to the American expert, Dr Elwood Mead, who held that irrigation could take more than ten years to return a profit. Private enterprise could not afford to wait that long. Moreover, what would happen if the scheme failed and the government had to bail out the venturers?

As the Select Committee took evidence it was learned that Sam McCaughey and the Minister for Public Works had agreed to construct a cutting at Cudgell Creek diverting water by gravitation into North Yanco estate. The announcement brought a storm of protest from graziers downstream: the government was going to expend £12,000 on Cudgell Creek to 'save Mr McCaughey the cost of pumping'; the cutting should be postponed until storage reservoirs had been constructed; the Murrumbidgee had already practically stopped running at Hay; why proceed with this foolish idea?
McKinney was also opposed believing it might transfer costs to his private proposal. Gibson said McCaughey's 'object lesson' was unnecessary since everyone knew that irrigation worked; McCaughey had already demonstrated this and was so good at it that, 'We know by bitter experience that his energy is so great that the greatest vigilance on the part of downriver residents is necessary to protect their natural rights'. Some were convinced the agreement was a 'political' favour. Select Committee members demanded to know why the agreement had not been brought to their attention earlier. The Department of Works evaded the question, saying that the matter was not germane to the Select Committee's inquiry, that the channel was required for the proposed main Northern Murrumbidgee Canal and, in any event, involved only minimal interruption to water flow:

It is very desirable to afford facilities for irrigation to those whose enterprise and skill in the use and application of water will afford valuable object lessons to the community. McCaughey is perhaps already the largest user of water for irrigation in the state and his experience will provide useful data for cultivators generally.

Work commenced on the Cudgell Creek Cutting in September 1905, the arrangement, Richard Cowper believes, virtually guaranteeing that McCaughey's North Yanco land would attract a premium when the North Murrumbidgee Canal finally did proceed.16

In November the Select Committee sent delegates to a Farmer and Settlers Association (FSA) Conference in Narrandera to inquire further into the McKinney−Gibson proposal and on to North Yanco to inspect McCaughey's irrigation system. They were positively impressed. According to Bill Gammage, McCaughey asked the Conference to support the 'private enterprise principle' and backed the McKinney−Gibson Murrumbidgee North Supply and Irrigation Bill. Certainly many producers in the region were hoping the scheme would proceed but were sceptical about the ability of private enterprise to finance such a scheme. Some were concerned at the influence McCaughey seemed to be wielding and the possible impact of the idea upon Riparian Rights. Most still took a jaundiced view of any state involvement in water conservation.

Finally, the Select Committee recommended the passage of the Murrumbidgee North Water Supply and Irrigation Bill but with important amendments. The 'Barren Jack' Dam was to be constructed by the state along with three weirs downstream for use by landholders between Maude and Balranald. If the government did not proceed with the dam by 1904, private enterprise could do so. Control of water was to be vested in the minister. The Gibson Syndicate was limited to one-third of the minimum stream flow of the Murrumbidgee with the balance reserved equally for southern landholders and those further downstream.

Gibson was disappointed by the Select Committee's findings, but Patricia McCaughey believes 'This ... suited McCaughey excellently [as] he had succeeded in forcing the government's hand and all he wanted was an assured supply of water for his scheme'. She also thinks her uncle-in-law was the secret financial backer of Gibson's proposal:

Although it was never publicly stated, it was known that McCaughey was behind the [Gibson] Bill. The Scheme would cost at least £300,000 and there was only one man who combined the necessary zeal for irrigation with the financial strength. ... Already McCaughey had in mind an even vaster project for storing the Murrumbidgee waters.17

The Closer Settlement Act of 1904

By 1904, the squatters' defence was crumbling and doors to closer settlement were opening. The great drought had ended in 1903 and, by 1905, general economic activity was improving. Commodity prices rose, new markets opened, primary production diversified and investor confidence returned. In the period to World War I, vast squatter runs were privately sub-divided to avoid resumption, or resumed by the state for closer settlement in what Bill Gammage describes as 'one of the greatest and quietest revolutions in Australian land history'.

It began in 1904 when the Carruthers Liberal Government resurrected the moribund Closer Settlement Bill, amending this to include provision for resumption to make way for small farms, with affected landlords compensated. Carruthers believed that a
vigorous policy of closer settlement would improve the 'race stock' of the nation and that through hardship and resourcefulness, 'battlers' would improve the character of people. An ambitious program of water conservation would be undertaken to assist this. Labor, however, remained strongly opposed to the bill's freehold provisions and promised to remove them and substitute leasehold if elected.  

Relocation of the main canal off-take, 1905

Sometime in 1905 (in circumstances about which considerable disagreement reigns), the location of the off-take for the main canal of the proposed north Murrumbidgee irrigation scheme was changed from the western boundary of Narrandera, as proposed by McKinney and Gibson, to Bundigerry Creek (Berembed), above Narrandera. A weir was to be constructed at Berembed and a channel system to convey water by gravitation along the Murrumbidgee River's north false bank to North Yanco and beyond. The official explanation for the altered location was that it would achieve the necessary elevation to get a water flow capable of reaching The Cliffs in the proposed Mirrool Districts One and Two, near the site of present-day Griffith. It also meant that a greater portion of North Yanco Station would be serviced by the canal. Bill Gammage believes that in January 1905 Public Works Chief Engineer of Water Conservation Wade drafted a larger version of what he calls the 'McCaughey Scheme', which included Berembed Weir and the Bundigerry Creek. Certainly, McCaughey stood to gain handsomely by the sale or resumption of land with access to irrigation: the greater the access, the greater the gain. A canal coursing a more northerly route could utilise for gravity distribution a natural westerly slope and avoid costly pumping, further adding value to land. No convincing evidence has come to hand implicating the squatter in any wrong doing in this regard, however, and McCaughey strenuously denied all allegations that he had exerted undue influence on the decision.

Whatever the explanation for the relocation of the off-take, the revised plan saw the proposed main canal passing down Bundigerry Creek between Narrandera and the Murrumbidgee, rather than entering from near Cudgell Creek below Narrandera, straight to first-class soils adjacent to the Mirrool and Wah Wah Creeks. The revised course commanded large tracts of second-class soils in the North Yanco, Kooba, Gogeldrie and Benerembah Stations, generally unsuitable for intensive cultivation and more suited for sub-division into large area farms augmenting pastoralism. Soon, hard-toiling settlers would be struggling to eke out an existence from this poor land on 'pocket handkerchief' irrigated blocks using intensive cultivation methods in which few were familiar. Many would be broken by the experience, financially and in spirit. At this stage, the thought that a semi-aquatic cereal plant, rice, would save those who endured, was unconscionable.

The Water Conservation Conference, 1905

As promised, Premier Carruthers launched a program of water conservation linked to The Closer Settlement Act, convening a Water Conservation Conference to this end in January 1905. C A Lee, the Minister for Public Works (after whom Leeton is named), led 136 delegates through six days of exhaustive and sometimes recriminative debate on the development of water conservation and irrigation in the state going back to the 1880s. Sir William Lyne, who had chaired the 1884–1887 Royal Commission, told the assembly that farmers were desperate for water and required irrigation urgently. But still no agreement could be reached on the question of whether this should occur through state or private irrigation systems. With Carruthers now supporting the McKinney–Gibson private proposal, saying that the government lacked money to proceed, supporters of the state development model pointed to the Victorian Water Act, by which water trusts were being replaced by a State Rivers and Water Supply Commission. Considered to be the first of its kind in the world, combining governmental authority with the initiative of private enterprise, the act conferred ownership of all water resources upon the state leaving administration to an independent commission and employing a system of rates and charges to ensure a return to the state while encouraging production. To be headed by the American irrigation expert, Dr Elwood Mead, there was great interest in the Victorian Commission, but still no clear political direction was achievable in New South Wales.
The Department of Agriculture Soil Survey, 1905

Soon after the Water Conservation Conference, in March 1905, W J Allen and W Campbell of the Department of Mines and Agriculture visited the Narrandera and Gunbar areas to prepare reports on soils. Soils were classified in respect of irrigation in the following way:

- first-class soils on the north side of the River near the hills to the north of Mirrool and Wah Wah Creeks, where there was rich red loam of considerable depth, rubbly limestone sub-soils, good natural drainage, timbered with pine, belah, yarran and small clumps of mallee, the sale of which could help finance the scheme;

- second-class soils on both sides of the River, taking in North Yanco, Gogeldrie, Kooba and Benerembah Stations and portions of other Stations, characterised by shallower soils of heavier nature with stiff clay sub-soil, good surface drainage with some pine on the best and boree on the remainder.

The surveys confirmed that much of the Mirrool District could support intensive cultivation, should this occur, while stiffer clay soils to the south were suitable for large area sub-division, supporting pastoralism. This crucial observation was forgotten in politicking attending the MIA Scheme's development, the oversight almost bringing the entire enterprise undone.  

The Wade Public Works proposal, September 1905

In September 1905, L A B Wade finally tabled the long-awaited Department of Public Works Northern Murrumbidgee Scheme and Barren Jack Reservoir Proposal. This assumed state-control under The Closer Settlement Act while acknowledging that this had yet to be determined in parliament and pointing to the Victorian experience. Construction of the 'Barren Jack' Dam could proceed immediately under The Water and Drainage Act, if this were extended to embrace a project of such scale. The main canal would start above Narrandera at Berembed and skirt the hills abutting the plains in a north-westerly direction to about ten miles north-east of Gunbar, as far as the first-class soils justified this. The proposal also assumed resumption of 177,000 acres of mainly first-class land from predominantly farmer-selectors lacking sufficient capital to carry on, costing £100,000. Resumed land would need to be sold briskly for £300,000 at the rate of 24,500 acres per annum in order to pay for construction of the irrigation system. Wade emphasised this point. There was also some Crown land available in the area. The first section of the first-class land was to be divided into some 1,000 blocks of between 20 to 80 acres. Sections two and three would provide 2,600 blocks. Original owners would be given the right to select. The second-class land was to be compulsorily rated for access to irrigation water, whether the water was used or not, encouraging sub-division and sale of land 'just as if the government took over'. Much of the second-class land, the report said, was unsuitable for resumption for closer settlement,'... as only portions of each holding were suitable for irrigation and the remainder suitable only for settlement in larger areas'. Tables were provided indicating that the scheme could support a population of 25,000. An accompanying scenario indicated that potential land capable of irrigation was greater than the existing water supply.

The 1906 Select Committee

Both the McKinney-Gibson and Public Works proposals were referred to a Parliamentary Select Committee which sat between January and October 1906 and took evidence from seventy-one witnesses, including squatters, selectors and irrigation experts. The committee visited Mildura, Narrandera, Hay, Gunbar, Mount Ida and The Cliffs. In a celebrated statement to the committee, McCaughey claimed:

In my opinion the waters of the rivers of Australia if placed on the surface of the ground so that they could be utilised for irrigation ... would be of more value than the discovery of gold; for gold will eventually become exhausted while water will continue as long as the world.

McCaughey believed that pine country and soils of loamy nature were most suitable for intensive cultivation and '... what we want is immigration, railways and water conservation'. The big squatter agreed with the resumption of first-class land at Mirrool, where selectors were 'starving', and proposed to sell 300 acres at £3 an acre
adjacent to the new canal upon which, he believed, a young, single man with £50 capital, four horses and a plough, experienced in cultivation and able to build his own house, could do the job. Lucerne, sorghum, wheat, oats, potatoes, onions and other products could be produced. Another benefit of the irrigation system would be the insurance provided by fodder in drought. McCaughey believed that, with irrigation, a population of 50,000 could be supported in the region, with all the benefits of town life.

President of the Whitton FSA A J Newson, giving evidence to the committee, objected to the resumption of first-class land at prices less than selectors had paid for it simply because they now lacked capital, while rich pastoralists, like McCaughey, benefited from the sale of poor land accessible to irrigation. It was estimated that McCaughey would receive £80,000 for second-class land for which he had paid £20,000. Newson also still doubted the government's ability to do the job, preferring private enterprise and arguing that second-class land should be developed first, minimising benefits to pastoralists and helping existing settlers already at starvation level.

Supporting intensive cultivation, W B Chaffey said that the Mildura Irrigation Scheme had failed not for agronomic reasons or the absence of markets but because capital was in short supply. It was imperative, therefore, that the state be involved in developing the scheme. Dr Elwood Mead, about to take the chair of the Victorian State River and Water Supply Commission, also favoured the intensive cultivation of smallholdings and the compulsory allocation of water managed by a commission (not a trust).

Finally, the Select Committee rejected the McKinney–Gibson proposal, authorising the Public Works Department instead to proceed with construction of the 'Barren Jack' Dam and distribution system, and closer settlement on first-class lands near Mirrool. Estimates of costs were approximately £1.5 million. The committee recommended that second-class lands might be resumed or rated to prompt sub-division and the sooner the better, to avoid unearned increments accruing to present owners. Noting the lack of irrigation expertise in Australia, the committee recommended the establishment of an experimental farm on 10,000 acres designed to demonstrate irrigated horticultural methods and train settlers, mentioning the McCaughey irrigation system on North Yanco as a possible candidate for this. The Gibson syndicate, however, would still be permitted to handle distribution on the basis of an off-take at Berembed.

B M Kelly notes that the Select Committee's Report was focused on 'partial' irrigation and that an orientation towards intensive cultivation did not come until later. This happened in another period of political instability beginning in 1907, when Premier Carruthers was forced to resign after becoming implicated in land scandals involving members of his government. Carruthers was replaced by Attorney-General Charles Wade, the brother of Public Works Chief Engineer L A B Wade. The Wade Liberal Government survived uncertainly for three years. Then Labor took office for the first time ever in New South Wales, with Liberal support. The new government was opposed to freehold and determined to dislodge squatters and get land settled as quickly as possible.

In such a fraught political environment, (in fits and starts) planning for the MIA proceeded. Only later would the brave pioneer settlers pay until a 'salvation crop' was found.
Appendix C

‘Muddling mismanagement, disastrous blundering and callous misrepresentation’:
The Murrumbidgee Irrigation Area, 1906-1934

The Barren Jack and Murrumbidgee Canals Construction Act, 1906

In December 1906, almost twenty years after the Lyne Royal Commission reported in 1887, The Barren Jack and Murrumbidgee Canals Construction Act was passed. The bill, introduced by C A Lee, the Minister for Public Works, officially launched the Murrumbidgee Irrigation Area (MIA) Scheme, authorised construction of the ‘Barren Jack’ Dam, weirs and canals and foreshadowed the construction of similar schemes on the Murray, Lachlan and Macquarie Rivers. It emphasised that the MIA was to be involved primarily in ‘partial irrigation’, that is, fodder production on irrigated land as insurance against drought. Only 10,000 acres of first-class land in the Mirrool District was to be devoted to intensive cultivation. The first land to be resumed by the government included 27,000 hectares of poor quality soil located on Sam McCaughey’s North Yanco Station. A separate bill was mooted, dealing with management and policy issues to be dealt with in the next session of parliament but this failed to materialise. A Murrumbidgee Irrigation Trust was to be formed, comprising the Minister for Agriculture, the Secretary of Public Works, the Secretary for Lands and an engineer executive from Public Works. Costs, including resumption, were estimated to be £1.57 million.

So it was, Richard Cowper says, that the New South Wales government committed itself to a vast program of closer settlement linked to water conservation and irrigation, the largest of its kind in any democratic state in the world, when it lacked even the experience to conduct an irrigation experimental farm and was ignorant of scientific methods, marketing organisation and financing. From the outset the scheme’s purpose was obscure: intensive cultivation or drought relief? Vaguely conceived and developed through a period of political instability, the wisdom of science and commonsense were swept aside by a wave of political opportunism. Such was the birth of the MIA.¹

Tenure and resumption, 1907–1912

Work began on the ‘Barren Jack’ Dam in 1907, (hereafter, ‘Burrinjuck’, the name altered by the government to avoid the negative connotations of ‘Barren Jack’). The proposed dam was then the fourth largest in the world.

Speculation and maladministration were rife. Selectors in areas affected by resumption complained that their land was being sequestered often at less than cost price while huge squatter estates were being either left alone or sub-divided at premium prices. Responding to these allegations in 1908 the Wade Liberal Government amended the 1895 Homestead Selection and Settlement Leases Act, allowing leaseholders to convert to freehold. This was strongly resisted by Labor arguing that wealthy squatters would convert to attract premium prices for scarce freehold land with access to irrigation while selectors lacked capital to do this.

With severe drought continuing through 1910 and 1911, controversy raged over squatters reaping unearned increments from the sale of land adjacent to a public irrigation system. In August 1910, Sydney Morning Herald revealed that the ‘owner of North Yanco’ had sold a portion of land fronting the irrigation canal and another large portion was under offer with the effect of pushing up land prices. It was wrong, Herald argued, to resume small settlers' land while leaving North Yanco open to speculative commercialisation. Herald demanded a railway link to the MIA immediately, the alternative would be ‘heartbreaking failure’ when markets were sought. It was wrong, the newspaper said, that men should be ‘dumped on the land' and seek to bring it to production handicapped by ‘speculative land values’.

The Yanco Agricultural Research Station, 1908

The Yanco Agricultural Research Station was established in 1908 on 2,045 acres acquired from Sam McCaughey. The intention was to use the squatter’s irrigation system to teach irrigation techniques. Facilities for dairying, fruit and vine cultivation,
fruit canning and drying, a piggery and stud, ostriches, cereals, lucerne and field crops (including tobacco) were established and teaching was to commence in 1913.²

**The Murrumbidgee Irrigation Areas Resumption Bill**

Severely embarrassed by *Herald*'s stinging commentary in the approach to an election, the Wade Government rushed through the Murrumbidgee Irrigation Areas Resumption Bill, authorising resumption of almost wholly second-class land on the north side of the Murrumbidgee, near Narrandera. No allowance was to be made for any increase in value due to irrigation. Acknowledging Labor's objections to freehold, and in a delicate political situation, the government decided to grant tenure on the basis of perpetual leasehold. A concurrent *Land Tax Assessment Act* declared all land within fifteen miles of a railway liable to resumption.

So it was that political considerations saw the first stage of the MIA proceeding not on first-class land on a freehold basis for sale to finance the scheme, as originally envisaged, but on resumed second-class land on a leasehold basis.³

**The Murrumbidgee Irrigation Bill**

In October 1910, as noted earlier, the first Labor Government to form in New South Wales took office. J S T McGowan was premier. But, with Labor only shakily occupying the government benches with Liberal support, the pace of events in respect of MIA development now accelerated. Cowper believes that where the Liberals 'tried to do as little as possible, Labor tried to do everything'. The Murrumbidgee Irrigation Bill was hurried through parliament formally constituting the Murrumbidgee Irrigation Trust, comprising the Ministers of Agriculture, Lands and Public Works. The act provided authority for the acquisition of land, construction of improvements, the levying of rates, general administration, and the development of Leeton and Griffith as town centres. The MIA was to be exempted from *The Local Government Act* and the trust was clothed with supreme authority on the Areas. The Public Works Department would establish an office at Yanco and transfer all completed works to the Trust in 1912 when the water arrived. Senior officers were to be based in Sydney. The MIA was to be a 'social' laboratory on the south-west plains of New South Wales. Later, L A B Wade was appointed executive officer and secretary of the trust, in addition to carrying responsibility for all matters relating to water and water conservation.

**Political instability**

Acting on the Resumption Bill, an area of 68,000 acres of McCaughey's North Yanco Station was declared liable for resumption. An area was reserved for McCaughey for the rest of his life. Almost immediately, Labor proceeded to tear itself apart on the issue. When Neil Neilson, the Minister for Lands, announced plans to repeal the 1908 *Homestead Settlers and Settlement Leases Act*, allowing for conversion from leasehold to freehold to encourage land sales to pay for the scheme, as originally envisaged by Hugh McKinney, there was uproar in parliament. Labor Members W F Dunn (Mudgee) and H E Home (Liverpool Plains), resigned, not because they were land nationalisers but because they believed that freehold land adjacent to a public irrigation system would increase rapidly in value and only wealthy descendants of squatters would be able to afford the conversion. Other members threatened resignation. Neilson withdrew and resigned, replaced by the Progressive G S Beeby, who also resigned soon after citing interference from his own party.

**The Yanco volte face**

The MIA Trust, virtually paralysed, was unable to proceed with any sensible plan to finance the scheme. Earlier, the trust had invited the American irrigation expert and Chairman of the Victorian State Rivers and Water Supply Commission Elwood Mead to report on the best means of settling the MIA. In his report, Mead favoured intensive cultivation, recommending fifty-acre blocks at Mirrool for this purpose. But then in an astonishing volte-face and in circumstances about which controversy still reigns, the trust proceeded with plans for horticultural blocks, not at Mirrool but at Yanco, on second-class land resumed under *The Resumption Act*. In a plan smacking of urban-based notions of rural communalism, blocks were to be of ten acres, with two-acre blocks for 'working men' in the vicinity of towns and villages. The MIA was to be launched without any coherent financial basis on tiny blocks of stiff clay soil unsuitable for intensive cultivation and remote from markets. Given the
meagre size of blocks and the poor nature of soil, it was unlikely that experienced farmers would be interested in them. To ensure that intensive cultivation on the Yanco Area did not diminish Mirrool water supplies, the main canal was to be enlarged. This meant more jobs. Still no one had any clear idea of how the project was to be financed. The enlarging of the main canal and resumption of North Yanco at £3.10s.0d an acre, and later Gogeldrie at £2.10s.0d an acre, produced a huge Trust budget blow-out, climbing from £100,000 in 1912 to £874,000 in 1913. Cowper calculates that resumption of land at North Yanco and Gogeldrie eventually involved expenditure of £4.89 million. Meanwhile, the trust conducted hasty classification surveys and farm design in the Yanco Area.

On May Day 1912, Yanco Area No 1 was proclaimed: 76 farms of fifty acres; 43 farms of ten acres; and 27 farms of two acres. A publicity campaign was launched portraying a bucolic paradise for the common man, a cornucopia of rainbows rewarding gritty independence. Trust officials went to Broken Hill early in 1912 seeking settlers among unemployed miners. A flood of applications was received. The government's generous offers of assistance and promises of a healthy life away from the mines in an irrigated Arcadia where egalitarianism prevailed tempted many working-class families to make the crossing. Very few knew anything about farming. Many were ill. Everything was now happening at break-neck pace after years of procrastination and delay. Meanwhile, private sub-division proceeded apace at Barellan, Binya, and Moombooldool stations, for example. Supposedly 'large area' blocks for dairying and fodder production, some as small as 200 acres, came on the market in an irrigated land bonanza.

The MIA is opened, 1912

The MIA Scheme (Yanco Area) was officially opened on 13 July 1912. Sue Chessbrough in A Spread of Green captures the mood:

A large party of important parliamentarians, both state and federal, had left Sydney by special train the previous night and they were accompanied by agricultural officials, academics, members of the judiciary and executive and members of the Murrumbidgee Irrigation Trust. The Lord Mayor of Sydney, the editor of the London Times, the editors of Sydney’s leading newspapers, representatives of farming organisations and principal trade unions were all present. ...

Altogether about 150 people were taken on a tour of the nearby embryo Irrigation Scheme. Every available horse and conveyance was brought into use. Then at mid-day the vehicles drew up at the bridge over the main canal at Yanco. On one side of the bridge were the sluice gates banking up the water which had flowed all the way down the Murrumbidgee from Burrinjuck Dam, a distance of approximately 290 river miles.

Mr Griffith mounted a ladder leading to a specially built platform on the bridge, followed by the official party. ... Once the speeches were over [he] opened the sluice gates with the assistance of two workmen ... and the first water surged through. ...

Not only was it a memorable ceremony, but it was a joyous occasion full of hope for the future, for this was a scheme for the poor man — the 'little' man — to enable thousands of new settlers to make homes for their families on the land.

Immediate problems

At this time 470 applications had been received for farms in the Yanco Area, but only 196 settlers had actually occupied farms. Already high capital valuation of properties, leasehold status, the untried nature of the scheme, farm size and farm-use classification, soil quality, remoteness from markets and concern at possible government pressure to recoup costs quickly, saw many prospective settlers, particularly experienced farmers, holding back.

In November, Minister for Agriculture J L Treflé revisited Yanco accompanied by journalists. Following a serve of heroic rhetoric from the politician, MIA settlers related their problems: everything was so expensive; it was not just housing but land rentals reflecting inflated capital values; real farmers were not much interested in leasehold and most banks would not lend against it; claims of soil fertility had been
exaggerated; transport was difficult; the roads were atrocious yet calculated into land valuations; a railway connecting the Areas should proceed immediately; the farms were too small; advice was hard to get; and (settlers demanded to know) why should they improve properties if this simply meant an increase in the rental?

More than twenty years would pass before such questions were satisfactorily answered with much heartbreak in between. Bill Gammage observes:

Every conceivable cost was charged against them: resuming the land, interest on loan monies, building and maintaining the channels, drains, roads, parks, sanitation, advertising, the salaries of experts, showing visitors around, even an allowance for anticipated future losses by railways and government factories. On small rough holdings, settlers were expected to show the fortitude of pioneers and pay like urban commuters. Hundreds [would go] broke.

Sydney Morning Herald wrote of a:

... disaster of political control. ... The cost of everything is excessive. ... The charges that have been heaped on the head of the block holder are infinitely heavier than he expected he would have to bear. £30 an acre in a great many cases is the capital value placed upon his land as it stood in its rough, unimproved state.

Seizing on MIA discontent, the Opposition unsuccessfully demanded a Royal Commission. A mood of pessimism was sweeping across the MIA barely before the scheme had begun properly. There were reports that L A B Wade had threatened to resign and had only been dissuaded from doing so by a promise that the trust would be replaced by a commission.6

The Water Conservation and Irrigation Commission

Responding to persistent criticisms of the Trust, Labor enacted the Irrigation (Amendment) Bill in 1912 establishing the Water Conservation and Irrigation Commission (hereafter, 'WCIC or the 'commission'). This was to be hived off from Public Works, chaired by the Minister for Agriculture and directed by a commissioner with responsibility for managing not only the MIA but all water conservation and irrigation in the state. The commissioner was clothed with virtually plenipotentiary powers on the MIA, taking control of services normally administered by a municipal council, including control of traffic, sanitation, building construction and all matters relating to primary production (including the Yanco Research Station). Wade was appointed commissioner, based mainly in Leeton. The Water Act replaced the 1896 Water Rights Act, giving effect to WCIC powers.

Here was a new 'Lord of the Water', a state-centralised regulator, a hybrid of civil engineering-orientated Public Works and the agronomic-orientated Department of Agriculture. Not unexpectedly, interdepartmental wrangling was never far below the surface in setting policies, enmeshing the MIA in 'red tape', administrative anomalies, jurisdictional disputes and conflicting advice.7

The Mirrool Irrigation Area is opened

Irrigation water reached the Mirrool end of the MIA in October 1912. settlement began (at Hanwood) in December, six months after Leeton. WCIC intensified its publicity campaign throughout Australia and overseas, seeking settlers, speaking with unbounded optimism of an irrigated Garden of Eden. The WCIC publication, Irrigation Record, for example, broadcast:

The land is very cheap, considering its remarkable fertility, and all that is now required to make this settlement a vast and rich agricultural field is an industrious and intelligent body of farmers working in unison for the common good.

The Carmichael Royal Commission, 1915

WCIC was impatient for speedy occupancy to cover capital costs and for water rentals to meet interest payments on loans. Prospective settlers, and the curious, flooded in, but the take-up of properties was still slow. The scheme was not producing revenue while costs were escalating. Already expenditure had soared to £7.25 million (£5.5 million for construction and £1.7 million for settler advances).8
A solid Labor victory at the polls in December 1913 saw a brief period of political stability return but, within six months, the Liberal-endorsed Farmers and Settlers Association (FSA) was joining with Liberals to threaten Labor’s hold. Meanwhile, complaints from the MIA and WCIC were debated furiously in Parliament. Again The Irrigation Act and The Crown Lands Act were amended in respect of irrigation farms, providing relief for irrigation settlers by granting the commission power to defer payments of rent for a period not exceeding three years. In April 1914, The Savings Bank (Amendment) Act allowed the New South Wales Savings Bank to lend to settlers against leasehold. Even so, loans were still difficult to secure.

Then, in January 1915, the scheme was dealt a terrible blow when WCIC Chairman Treflé and Commissioner Wade died within days of each other. Policy paralysis again gripped the government while the events of World War I took precedence attended by growing polarisation over conscription.

In April, settlers organised a protest meeting in the Yanco Area complaining of excessive land values and accusing the commission of colluding with ‘land sharks’. Another protest meeting was held in May. A deputation was sent to meet new Minister for Agriculture William Graham. In response, the government appointed the Carmichael Royal Commission to inquire into virtually all aspects of the MIA and the WCIC.9

The Carmichael Royal Commission heard that the MIA was a scheme, where ‘money was pouring out like water’, where state-run factories were running at a loss, machinery was inappropriate, supply was uncertain, markets over-supplied, farms under-sized and over-valued and the soil was infertile. The Murrumbidgee Irrigation Settlers Association demanded greater participation in WCIC decision-making and less ‘red tape’. The Farmers Union, representing large area holders, wanted a complete redesign and recategorisation of farms, arguing that over-inflated land values were placing settlers under great financial strain. It was wrong of the government to include in land value assessments calculations of, as yet, unproductive farms costs associated with the Burrinjuck Dam, the irrigation system, the cost of all land resumed (including land not yet settled), interest on loans and road building. A lack of expertise in farming and irrigation matters was apparent at the research station and tensions within the bureaucracy were producing maladministration.

For its part, WCIC was equally unhappy — recording losses, year after year and quite unable to identify a dependable cash crop and sell sufficient water to pay its way.

The Royal Commission glossed over the question of land values, paid little attention to marketing questions, dismissed ideas of farm redesign and recategorisation and ignored calls for a soil analysis laboratory. But it did recommend the appointment of two resident commissioners, one for each Area.

By now, however, the Holman Labor Government was tearing itself apart on the conscription issue, while the Progressive Party (later the Country Party) was reaching an accommodation of views with the Liberals. The government dragged its feet on implementing The Carmichael Report’s recommendations, reluctant to take any precipitative action. Already, there was talk of soldier settlement: if the MIA could not attract settlers voluntarily it could ‘conscript’ them in soldier settlement schemes. Everyone knew this would be costly and problematical, but the alternative was the probable failure of the scheme.10

In March 1916, the premier visited the MIA, promising action. Announcing that The Irrigation Act would be amended to reshape WCIC, now comprising the Minister of Agriculture and two appointed commissioners (H A Dare and W N Sendall), MIA settler organisations replied that this was simply a ‘whitewash’ and demanded action on the questions of farm valuation, size and classification.

Reporting stormy developments on the Areas later in July, Melbourne Age observed, ‘The story of the MIA is a long and eventful one and as it unfolds it lays bare a record of muddling and mismanagement, disastrous blundering and callous misrepresentation which is without parallel’. The MIA scheme, Age believed, was in deep trouble.
The Bevan Royal Commission, 1916

With Labor self-destructing, in July 1916 the government appointed yet another commission; the Bevan Royal Commission; to investigate MIA settler grievances in greater depth. The commission's brief, however, was confined to settlers who could prove hardship as a consequence of a WCIC inducement to grow lucerne, that is, from having sunk capital in an uneconomic proposition on the strength of WCIC advice. Judge Bevan heard that settlers were unable to afford rent, water rates, instalments, or interest as a direct consequence of soil fertility being misrepresented by WCIC. WCIC had also failed to carry out promises which had induced settlers to invest in primary production. Settlers were obliged to plant and sow according to instructions issued by WCIC experts, and these were patently wrong. The Bevan Commission Report was shielded from the public and not tabled in parliament until after the Holman Nationalist Coalition ousted Labor in November 1916 (Holman having been expelled by Labor). The report recommended *inter alia* compensation for 140 settlers and strengthened a perception that mixed and dairy farms should be increased in size from 50 acres to 150 acres.

An air of impending disaster hung over the MIA as settler debts mounted alarmingly and the scheme's budget ran out of control. The real consequences of inveigling inexperienced settlers on to under-sized, poorly designed farms on poor soil, remote from markets while expecting them to pay for everything before farms became productive, were beginning to hit home. The horrible reality of war was also dawning with more than seventy men from the Leeton district already slain in the bloodbath and with the MIA, like communities everywhere, bitterly divided on the issue of conscription.

**Soldier settlement**

Through 1916 and 1917, federal and interstate conferences were held to plan for post-War reconstruction and soldier settlement schemes. The commonwealth was requested to make funds available for rural and urban programs to settle and house demobilised soldiers. There were already reports of drunkenness and riots involving returned servicemen. Many soldiers had returned irreversibly altered by the experience of war, wounded physically, mentally and emotionally. After the euphoria of the homecoming, many ex-servicemen found themselves disillusioned and listless, even bitter and angry. Many succumbed to the bottle. Governments were keen to get ex-soldiers 'off the streets' as quickly as possible, particularly as radicalism was on the increase in the wake of the Russian Revolution. The result was commonwealth and state legislation by which the commonwealth agreed to raise loans for soldier settlement while the states were required to bear the burden of any loss. The commonwealth would advance £625 for each soldier settler for the improvement of land, construction of a dwelling, purchase of stock and other materials. Under complementary legislation (and following further amendments to The Irrigation Act), WCIC undertook to assist MIA soldier settlers in respect of the remittance of rents and water charges (initially for two years, later for four years) and to allow debt consolidation (over, first, a twenty year and, later, a twenty-five year period).

In line with this, the Murrumbidgee Canal Enlargement Bill was enacted to deepen and widen the main canal further, ensuring water for at least 1,000 irrigation farms designated for British soldier settlers, five to eight miles beyond Griffith.

In late 1917, work began on work camps for soldier settlers at Beelbangera and Yenda. Prospective settlers were provided with free rail tours and accommodation. Civilian settlers were employed to train candidates and assess their suitability for irrigation. Trainees were provided with a stipend and meals and accommodation allowance (ranging from £2.2s.0d. a week for a single person to between £2.12s.0d. and £3.6s.0d. a week for married people). Training resources were scarce and few instructors were trained as agriculturalists. Trainees were largely engaged in land clearing, fence building, tree felling and stacking firewood. By December 1920, WCIC had assisted with training 1,000 soldier settlers on the MIA. Because of a materials shortage, however, only 319 had actually occupied farms. Blocks ranged in size from twelve to thirty-five acres, near Griffith, and up to 200 acres at Gogeldrie, Murrami and south-west of Gogeldrie. Eventually 1,026 soldier settlers took up farms on the MIA, joining a still primitive, frontier community burdened by debt and bedevilled by poor planning. Soon, soldier settlers, radicalised by their war experience, would be
protesting MIA conditions along with civilian comrades, agitating for a virtual redesign of the scheme and better representation.\textsuperscript{12}

**Death of Sam McCaughey**

In 1919, Samuel McCaughey died at North Yanco from heart failure. He was buried from St John's Church, Narrandera. A friend said that, 'He looked like a big healthy boy who had fallen asleep'. Mourners were required to exercise care at the funeral as an epidemic of pneumonic flu was scything communities, including the MIA. McCaughey left most of an £1.725 million estate to the University of Sydney, the University of Queensland, soldiers and dependants, the Presbyterian Church, hospitals, schools and other educational institutions.\textsuperscript{13}

**Political uncertainty and growing discontent, 1920–1923**

In March 1920, the Storey Labor Government formed, ousting the Holman Nationalist Coalition with a slender majority. The new Minister for Agriculture, W F Dunn, launched immediately into another investigation of the MIA, determined to overcome once and for all problems going back to the scheme's inception and fill vacant blocks, making them pay. To this end, he appointed George Evatt resident commissioner for Yanco and Mirrool. Evatt, a highly intelligent, determined and capable 'social engineer' in the Labor mould, was neither a businessman nor an irrigation expert. A Parliamentary Select Committee had specifically recommended such qualities in a commissioner and many settlers were convinced that the appointment was a purely political one.

Certainly Evatt faced daunting problems. A brief recession in 1920–21 saw unemployment climb and markets deteriorate. The Leeton Government Cannery was again in trouble with a big carry-over. The WCIC wages bill had nearly doubled since settlement commenced and, saddled with debts from resumption, dam and canal construction and facing the new responsibility of issuing advances to soldier settlers while farms remained unprofitable, the commission continued to report big annual losses. Settler confidence was low: land classification was wrong; crop varieties wrong; management systems wrong; and representative Area executive boards were 'bogus' because the commission still had the power of veto.\textsuperscript{14}

After Premier Storey died in October 1921, James Dooley became premier, with a flimsy mandate. Following a split in the Progressives, Labor fell in March 1922 and the Fuller National Coalition Government formed. New Minister of Agriculture F A Chaffey promised to put the MIA on a 'business footing', proposing further settlement to help meet interest charges. But how to achieve this without markets? Without markets, additional expenditure on settlement was not justified. The cannery was tottering, horticulture was not paying and milk prices were collapsing. Further capital investment in dairying was essential if the Area were to have any chance of profitability. Settlers were sinking into the mire of hopeless debt. WCIC was a financial embarrassment to governments. The commonwealth government was preparing to terminate sustenance to soldier settlers, obliging the commission to advance loans to them. The whole project was looming as a disaster.

By 1921 there were about 2,060 settlers on the MIA, working 60,000 acres of irrigated land: 802 ex-servicemen, 564 involved in horticulture and 238 in dairying. By June 1923, 875 ex-soldier settlers were on the MIA, 665 of them in the Mirrool Area — and they were restive.

**Rice: a 'salvation' crop?**

At a noisy meeting in Leeton on 17 and 18 May 1924, bringing together the full commission (Minister F A Chaffey, Commissioner G Evatt and Assistant Commissioners H A Dare and F W Brewster), the MIA Defence Committee and other farmer organisations, settlers repeated demands for further changes to The Irrigation Act permitting farm reconstruction, readjustment of debt and revision of charges. One settler said that liabilities would simply have to be written down or 85 per cent of settlers would leave as most were in a 'hopeless position'. Already thirty families had left and about 1,000 families were at risk. The average liability of soldier settlers was £2,086.\textsuperscript{15}

Evatt suggested that settlers might try growing rice. Settlers were sceptical: why should they take any notice of WCIC; the commission had got it wrong on so many
occasions; why would rice be any different; and who would pay if flooding the soil ruined a farm? Evatt replied that rice trials had been conducted under field conditions in Leeton and were thoroughly researched, unlike what settlers had come to expect. A few settlers mostly in arrears with commission payments applied for permits to grow rice; seven in the Yanco Area and one in the Mirrool. In October 1924, these farmers planted about 180 acres of seed rice and started a rice industry (discussed in Chapter 5).\footnote{\textit{Demands for a 'fresh start', 1924–1925}}

\textbf{Demands for a 'fresh start', 1924–1925}

In late 1924, discontent on the MIA was rife, symbolised, perhaps, by the burning of Leeton Public School by two small boys in November. In December, soldier settlers staged a noisy protest march to WCIC offices in Griffith, angered by the lack of action on grievances. Evatt was genuinely shocked by the meeting’s intensity.

By early 1925, 75 MIA farms had been abandoned. Settler liability to the commission and the Crown now amounted to £1.73 million. Average soldier settler liability had climbed to £2,500. Dangerously exposed and over-capitalised, settlers considered themselves 'little better than serfs [with] no voice in their own affairs'. With the interest bill climbing and carrying embarrassing annual deficits, WCIC was desperate for revenue and under pressure to increase water charges, which, for many settlers, would be the final blow.

With an election approaching, and Labor promising to reduce the capital value of MIA land, Chaffey rushed through the Irrigation Holdings Freehold Bill, allowing for conversion to freehold, finally lifting this ‘taboo’ on the MIA. Provision was also made for the formation of bodies with administrative functions, a positive step toward self-government.

An inquiry launched by Chaffey revealed that £2.5 million had been advanced to soldier settlers by early 1925. Total costs of all MIA operations had risen to £8.69 million with more than half of this expenditure occurring since the end of World War I. The inquiry noted settlers' demands for a 'Home Maintenance Area Principle', reducing liability to an amount which the productivity of a farm could repay while allowing the farmer and his family a reasonable living. Settlers wanted interest rates on debts reduced, further remittance of water rates and interest, particularly for horticulturalists, and sought an investigation into the viability of large area farms in respect of debt liability, arguing that farms found unsuitable for WCIC-designated purposes should be able to be surrendered without liability, or reconstructed with additional land. A Royal Commission was called for to investigate the administration of the MIA and demands strengthened for self-government and a reduction of WCIC 'political control'.\footnote{\textit{At a critical stage in the Chaffey inquiry the Fuller National Coalition fell and in May 1925 the Lang Labor Government was formed. W F Dunn was reappointed Minister of Agriculture. He immediately convened another round-table conference on the MIA, involving the commission and representatives of all settler organisations. The Chaffey inquiry was ignored, meaning that settlers were obliged to repeat their grievances. Patiently, but frustrated, they spelled them out again: capital values were too high; farms should be reclassified and redesigned; liability should be written-down; compensation should be awarded to poorly advised settlers and those with insufficient acreage; and 640 acres should be the minimum size for mixed farming. The Mirrool Leaseholders Campaign Committee (Chairman D G Stark) went further, seeking the wholesale reconstruction of WCIC, saying it was wrong for the commission to attempt to maintain assets while 'the tenantry existed in servitude'. Stark said that the Land Administration Department of the Commission should be abolished and MIA financial accounts transferred from WCIC to the Rural Bank. An independent land board should be formed to reclassify and revalue land and determine rent, area, redesign, liability and compensation. Such a board should possess full executive powers; a 'businessman' should be appointed as resident commissioner and no further settlement should occur on the MIA until it had been reorganised and had stabilised. Settlers demanded a completely 'fresh start'.}}

In December, Minister Dunn introduced yet another Irrigation (Amendment) Bill, providing for reclassification of MIA farms and the writing-down of debts. The valuation of all holdings was halved (but the annual rental on unimproved capital
value was doubled to 5 per cent). Soldier Settler and Civilian Settler Classification Committees were constituted to alter ‘the determination of holdings’. In a further move towards self-government, the Griffith and Yanco Executive Boards, previously appointed by the commission, were now to be popularly elected.18

**The Stark and Batkin cases, 1926**

Two important test cases followed. In August 1926, D G Stark for the Mirrool Leaseholders’ Committee appealed to the Land and Valuation Court in respect of the Irrigation Amendment Bill. While his valuation had been halved, Stark argued, it was still £12 per acre. This was excessive. Justice Pike agreed. Stark’s valuation was further reduced from £601 to £455, establishing the precedent that productivity was the primary factor in determining the value of land — not WCIC edict. For the first time in the Riverina, the concept of Home Maintenance Area (HMA) was established in law. The *Crown Lands Consolidation Act* was subsequently amended to include a definition of HMA:

An area as when worked by an industrious settler will under average seasons and circumstances, return him sufficient to meet his commitments to the state and to maintain himself and his family in reasonable comfort.

In the same month, John Batkin, a soldier settler, applied for re-evaluation and reclassification of his thirty-two acre farm at Beelbangera. Batkin argued that the WCIC’s reduction of debt was insufficient since his farm did not constitute a Home Maintenance Area. Justice Pike ruled in favour of Batkin, leading to compensation in some cases for settlers prepared to vacate land, permitting amalgamation and then build-up of farms to viable size. At the same time, restrictions on the transfer of land titles were imposed to prevent amalgamation of Crown Title holdings beyond HMA in order to discourage absentee landlords, while encouraging family-based closer settlement.19

**The Depression brings another crisis**

More amalgamations, re-classifications, changes in farm design and awards of compensation occurred after the fall of Labor and through the period of the Bavin Coalition’s administration (1927–1930). Nevertheless, on the eve of the Great Depression in the late 1920s, the MIA was still far from stable. One estimate was that by 1927 £23.5 million had been lost by commonwealth and state governments on soldier settlement schemes throughout Australia and that much of the outstanding liability was probably irrecoverable. The onset of the Depression virtually guaranteed this. Markets disappeared. Again the MIA teetered on the brink of disaster. Complaints about high MIA property valuations and charges resurfaced. Indebtedness again climbed.

In March 1929, a ‘monster’ meeting was organised by soldier settlers in Leeton calling for further readjustment to debts and charges. More settlers (those who could afford to do so) turned to rice. Indeed, about 20,000 acres was put to the crop that season.

**The Farram Committee**

When in October 1930, the Bavin Coalition fell, another Lang Labor Government was formed. W F Dunn was again appointed Minister for Agriculture. Determined to sort out MIA problems once and for all, Dunn established two review boards. Nothing tangible was achieved, however, because, in May 1932, Governor Game dismissed Premier Lang calling upon the Stevens/Bruxner Coalition to form a caretaker government. In June the Coalition won office.

In November, the Farram Committee of Review was convened to report on valuations and indebtedness on the MIA and make recommendations on water charges. The committee recommended: further reduction of rentals on farming land by one-third in addition to a 22.5 per cent reduction in respect of Crown Land already authorised for the rest of the state; reduction of indebtedness by one-third from January 1933; transfer of MIA debts to the Rural Bank; a revision of water charges; and formation of an Anomalies Committee.

**The Williams Committee**

As the Farram Committee was sitting, the government passed *The Water Conservation and Irrigation Advisory Committee Act*, establishing the Williams Committee. This was
designed to improve the management and administration of water conservation, irrigation and supply. Recommendations, given effect in The Murrumbidgee Irrigation Areas Occupiers Relief Act (December 1934), saw the removal of restrictions on HMA land title giving the transfer of 'irrigation area freehold' the same status as freehold land elsewhere. This improved the credit-rating of MIA settlers, bolstered confidence and imported economic stability into the Areas.20

Thus, twenty-two years after Minister for Public Works Arthur Griffith opened the Yanco sluice gates in 1912, the MIA was beginning to show some signs of permanency and economic viability. The rice industry was growing rapidly (from 120 growers in 1928, to 320 in 1938). The Rice Growers' Association had evolved. An orderly marketing system existed in the form of the Rice Marketing Board (RMB) linking growers with millers and markets. A mutually reinforcing relationship between WCIC and ricegrowers was in place. A thriving export industry had commenced. The industry already employed more than 500 people permanently and around 2,000 on a seasonal basis. Rice was hungry for water and the commission was eager to sell it. The railways were benefiting from paddy freights. More and more settlers, struggling under years of debt, turned to rice as a 'salvation' crop. From such improbable beginnings a successful industry was emerging.
## Table

**Riverina Rice Crops: Selected Years**

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<thead>
<tr>
<th>YEAR</th>
<th>PRODUCTION TONNES (AT APPROXIMATELY 14% MOISTURE)</th>
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<td>1924/25</td>
<td>232</td>
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Notes

Preface


PART I: RICE

Chapter 1: A False Start: 'Upland' Varieties in Queensland and New South Wales, 1869-c1914

1 The author is indebted to the prior research of John Kellock from which material about early Queensland ricegrowing is drawn. See, J F Kellock 'Rice and Men', unpublished draft manuscript, Part II 'Early Queensland Efforts', October 1986, in RCL Archives, Leeton; and also K N S Lewis (Editor), Rice and Men: Queensland Rice Industry, 1869−1986, Lower Burdekin Rice Producers' Co-operative Association, 1986, 12−52.

2 IR, 9 April 1949.

3 Kellock, 'Rice and Men', op.cit., 18-19, 24-25, 30-31, 44-45. For details of later attempts to grow rice in Queensland before the 1960s, see Kellock, Rice and Men, 47-52.

4 Agricultural Gazette, NSW, Vol.I, 1890. It is unlikely that Juhl's method involved ponding.

5 Agricultural Gazette, NSW, Volume II, 1891, 482-3.


7 Agricultural Gazette, NSW, Volume II, September 1892.

8 Agricultural Gazette, New South Wales, March 1897.

9 Agricultural Gazette, NSW, Vol.XX, 1910, 875; September 1912, October 1926, 941.

10 IR, 12 March 1940; J L Green, New South Wales Department of Agriculture, unpublished report, 1956; B. M. Kelly, From Wilderness to Eden; op.cit., 185. Tests at the Wollongbar Experiment Farm in the north of the state, for example, showed that ‘of all the grasses tried, rice had the greatest nitrogen-fixing capacity of all’. This was subsequently disproven.

Chapter 2: Isaburo (Jô) Takasuka: Japanese Rice Pioneer of South-Eastern Australia, 1906-1927

1 The author acknowledges the prior work of D C S Sissons (formerly Department of International Relations, Research School of Pacific Studies, Australian National University, at time of writing at Hiroshima Shu Do University Japan), from which much of the discussion is drawn. See Sissons, 'A Selector and His Family', Hemisphere, November/December 1980, pp. 168-175 and Sissons, 'An Immigrant Family', Australian National University, 1977, 1980, in NLA MS 3092, from which the Hemisphere article is drawn. Some reports claim that Takasuka arrived on 28 December 1904 or 27 February 1905.

2 D C S Sissons: Correspondence Mario Takasuka, 7 February 1974; D C S Sissons, 'An Immigrant Family', op.cit.; D C S Sissons, Paper to Australian and New Zealand Association for

3 Sissons: 'An Immigrant Family', op.cit., 2.

4 Department of Crown Lands and Survey, Victoria, file 05075(204) (missing); Victorian Public Records: Lands Department, 5357-3228 (3099m); Department of Agriculture Archive 3477/P1/95, Miscellaneous Crops: Rice, 7 May 1927–1 August 1947; Sissons, 'An Immigrant Family', op.cit., 2.

5 Sissons: 'An Immigrant Family', op.cit., 2. Some reports say that Takasuka brought twenty-five varieties of rice with him from Japan; Guardian (Victoria), 17 May 1974.


7 ibid.

8 ibid.

9 The Age, 4 April 1912.

10 The Argus, 12 April 1912; Victoria Agriculture Department, Rice Culture File, in Victorian Office of Public Records, Laverton. Joseph Poole corresponded with the department about rice.

11 Victoria Agriculture Department: Correspondence, Walter Poggendorff, 27 October 1938.

12 Department of Crown Lands and Survey, Victoria, file 05075(204) (missing); Temple A Smith; Correspondence Director, Department of Agriculture, 10 April 1912.

13 Sissons: 'An Immigrant Family', op.cit., 4; Journal of Agriculture, Victoria, August 1913, 477; Agricultural Gazette, NSW, October 1926, 741. Takasuka was described in the Agricultural Gazette as a 'lowland' or 'swamp' variety, but this has not been corroborated.

14 Sissons: 'An Immigrant Family', op.cit., 5; D C S Sissons: Correspondence Mario Takasuka, 14 September 1973. The young Shô plunged into work and sporting activities; football, tennis, swimming; with immense energy and distinction.

15 Journal of Agriculture, Victoria, August 1913, 477. Messrs Budd, Stockdale and F W Farrell requested information on ricegrowing and seed rice in 1913. Early in 1914, Mr Purves and Bruning Proprietary Limited requested Japonica rice seed.

16 Trials with Takasuka seed and other varieties conducted at the Yanco Experiment Farm between 1915 and 1921 are discussed in Chapter 3.

17 Takasuka to Victoria Agriculture Department, 24 August 1915, Rice Culture File, op.cit.

18 Sissons, D C S, NLA MS 3092.

19 Journal of Agriculture, Victoria, 10 August 1916, 493; The Age, 18 May 1916. Shaw's name is sometimes spelled 'Shann' in official correspondence. In 1915, the Victorian Agriculture Department distributed a pamphlet on ricegrowing to interested farmers. In September 1916, the department received a booklet on rice cultivation in Sind, India, sent by D H Kiranandani.

20 The Age, 8 March 1915; Sissons 'An Immigrant Family', op.cit., 4.

21 Sissons: 'An Immigrant Family', op.cit., 5; Gary Lewis: Interview Mario Takasuka, 4 September 1991; Mario Takasuka: Correspondence Gary Lewis, 15 September 1991.

22 Department of Crown Lands and Survey, Victoria, file 05075(204) (missing), R S Black: Correspondence E Selk, 7 September 1915.


24 Director of Agriculture, Victoria: Correspondence Secretary J M Skene, Home and Territories, 11 July 1919; Sissons, 'An Immigrant Family', op.cit.6.

25 Department of Crown Lands and Survey, Victoria, file 05075/204 (missing); Report: V N Turner, 12 May 1920; Sissons, 'An Immigrant Family', op.cit.7. F W Rae requested a small sample of seed rice for a trial. The department replied, 'no rice in Victoria'.
26 Department of Crown Lands and Survey, Victoria, file 05075/204 (missing); Jō Takasuka: Correspondence to Minister for Lands, Victoria, 23 June 1921; Sissons, 'An Immigrant Family', op.cit. W J McClure sought rice seed for a trial at Chelsea. Temple Smith replied. In June 1923, R Duffy sought information and seed for a ricegrowing trial at Lake Gorrie Swamp. G H Brunning Proprietary Limited again sought information about ricegrowing in the Murray Valley.

27 Sissons, 'An Immigrant Family', op.cit., 8; Correspondence: Victoria Agricultural Department and Home and Immigration Department, 3, 21 April 1924.

28 Sissons, Correspondence: Mario Takasuka, 14 September 1973. The fact that the Commonwealth believed that Takasuka alone was continuing with rice cultivation is interesting since it suggests rivalry between New South Wales and Victoria for the lucrative new rice industry. W J Groves, D H Holman, J Carmichael, D Mitchell, F Cooper, W Hopkins and A R Augee inquired about ricegrowing in 1925.

29 Victoria Agricultural Department, Rice Culture File, op.cit; Sissons, 'An Immigrant Family', op.cit., 8; Age, 6 June 1924, Argus, 5 February 1924; Jō Takasuka: Correspondence Minister for Home Territories, 26 August 1924.

30 Age, 11 September 1924.

31 IR, 22 October 1927.

32 E Edgar Davies, Solicitor (Nyah West), to Secretary of Lands, 19 October 1927. Dickinson had also tendered successfully for the 550 acres of Crown Land adjacent.

33 G W Broughton, Men of the Murray, n.d.113-114, Australasian, 22 May 1937.

34 Gary Lewis: Interview Mario Takasuka, 4 September 1991; Mario Takasuka: Correspondence Gary Lewis, 15 September 1991.

35 Agricultural Gazette NSW, October 1928.


Chapter 3: The Japonica Connection: Rice Trials on the MIA, 1915-1922


2 John Kellock, 'History of the Ricegrowing Industry: the Rice Option, Agronomic Investigations, Politics,' (unpublished manuscript), Ricegrowers Co-operative Mills Ltd, Leeton, NSW, 7-8; Agriculture Gazette, NSW, November 1916, October 1926; Department of Agriculture, NSW, 'Rice Culture at Yanco Experiment Farm,' M21/366, 18 November 1921; IR, 12 March 1940; B M Kelly, From Wilderness to Eden, op.cit. 184.


4 Kelly, op.cit. 185; Hankinson to Acting Commissioner Dare, 1 November 1915, WCIC Records; W R Watkins 'History of Ricegrowing', unpublished manuscript, 13 April 1964 in Shepherd Family Archives..

5 Agricultural Gazette, NSW, April 1920, 232; Kelly, op.cit., 187.

6 J G Youll, 'Rice - Some Early Reminiscences', Irrigator Print, Leeton, n.d.

7 Brady went on to own two orchards and become one of the cannery's largest suppliers before selling up in 1937. AN, 29 June 1952; IR, 27 June 1932; Kellock, 'History of the Ricegrowing Industry', op.cit., 10-11; Smith's Weekly, 1 June 1946; WCIC, Annual Report, 30 June 1921.

8 Jack Brady, 'Diary of a Visit to United States, 1920', in Brady Family Archives (courtesy Mrs Bessie Rutherford); Kellock, 'History of the Ricegrowing Industry', op.cit. 11; Kelly, op.cit. 188; IR, 3 April 1962; J L Green, op.cit. 2; J Brady: Correspondence WCIC, Sydney, 19 August 1920; WCIC Leeton file 20/C8625. The 1920/21 Department of Agriculture trial did not begin until 8 December. Brady was back by then. It is possible that he could have carried seed 'unofficially' with him. It is also possible that WCIC, fed up with the department's procrastination, could have conducted a 'secret' trial.
Chapter 4: Austin Shepherd and Farm 106: Conclusive Evidence, 1922-1924

Yields obtained in the 1923/24 Trial at Farm 106:

1. Watering Test:
   (a) Still water - 87 bushels (bus.) 27 pound (lb) per acre
   (b) Running Water - 82 bus. 30 lb per acre

2. Variety Trials
   Colusa 87 bus. 27 lbs per acre
   Caloro 110 bus. 26 lbs per acre
   Wataribune 119 bus. 38 lbs per acre

3. Variety Trial of New Varieties (from Queensland)
   Sensho 66 bus. 5 lb
   Owari (or Omari) 52 bus. 36 lb
   Tamassari 61 bus. 4 lb

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9  Gary Lewis: Interview Gertrude Delaney and Hubert Brady, Cooma, 1994; Agricultural Gazette, NSW, December, 1921; J L Green 'Rice Growing Experience', unpublished manuscript, 2 March 1949, in Shepherd Family Archives.
10  IR, 3 April 1962.
11  Kelly, op.cit. 188; Kellock, 'History of the Ricegrowing Industry', op.cit. 13-15; W R Watkins to A N Shepherd, 8 March 1949, in Shepherd Family Archives. Valder's insistence is possibly a reference to 'unofficial' trials conducted by WCIC employees in 1920/21)
12  The name Caloro comprises the first three letters of 'California' and the Latin word 'oro', meaning 'gold'. Caloro matures about ten days earlier than late Wataribune and about two weeks later than Colusa, Kellock, 'History of the Ricegrowing Industry', op.cit. 13-15; IR, 3 April 1962; J L Green, 'Rice Growing Experience', op.cit.
13  IR, 11, 15 February, 4, 8, 24 March 1949; Agricultural Gazette, NSW, December 1921, 842.
14  Kelly, op.cit. 188; IR, 3 April 1962; Kellock, 'History of the Ricegrowing Industry', op.cit. 93-4. Payment for the seed rice was made to 'Sacramento Valley Grain Association', US$9 plus US$12.86 freight
Kirishima 28 bus. 22 lb*
Note: *Upland Varieties. Java varieties failed to mature, and no seed was harvested.

4. Land Use Trial
   New land 108 bus. 41 lb
   Old land 2nd Crop 83 bus. 21 lb
   Ratoon 55 bus. 22 lb.

9 A N Shepherd Diaries, op.cit.

10 Shepherd was involved in discussions concerning inspections of the trial on at least thirty different occasions between July and late December 1923, including six interviews with Youll. Other entries in Shepherd's diary include: 'Tiffen rice inspection'(13 September and 5 October). This entry strengthens the possibility but does not prove that a trial plot was grown on a settler's farm. IR, 12, 15, 25 February, 4 March, 1 May 1949; 3 April 1962; A N Shepherd to J G Youll, 29 January 1949, in Shepherd Family Archives; Land Farm and Station Annual, 26 October 1949; J L Green to A N Shepherd, 6 January 1949, in Shepherd Family Archives; J G Youll, 'Rice: Some Early Reminiscences', Pamphlet, Murrumbidgee Irrigation c1949.

11 Agricultural Gazette, NSW, August 1925; Shepherd to Youll, 29 January 1949, in Shepherd Family Archives.

12 IR, 12 March 1940; WCIC, Annual Report, 1923-24; Age, 6 June 1924.

13 Agricultural Gazette, NSW, August 1924, 55-60. J L Green 'ratooned' in 1924/25. The crop yielded only 45 bushels to the acre.

14 Kellock, 'History of the Ricegrowing Industry', op.cit. 40; Agricultural Gazette, NSW, December 1924; Austin Shepherd Diaries, in Shepherd Family Archives.

15 AN, 29 June 1952; IR, 27 June 1952. M W West (daughter of W R Watkins): Correspondence Gary Lewis, 30 March 1993. Watkins became ill with peritonitis and bovine tuberculosis at Hawkesbury. In 1930 he married Nora Huxtable and they had one daughter, Wynne. In 1952 the department transferred Watkins to the position of farm manager at Cowra Experiment Farm. It was not a happy transfer and in 1957 Watkins took early retirement and returned to live in Leeton.

16 Daily Telegraph, 3 April 1964.

17 Correspondence Mrs Asquith and E C Tweedie, reported in IR, 24 March 1949.


19 Bob Asquith, long after these events, told Irrigator (enclosing an annotated photograph):

   The first rice crop grown on Farm 106 near Leeton. This crop was grown under my supervision, even to the harvesting. The first machine to be put in to the rice was a Harvester brought from the experimental farm at Yanco. This failed and it was left to me to harvest it. I was under Mr Potts as Foreman Over Vacant Farms.

   The following passage is scratched out:

   I was supposed to work with Mr Shepherd, Agriculture instructor, but when I called on him he told me he was too busy to bother with rice, so I was more than helping.

   The photograph was annotated thus:

   'FARM 106 EAST OF HYDRO: Rice experiment on Farm 106, Leeton 1922/23. From left to right, Visitor, R Asquith, E Kennedy. Grown by R Asquith from WCIC. Seed brought by Mr J Brady (cannery manager) from America from Jackson and Jackson.

   It is signed 'R Asquith'. Referring to this photograph in 1949, Shepherd commented:

   At this function the most noticeable thing was the absence of WCIC representatives, not a single man with the exception of Bob Asquith being present. Not even the self-styled saviour (J G Youll) or the great founder (Jack Brady).

PART II: INDUSTRY

Chapter 5: The Pioneer Ricegrowers of the MIA, 1924-1925

The author acknowledges the prior research of B M Kelly, From Wilderness to Eden, op.cit., 104, 165-179, 217, 231 from which some material in this chapter is drawn; A E Bowmaker, Brief History of Leeton, op.cit., 26, 28-29, 52, 112-114, 223, 260, 308; 217; 231; Sue Chessbrough, A Spread of Green, op.cit., 26, 41-119; Bill Gammage, Narrandera Shire, op.cit., 105-106, 162, 202, Marilyn Lake, Limits to Hope, op.cit., 22; W R Cowper, op.cit., 97; Siobhan McHugh, ABC Radio Program 'More Precious Than Gold', Social History Unit, 12 May, 19 May, 26 May, 1 June 1991. Interviewees included (spelling uncertain): Bill Cox; Henry Leighton; Jan Webb; Jack Bicego; Maris England; Alex McCardey; Muriel Hopwood; Peter Vaoli; Rossina Cavali; Frank Centi; Angelo Fiumara; Glen McWilliam; Doug McWilliam; Bruce Baker; Alan Brink; May Fallon; Laurel Catchpool; Fred Robinson; Ian Macquire. As the voices of interviewees were not always identified in the program, individuals are referred to generically. The author is greatly indebted to Ms McHugh and to interviewees for the opinions and recollections expressed; Gary Lewis: Interview Vera Davidge, Griffith, September 1992.

Italian immigration to the MIA quickened after World War I as United States immigration restrictions were tightened and industrial disputes erupted in Broken Hill. Calabresi Italians arrived in numbers and a small flow of immigrants came from Abruzzi, Piemonte, Lombardia, Campania and Sicily. In 1925, Valerio Ricetti arrived in Griffith after ten years in the Broken Hill mines, the South Australian timber industry, Adelaide and Melbourne and on the Murray River. Ricetti retreated to a cave on Scenic Hill and lived the life of a hermit. By 1939, Italians owned 230 small farms. By 1972, 75 per cent of all horticulture farms on the MIA were owned by farmers of Italian background. At the time of writing about 65 per cent of the Griffith population and somewhat less in Leeton is of Italian descent.

Henry Lawson, 'First Impressions of Leeton', Irrigation Recorder.

Hit by the Depression, the MID Co-operative sought to sell the abattoirs to the newly formed Willimbong Council. By 1931, the Society had sold the abattoirs and bacon factory back to the WCIC.

The Farmers' and Graziers' Co-operative Grain and Insurance and Agency Company Limited established offices in the MIA in the 1930s. Building societies, such as the Leeton and District Co-operative Building and Investment Society, played an important part in the urban development of the Areas.


A E Bowmaker, A Brief History of Leeton, op.cit., 350; B M Kelly, From Wilderness to Eden, op.cit., 188; S Chessbrough, A Spread of Green: Griffith - Its People and Past Events, op.cit., 123-4; IR, 24, 29 March 1949; Land, 9 October 1936, 26 October 1949 (includes Tooth and Moller, excludes Spicer and Phelps).

Kelly, op.cit., 188; Bowmaker, op.cit., 350; Agricultural Gazette, NSW, August 1924, 555; IR, 4, 5 March 1949; WCIC, Annual Report, 1924-25.

Kellock, 'History of the Ricegrowing Industry', op.cit., 40-42, 54-56; SMH, 12 August 1924; F Chaffey, Minister for Agriculture to A N Shepherd, 2 February 1925, in Shepherd Family Archives.
Lois Grant Papers, ML, 01.354; IR, 10 November 1949. 'History of the Ricegrowing Industry', op.cit., 54-56. During the harvest Donald Grant went to Melbourne seeking to interest H V McKay and Company in producing a special rice header. McKay was not interested at this stage.

In a letter to Lois Grant seeking information about her father's part in developing the rice industry, and 'your' [Lois'] part in the crop, Lois, or someone close to her, has heavily crossed out the word 'your'.

Lois Grant Papers, op.cit.


Chapter 6: A ‘Rice Romance’: An Industry is Born, 1925-1928


2. IR, 8 March 1949.

3. Agricultural Gazette, NSW, October 1926; WCIC, Minutes of Conference of Rice Growers, Leeton, 14 July 1925. Present: Commissioner Evatt; Chief Executive Officer F H Brewster and Manager, Yanco Area J G Youll, Manager Mirrool Area J Brady, Cannery Manager G Potts, Land Settlement Inspector T Wilson, Superintendent Water Distribution and Maintenance and other officers of the commission. Managing Director Robert Harper and Company J (or A F) Bell, Melbourne; Messrs Furby and Waller (Department of Agriculture). Messrs Blencowe, Spicer, Duffy and Marchinton (Settlers who grew rice in the previous season), and prospective growers of rice: Messrs Fisher, Roberts, Bollington, Carpenter, Riley, Falk, Hoskins, Robertson, Hogan, Grey, Adams, Hone, Galloway, Taylor, Sayers, Ryan, Geltch, Jukes, E W Jones, Loxley, Kampmann, Marshall, Ecke, A Ross-Reid, R Ross-Reid, W McEachern, L McEachern, Bell, de C Manning, Walsh, Wright, Jacka, T W Henham, Anderson, Wynne, P Moller, Marston, George, Pitt, T E Brown and others.

Agenda:

1. General statement by the chairman on the result of operations last year on the Area, and reasons for the meeting. Also prospects for next year’s crop.

2. Consideration of the quantity of seed which will be available and the acreage which could be planted next year.

3. Technical difficulties met with by cultivators last season.

   (a) Difficulty of controlling water owing to unsatisfactory levee banks, damage done by yabbies, etc.

   (b) Question of the best method of erecting levee banks and best type of levee banks.

   (c) Question of supply of water at sufficiently frequent intervals to suit ricegrowers, having regard to the fifteen day rotation.

   (d) Prevention of damage by water fowl.

   (e) Destruction and prevention of weed growth injurious to rice.

4. Question of soil suitable for rice culture with particular reference to crab holey country.

5. Determination of the maximum area of crop which can be satisfactorily controlled by the individual settler without payment of labour costs, and area of additional land necessary on each farm in order to rotate the crop, also the revenue which could be made from such land by other lines of agriculture.

6. Cost of production per acre including preparation of land, seed, sowing, water and rent, harvesting, selling charges including bags, cartage, freight and commission, and a fair figure for annual cost of levee banks chargeable against the cost. An earlier experiment with a three and a half horsepower engine proved unsatisfactory.

465
7. Question of what price is necessary to give growers a fair return for their labour.
8. Destruction of weeds and any other incidental expense outside settler’s own labour.
10. Discussion of the various methods of harvesting and decision as to what is considered most satisfactory for this Area, also action which should be taken to encourage machinery merchants to go into the matter of perfecting special machinery for rice harvesting.

Reports vary; for example, Irrigator says contracts were signed for 2,000 tons at about £13.0s.0d. per ton; IR, 8 March 1949; WCIC, Minutes of Conference of Rice Growers, op.cit. There is no mention of McKenzie in this report.


The dam was lowered by ten feet and kept at this level until 1957.

Agricultural Gazette, NSW, December 1926; Kelly, op.cit., 189; IR, 30 April 1940; Land, 9 October 1936.


Lois Grant Papers, op.cit.

IR, 12 March 1940; Land, 9 October 1936.

Lois Grant papers, op.cit.

IR, 15 May 1928.

Sun, 28 November 1927.


United Empire, op.cit., April 1928; IR, 17 December 1927.

United Empire, op.cit., September 1928.

Chapter 7: The Murrumbidgee Irrigation Area Ricegrowers' Co-operative, 1925-1926

By 1935, the annual turnover of rural co-operative societies in New South Wales was £12.9 million. Two years later it was £16.5 million, involving 55,000 members. Trading societies had 117,675 members but a turnover of only £4 million. See Gary Lewis, A Middle Way: Rochdale Co-operatives in New South Wales, 1859-c1986, Brolga Press, 1992.
Chapter 8: A Rice Marketing Board for the State of New South Wales, 1928

1. The Producers and Consumers Co-operative Conference, Bathurst, September 1926, Report, NSW Government Printer, 1926; Co-operative News, October 1924, January, July 1925, March 1926; Gary Lewis, A Middle Way, op.cit. W F Dunn was sent to Britain to study agricultural production and marketing methods there.

2. MIR Co-operative Society, Minutes, Annual General Meeting, 29 January 1927, Directors’ Meeting, 30 April 1927.


6. MIR Co-operative Society, Minutes, Directors’ Meeting 20 August 1927.

7. MIR Co-operative Society, Minutes, Annual General Meeting, 27 August 1927.

8. MIR Co-operative Society, Minutes, Directors’ Meeting; IR, 17, 30 September, 1, 7 October, 6 December 1927, 13 February, 22 June 1928; AN, 3 October 1927; Sun, 30 September 1927; Kelly, op.cit., 17.

9. New South Wales Voluntary Rice Pool, Minutes, 18 May, 18 April 1928; MIR Co-operative Society, Minutes, Directors’ Meeting 20 April, 18 May 1928.

10. IR, 18 May 1928; New South Wales Voluntary Rice Pool, Minutes, 28, 31 May, 3, 5 June 1928; MIR Co-operative Society, Minutes, Special General Meeting, School of Arts, Leeton, 9 June 1928.

11. New South Wales Voluntary Rice Pool, Minutes, 20, 23 June, 2, 5 July, 1 August 1928; MIR Co-operative Society, Minutes, Special General Meeting of Shareholders, 1 August 1928; IR, 28 August 1928.

12. New South Wales Voluntary Rice Pool, Minutes, 14 June 1928; MIR Co-operative Society, Minutes, 9 June 1928.


14. IR, 3 October, 16 November 1928.

15. IR, 2, 31 October, 16 November 1928. There are reports that the RMB negotiated a £20,000 loan with the Savings Bank of New South Wales.

Chapter 9: ‘Lords of the water’: The Co-operative, the Board and the Commission, 1928-1929

1. MIR Co-operative Society, Minutes, 5 November, 8 December 1928.

2. MIR Co-operative Society, Minutes, 22 December 1928.


4. IR, 19 February 1929.


6. ibid.
Chapter 10: The Tariff Board Report on the Rice Industry, 1930

Commonwealth of Australia Tariff Board Report: Rice, 13 November 1930; Agricultural Gazette, NSW, July 1929; IR, 16 July 1932; Land, 9 October 1936; Bowmaker, Brief History of Leeton, op.cit.350.

Chapter 11: ‘Wild and uncompromising agitators’: the MIA Rice Growers’ Association, 1930-1934

MIR Co-operative Society, Minutes, 12 March, 26 July, 2 August 1930.

MIR Co-operative Society, Minutes, General Meeting and Special Meeting, Whitton, 17 September 1930.

IR, 18 November, 16 December 1930; Bowmaker, Brief History of Leeton, op.cit., 228.

IR, 16 December 1930, 18 February 1931; SMH, 19 February 1931.

AN, 27 July 1931.

IR, 7 August 1931; Truth, 16 August 1931.

AN, 22 October 1931.

IR, 22 October 1931.

IR, 2 October 1931.

IR, 17, 19 July 1932. Hankinson was later State Member for Murrumbidgee (Country Party) in the Stevens/Bruxner Coalition Government, 1932.

IR, 9 September 1932.

Terry Henham: Correspondence RCL, 1993; IR, 26 May 1964.

IR, 9 September 1932, 23 June 1933, 28 August 1934; Sun, 20 April 1933. By 1932, there were RMB sheds at Yenda and Leeton, each with 4,500−5,000 ton capacity.

IR, 17 March 1931.

IR, 22, 26 June, 30 October, 2 November 1934.

Chapter 12: ‘They were all sick of it’: The Rice Industry and the Great Depression

IR, 16 May 1935.

IR, 16 May 1935.


Gary Lewis: Interview Henry Leighton, op.cit.


Chapter 13: Mounting Land and Water Pressures: Depression to World War II


5. *IR*, 15 November 1938; *AN*, 1 August 1952.


10. *IR*, 18 October, 8, 15 November 1938.


Chapter 14: A Need for Quality Research


3. *IR*, 17 March 1931, 8 November 1940.

4. Bowmaker, op.cit., 13; *IR*, 30 April 1940.

5. *IR*, 27 February, 21 March 1940.

6. *IR*, 30 April, 26 July 1940.

7. Bowmaker, op.cit., 110, 251-253; *IR*, 30 July 1930, 18 November 1938, 12 March 1940. A small rice mill was installed to 'sample' varieties.


9. Toohey, op.cit, 14. Dwarf Caloro established was favoured because it was less inclined to ‘fall over’. After the War, dwarf varieties would revolutionise concepts of high-yielding plant types introducing ‘an epoch-making stage in the improvement of Australian rice’.


Chapter 15  ‘The fight is on, the gloves are off’: The Rice Industry and World War II, 1939-1945

1  IR, 26 July 1940.
2  IR, 8 November 1940.
3  IR, 5 July 1940.
4  IR, 29 November 1940. Under WOI regulations, War Agricultural Committees exercised supreme power on all labour and production matters relating to primary industry and primary producers were required to apply for labour through these committees.
5  Joyce Boyson (née Wright) 'Bendalloch' Adaminaby: Correspondence Gary Lewis (n.d.) 1991.
6  IR, 24 January 1941.
7  IR, 23 June, 17 July, 10 November 1942; 26 February, 9 June 1943; Bowmaker, *Brief History of Leeton*, op.cit., 350; AN, 1, 25 August 1942. The Rice Production Committee included H Gorey, S Cox, D Mackellar, C Davidge and Bert Reilly.
8  IR, 24 April, 15 May, 1942; AN, 18 September 1942. Ricegrowers Defence and Vigilance Fund Provisional Committee: Messrs Bowmaker, Mackellar, Tooth (Leeton), Bradbury, Davidge, Cunningham (Griffith), E C Tweedie (Secretary).
10  Gibbs, op.cit; IR, 23 June 1943.
11  SMH, 17 March 1944.
12  *Land*, 4 July 1943; IR, 26 March 1943; *Pix*, 26 June 1943.
13  IR, 1, 2 November 1943; Bowmaker, op.cit, 350.
14  IR, 19 January 19435; SMH, 17 March 1944.
15  IR, 31 October 1944.
16  AN, 26 September 1944.
17  IR, 31 October 1944; Mirrool Large Area Farmers Association: A G Kubank (President), J O Doyle (Vice-President), E K Jones, L N Dickson, H Murphy, E de Burgh Cunningham, N H Simpson.
18  IR, 11 May 1943, 31 October 1944; *Land*, 16, 23 February 1945.
19  Bowmaker, op.cit, 350.
21  IR, 10 November 1944, 12 January, 20 March, 19 June 1945; AN 22 June 1945; Bowmaker, op.cit. 124.
22  IR, 19 June 1945.
23  IR, 10 July 1945.
24  Ibid.
25  IR, 24 July 1945; Wagga *Advertiser*, 3 August 1945; AN, 3 August 1945.

Chapter 16:  ‘We must organise and stick together’: The Rice Industry in the Immediate Post-War Period

1  AN, 11 September, 2 October 1945; Bowmaker, *Brief History of Leeton*, op.cit, 125.
2  AN, 20 October 1945.
3  IR, 16 October 1945; AN, 11 September 1945.

AN, 23 September 1947; IR, 1 August 1952; Land, 14 January 1960; Bowmaker, op.cit., 126; Kelly, *From Wilderness to Eden*, op.cit., 200.

Land, 4 January 1946; AN, 30 November 1945.

IR, 9 April 1946, 2 September 1955.

AN, 3 May 1946; IR, 17 September 1946; Smith's Weekly, 1 June 1946.

IR, 3 August 1946; Land, 25 June, 19 July 1946.

AN, 1 July 1947; IR, 8 July 1947.

AN, 1 July 1947; IR, 8 July 1947.

IR, 12 November 1948.


IR, 12 October 1948; *Sunday Sun and Guardian*, 27 April 1947.

IR, 3 May 1946; *Weekly Times*, 15 November 1946.

**PART III: CO-OPERATION**

**Chapter 17: ‘Beware the millers’: A Turning Point, 1949**

1 Eulogy to Jack Brady 1952, Wade Shire Library, H92, BRA; IR, 31 August 1948, 11 July 1952. Guests at the Brady Testimonial included: Federal Minister for Agriculture Pollard; State Minister for Agriculture E Graham; Federal Member for Riverina J Langtry; State Member for Murrumbidgee A G Enticknap; Minister for Conservation G Weir (Chairman); Commissioners of WCIC W Rawlings and F H Brewster; former Minister for Agriculture W F Dunn; Directors of the Rice Equalisation Association (REA) and former member for Murrumbidgee R H Hankinson.

2 IR, 31 May 1949; W R Watkins to A N Shepherd, 1 June 1949 in Shepherd Family Archives.

3 For example, *Melbourne Sun*, 31 March 1949.


5 AN, 1 April 1949; Watkins to Shepherd, op.cit. Organisers had set a target of £1,000 for the Brady Testimonial. They raised £1,500. Brady was greatly respected and justifiably so. Australia Rice Proprietary Limited (ARI) and REA Limited had given generously; £500 according to one report.


7 IR, 27 May 1949.

8 IR, 22 June 1949; AN, 22 June 1949.

9 Land, 21, 25 June, 12 July 1946, 1 July 1949; IR, 3 September 1946, 6 April 1949; AN, 4 June 1948.

10 AN, 16 November 1949; *Melbourne Sun*, 31 March 1949.

11 Land, 12 August 1947.

12 John Kellock, 'Rice and Men', draft manuscript, op.cit., 101-4.

Note: Not to be confused with K N S Lewis (Editor) *Rice and Men: Queensland Rice Industry, 1869-1968*, Lower Burdekin Rice Producers' Co-operative Association 1986. The Kellock manuscript was used in preparation of the latter publication, but they are different documents.

13 IR, 9 April 1949.
15  *IR*, 31 May 1949.
16  *AN*, 7 June 1949. Rawlings' assistant directors were: J H Messner and C J Watts. Watts died soon after and was replaced by C Corbett. C S Hudson was Chairman of the Forest Conservation Authority and E S Clayton chairman of the Soil Conservation Authority.
18  *IR*, 19, 27 February 1949.
20  *IR*, 9 August 1949.
21  *Sunday Sun and Guardian*, 20 September 1949; *IR*, 20 September 1949.
22  *AN*, 19 September 1949.
23  *IR*, 20 September 1949.
24  *IR*, 27 September 1949.
26  *IR*, 12, 27 September 1949.
28  *AN*, 23 September 1949.
29  *IR*, 7 October 1955.
31  *IR*, 4 November 1949.

**Chapter 18: ‘We won’t be dictated to’: Birth of Ricegrowers’ Co-operative Mills, 1950-1953**

1  *Sydney Sun*, 7 May, 20 August 1950.
5  *AD*, 7 August 1950.
6  *AN*, 19 May 1950.
7  ibid.
14  *Co-operative News*, 1 September 1950.
18  ibid.


AN, 11 June 1950.

AN, 11 August 1951.


IR, 29 December, 12 December 1950; AN, 13 February 1951.

IR 12 December 1950.

Century, 3 July 1953.

AN, 13 February 1951.

IR, 3 April 1951.

Noel Hogan papers, ML, MLK 00234.


Noel Hogan papers, op.cit.

IR, 13 July 1951.

IR, 30 November 1951.

Chapter 19: ‘The issue Is control’: The Co-operative and the Cartel, 1951-1953

1 AN, 14 August 1951; IR, 14, 17 August 1951.


4 AN, 12 December 1951; Advocate, 5 June 1952; Land, 15 June 1952; Sydney Sun, June 1952.

5 AN, 2, 28 November 1951.

6 AD, 31 January 1952; Blake, op.cit.

7 Sydney Sun, 12 June 1952.

8 AN, 28 November 1951, 1 June, 23 August 1952; IR, 6 November 1951.


10 AN, 11 August 1951, 5 June 1952.

11 AN, 24 June 1952.

12 IR, 27 July 1952; AN, 1, 17 July 1952.

13 AN, 1 July 1952; IR, 27 July 1952.

14 IR, 11 July 1952; AN, 17 June 1952; Wagga Advertiser, 13 July 1953.


16 IR, 22 August 1952.

17 IR, 22, 24, 26 August, 2 September 1952.

18 Century, 3 July 1953; Advocate, 12 June 1952.

19 R Blake, 'History of the RMB'; op.cit.

20 IR, 29 September, 1953.


23 AN, 5 October 1954.

1 The author is indebted to former RCM General Manager John Kellock for the interviews he gave from which much of the material in this chapter is drawn.


4 AD, 14 July 1955; Farmers’ Newsletter, March 1956.

5 IR, 14 February 1956; Land, 10 April 1956.

6 Bridge, 6 April 1957; AN, 1 March 1960. RCM’s total assets in 1957 were £461,885.


8 The taxation scheme was advised by RCM’s auditors, Offner, Hedley and Company (a forerunner of KPMG Peat-Marwick); IR, 25 June 1957, 26 February 1960.

Chapter 21: ‘The dilemma is only beginning’: Land, Water and Production Pressures, 1950-1960

1 IR, 29 September 1950.

2 AN, 15 June, 13 July 1951.


4 IR, 6, 16 May 1952.

5 IR, 10 October 1952, 12 October 1954; AN, 20 March 1953; Sun, 14 January 1953; AD, 25 October 1954.


7 IR, 12 October 1954.

8 AD, 28 May 1955.

9 AN, 22 May 1955.

10 Bridge, 7 July 1956.

11 AN, 4 February 1956.

12 IR, 20 May 1956.

13 Brisbane Telegraph, 19 June 1950.

14 Courier, 9 June 1950.

15 AN, 23 April, 12 December 1950; Farmers Newsletter, October 195; Advocate, 19 September 1955.

16 AD, 22 December 1954, 19 September 1955; AN, 26 August 1955; Sun Herald, 22 April 1956.

17 IR, 12, 22, 24 June, 14 August, 16 December 195; AN, 17 August, 2 November 1956; The Land, 10 April 1956; Daily Telegraph, 16 June 1956.

18 AN, 16 August 1957; IR, 27 June 1958; AD, 21 July 1959; Bridge, 7 November 1959. Albert Edgar (Bert) Farley, of Farm 1740, west of Griffith, was a long-serving and well-respected member of the Board of Directors of Griffith Producers’ Co-operative. Ian Davidge: Correspondence Gary Lewis, 1993

19 AN, 28 June 1957. Western Australian Premier Bert Hawke was interested.

20 The author gratefully acknowledges the excellent local history, The Story of Coleambally II, published by the Murrumbidgee Shire Council, Editor Martin Woods, from which much material concerning the CIA is drawn. The board had been renting inadequate premises for thirty years.

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Chapter 22: ‘We were a team working together’: Agronomy to 1960

4. AN, 6 May, 6 August 1957; IR, 25 June 1957; Barham Bridge, 2 February 1957.
5. AN, 21 December 1956, 5 February 1957; IR, 10 May 1957.
7. AD, 20 April 1954; IR, 19, 29 April 1955.
8. AN, 2 February, 20 August 1955; IR, 15 April, 30 August, 4 September 1955; Land, 14 January 1960.
10. IR, 1 June, 4 August 1956.
11. IR, 1 June, 4 September 1956, 10 May 1957.
12. AN, 3 November 1957.
14. AN, 9 May, 28 September, 24 November 1950, 28 May, 24 August 1951, 15 February 1957, 2 July 1958, 26, 30 July 1959; IR, 19 December 1950, 22 May 1951, 12 June 1957; AD, 30 July 1959; Land, 19 May 1950, 30 April 1959; Farmers’ Newsletter, October 1951. Locally bred selections, including Colusa 177 and Lady Wright Cross-Bred 13-3-1, were showing promising results.
15. IR, 21 February 1958.
16. AN, 26 July 1959.
18. IR, 28 January 1955, 13 April, 17, 28 August 1956, 21 February 1958; AN, 4 November 1955; Sun Herald, 22 April 1956; Weekly Times, 20 January 1960; Bowmaker, Brief History of Leeton, op.cit., 120; Barham Bridge, 10 December, 7 July 1956.
PART IV: THE HOGAN ERA


1 Gary Lewis: Discussion Frank Whelan and Stan Lanham, 1993.
2 Tapescript interview Noel Hogan (uncited) (c1976); R Blake, ‘History of the Rice Marketing Board’, op.cit.; RMB NSW, Chairman’s Report, January 1975.
3 Land, 30 June 1977.
4 Blake, op.cit.
5 ibid.

There were reports of tension between Accountant Dick Hayne and Manager Charles Dalton whose brother the former had replaced. Blake, op.cit.
6 SMH, 14, 1962, 16 March, 17 July 1963. Figures compiled from RMB NSW, Reports.
7 Blake, op.cit.; RMB NSW, Annual Report, 1985; Tapescript: Interview Noel Hogan, op.cit.
8 Tapescript Interview Noel Hogan, op.cit.
9 Blake, op.cit.
10 ibid.
11 ibid.
12 ibid.
17 Hogan was chairman of RICC until 1967 when he was replaced for about one year by Ian Davidge. Davidge resumed the position when Hogan was unwell in the mid-1970s. Tapescript interview, Noel Hogan, op.cit.
18 IREC, Ricegrowing in New South Wales, op.cit.

Chapter 24: ‘A very great donnybrook’: The Rice Marketing Board and the Co-operative, 1961-1963

1 R Blake, ‘History of the Rice Marketing Board’, op.cit. In the 1961 RMB election, Menzies Emery defeated Frank Walsh for the position of deputy chair. In December 1963, H A (Ted) Mallaby replaced Emery as deputy chair. Mallaby was the son of Hedley Mallaby, WCIC Manager for the MIA. He had replaced Sid Twigg. R D (Dick) Hayne was the RMB accountant. C E Dalton continued as manager.
2 Blake, op.cit.
3 Tapescript interview Noel Hogan, op.cit.
4 ibid.
5 ibid.
6 Riverina Recorder, 28 May 1964; SMH, 13 August 1963; Sunday Times, 6 August 1964. Domestic rice markets were worth $2 million. Sales of ‘Sunwhite’ rice increased by 12 per cent; 17 million packets a year were being sold; ‘Sunwhite’ won first prize for design in packaging, awarded by the Australian National Packing Association.
7 Telegraph, 22 March 1963.
8 Sunday Times, 21 June 1963; West Australian, 6 July 1963.
West Australian, 20 March 1964; Bulletin, 16 May 1964; AD, 9 March 1966. Waters Holdings Limited, the spice miller and merchant, was subject to a takeover bid at this time.

Blake, ‘History of the RMB’, op.cit.


ibid.

AN, 20 August 1963; AD, 23 August 1963.

IR, 23 August 1963.

AD, 23 August 1963.

AN, 3 September 1963. The full RMB Board was in attendance.

AD, 4 September 1963; IR, 27 September 1963; Tapescript Interview Noel Hogan, op.cit.

IR, 4 September 1963. Australian Rice Proprietary Limited was still milling 20,000 tons of paddy in 1963. Stratton and Sons Proprietary Limited was selling 16,120 tons of rice products, mainly into domestic markets.

IR, November 1963.

Tapescript Interview Noel Hogan, op.cit.

AD, 3 April 1964; IR, 10 March 1964.

IR, 13 March 1964.


Chapter 25: ‘It is wrong to be pessimistic about production’, 1964


IR, 4 February 1964.

AN, 4 February 1964.


AD, 22, 29 June 1964; IR, 4 September 1964.


Pastoral Times, 14 July 1964. There were five RGA Branches at this time: Mirrool, Yanco, Coleambally, Wakool and Deniliquin. In July 1964, Brian Doyle (the son of O J Doyle, a former RMB member) was re-elected unopposed as president of the Deniliquin Branch. Messrs T Holschier and Clive Holden were re-elected vice presidents. Ron Lodge was re-elected president of the Wakool Branch.

AD, 9 September 1964.

Bridge, 5 September 1964.

AN, 28 August 1964.

AD, 9 September 1964; AN, 23 November 1964, 9 March 1965.

SMH, 21 July 1965; AN, 23, 24 November 1964; IR 9 November, 3 December 1965, 30 August 1966; AD, 9 September 1964; Kellock 'Rice and Men', op.cit., 23. By mid-1966, virtually all of the proprietary millers, including Parsons, Robert Harper and Creamota, had been taken over by American or British corporations.

AN, 24 November 1964.

RMB election 1964:

Chairman Noel Hogan (Whitton)
Deputy Chairman Menzies Emery (Yenda)
Tom Holden (Barham)
C M McCleary (Hanwood)
N W Dwyer (Coleambally)
H A Mallaby (Yenda) lost his position and F C (Frank) Walsh retired.

Nominations included:

S G Kayess (Whitton)
R A Kingham (Murrami)
A D Malcolm (Colando)
D Marcus (Yenda)

S G Lanham and P Druce were appointed government nominees. Early in 1965, Druce stepped down and was replaced by Dr H Hynes, a foundation member of IREC.

All RCM directors were re-elected in 1964. Mr Pike replaced A D Mackellar (deceased).

B O Doyle and N H McAllister were re-elected to the RGA Central Executive for Deniliquin and G J Blight, A E Bowmaker, Noel Hogan, S G Kayess and W Killen for Yanco Branch. Fred Bock did not seek re-election as vice president. Noel Hogan became senior vice president of the association.

AD, 13 November 1964.

RCM Annual Conference, Minutes, October 1963.

Telegraph, 5 March 1962.

Country Life, 6 March 1964; AN, 29 October 1963.


Chapter 26: ‘The industry must make up its mind’: Acreage, Production and Coleambally, 1965

Gary Lewis: Discussion Stan Lanham, 1993; AD, 9 March 1965. Alf Bowmaker moved that RGA send Hogan to a Rice Commodity Conference in India, which was accepted unanimously. It is not at all clear that Hogan had any intention or desire to visit India.

AD, 23 April 1965; Western Australian, 22 March 1965.

AD, 13 September 1965; RGA Branch Delegates Annual Conference, Griffith, 1965:

Yanco G J Blight, A E Bowmaker, W N Hogan, S G Kayess, W W Killen
Mirrool H Matthews, M Cudmore, I C Davidge, R C Simpson, J Woodside
Wakool F A Bock, K Durrant
Deniliquin B O Doyle, N H McAllister
CIA J E McInnes, R A Williamson, F F Whelan

AD, 15 September 1965.

AD, 13, 15 September 1965. Other resolutions called for an elected grower representative on WCIC; joint RCM and RMB installation of weighbridges; improved availability of spare parts and extension of the RGA Rice Soil Test Sub-Committee into the Murray Valley.

AD, 13 September 1965.

Pastoral Times, 26 November 1965.
It is interesting to note that during one of its periods of controversy with the mill, the RMB decided to keep 10,000 tons of paddy rice and not allocate it to the co-operative mill. The idea was that the board might see a market that would be considered good for the industry and of course the trouble here was that under the present system when once the rice leaves the weighbridges it supposedly belongs to the co-operative and they take control over the drying of the rice — turning on and turning off the fans. Well in this particular 10,000 ton shed at Whitton, the turning on and the turning off of the fans was left to the board — the mill got the huff and when the [RCM] mill started to mill out of this shed they came with a very sorry tale to the Rice Marketing Board and said that the rice hadn’t been looked after properly — the fans weren’t turned on enough and that some of the rice, quite a lot of rice, was mouldy. Well at the next RMB meeting of course all the board, plus many members of the co-operative, went out and we climbed up on top of the rice in this particular shed and it looked alright to everybody except that the mill members said, “Oh well, dig down a couple of feet and you’ll find it is not very good at all”. They maintained that they were going to lose a lot of money in milling this paddy unless the board allowed them a big claim. So after a lot of discussion, we decided we’d better do this and we departed back to the board. The next day I went out to Whitton myself, on my own, took a shovel and I dug down three feet where we had been standing which was supposed to be very crook rice, and I took 20lbs of this rice and put it in the Leeton Show and got first prize in the Leeton Show for Calrose rice. It milled out very well, looked very good and quite obviously the tale that the paddy was no good at all wasn’t very correct.

Chapter 27: The Dawning of the Age of Aquarius: Water Policy, 1966

1 IR, 24 December 1965.

2 SMH, 21 December 1965; Country Life, 31 December 1965; AFR, 1 March 1966. The RCM was a pace setter in administration, ordering a computer for use with sales analysis, payroll and inventory control. This was the first large computer on the MIA. The RCM leased it to Leeton Co-operative Cannery for daily invoices.

3 AN, 24 December 1965; AD, 29 December 1965.

Chapter 28: Industry at the Crossroads, 1967

2 Gary Lewis: Discussion Frank Whelan, 1993. The Yanco Branch of the RGA enrolled 246 of the association’s 880 members. There were then approximately 1,400 ricegrowers. W W Killen (President); W N Hogan (Secretary). G Blight, A Bowmaker, W N Hogan, S G Kayess and W W Killen were Yanco Branch delegates to the RGA Central Executive. Other delegates to the Central Executive included:

- Mirrool: M J Cudmore, I C Davidge, D F Keeley (defeated H Matthews), R C Simpson, J Woodside
- CIA: B C McDougal, F Whelan, R A Williamson
- Deniliquin: B O Doyle, N H McAllister
- Wakool: F A Bock, K Durrant

3 AN, 7 March, 4 July 1967.
4 IR, 7 March 1967.
Chapter 29:  Drought and Divisiveness, 1967-1968

2. SMH, 7, 8 September 1967.
5. IR, 19 September 1967; AD, 13 September 1967.
12. SMH, 7 February 1968.
15. AN, 1 March 1968; IR, 8 March 1968.
17. AD, 3 April 1968; Bridge, 18 May 1968; AD, 18 June 1968.
24. Pastoral Times, 9, 24 August 1968; AN, 6 September 1968; Finley Mail, 4, 11 September 1968. G Wright was elected Secretary of a Steering Committee of six growers formed from the Jerilderie Rice Development League, which included some members of the East Berriquin Association of Ricegrowers.
25. IR, 10 September 1968.
27. AD, 11 September 1968.
28  AN, 6 September 1968; Koondrook and Barham Bridge, 14 September 1968.
30  Bridge, 14 September 1968.
31  Pastoral Times, 10 September 1968.
32  Pastoral Times, 10 September 1968; IR, 10 September 1968; AD, 11 September 1968.
33  Rice Mill News, July-September 1968. Charles McCleary travelled to America to inspect an Appraisal Scheme.
34  Rice Mill News, September-November 1968; AD, 18 September 1968; IR, 20 September 1968. The Central Executive of the RGA in 1968 comprised:
    Mirrool  I C Davidge (President); D F Keely; R C Simpson; J Woodside
    Yanco  G J Blight; W N Hogan; S G Kayess
    Coleambally  B C McDougall; F Whelan; R A Williamson
    Deniliquin  N H McAllister
    Wakool Branch  F A Bock; K Durrant

    M J Cudmore (Mirrool), W W Killen (Yanco) and B O Doyle (Deniliquin) retired. They were replaced by H Matthews, A C Herrmann, T M Holschier. A E Bowmaker was re-elected but his death created a vacancy.

    After the Deniliquin Conference, J Woodside, J Kellock and C Holden, together with Deniliquin Council members, travelled to Sydney seeking government support for a rail link to Deniliquin. The government did not believe this was economically justified and advised RCM to make arrangements with Vic Rail (Victoria). Holden believed this put the possibility of a mill at Deniliquin in jeopardy.

35  IR, 10, 13 September 1968; Bridge, 14 December 1968; Bulletin, 18 May 1968.

1  AD, 10 August, 9 September 1968.
2  AD, 16 August, 9 September 1968.
3  AN, 27 September 1968; Bulletin, 3 October 1968; IR, 8 October 1968; AD, 28 September, 18 October 1968. (Good statistics on water usage.)
4  Rice Mill News, March 1969; Finley Mail, 20 November 1968.)
5  Pastoral Times, 8 October, 5 November 1968; Finley Mail, 9 October 1968. New rice farms included:
    Berriquin  129
    Jerilderie  55
    Deniliquin  55
    Finley  8
    Berrigan  7
    Tocumwal  4

    Executive of Berriquin Ricegrowers' Association, 1968:
    President  B N Holloway
    Secretary  G J Wright
    Treasurer  W Hetherington
    Vice President  W Holden
    Vice President  C Hawkins
    Publicity  H F Landale
    Committee  F Pearn; G Wisely; R Hoskin; D Arnold I Ross

7  Pastoral Times, 8 November 1968.
8  IR, 5 November 1968.
9  AD, 11 November 1968; Rice Mill News, November 1969. Later in 1969 Beale saw to legislation allowing irrigation farms to be converted from leasehold to freehold, encouraging farmers to make improvements to water storage and management. Water conservation and
usage became important political issues after this. Leader of the Federal Labor Opposition Gough Whitlam called for a Murray-Darling Authority. Sir Mark Oliphant called for a National Water Policy.

10 Finley Mail, 18 September 1968; Rice Mill News, March 1969.
11 AD, 2 September 1968; AN, 5 November 1968; Pastoral Times, 24 October 1968.
12 RMB NSW, Chairman’s Report, 1968; AD, 13 November 1968; Rice Mill News, March, July 1969. Hogan unsuccessfully sought to increase the number of RMB members from five to seven. Instead, five RMB electoral zones were created to take account of Murray Valley representatives: Yanco, Mirrool, Cooleambally, Berriquin, Wakool.

<table>
<thead>
<tr>
<th>Year</th>
<th>RMB Expenditure on Construction 1961-1968</th>
</tr>
</thead>
<tbody>
<tr>
<td>1961</td>
<td>($,000) 112 1965 376</td>
</tr>
<tr>
<td>1962</td>
<td>330 1966 477</td>
</tr>
<tr>
<td>1963</td>
<td>333 1967 738</td>
</tr>
<tr>
<td>1964</td>
<td>549 1968 760</td>
</tr>
</tbody>
</table>

18 Gary Lewis: Discussion Frank Whelan and Stan Lanham, 1993; Rice Mill News, July 1969; IR, 3 November 1972; RMB NSW, Chairman’s Report, 1969. There were 1,463 rice farms and 328 share farmers involved in rice production:

New South Wales Rice Farmers — 1969

<table>
<thead>
<tr>
<th>District</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>MIA and Districts</td>
<td>680</td>
</tr>
<tr>
<td>CIA</td>
<td>223</td>
</tr>
<tr>
<td>Murray Valley</td>
<td>631</td>
</tr>
<tr>
<td>Sundry</td>
<td>1</td>
</tr>
</tbody>
</table>

Chapter 31: Feeding a Hungry World — Markets in the 1960s

1 Telegraph, 5 March, 1962, 18 July 1963; Bridge, 3 July 1965; IR, 30 September 1966; Age, 31 March 1967; Area News, 7 April 1967; SMH, 19 April 1966; AD, 26 July, 16 October 1968.
3 Herald (Melbourne), 10 February 1966; Courier Times, 10, 19 August 1968; West Australian, 11 December 1965; Country Life, 13 May 1966; IR, 14 December 1965, News (Perth), 10 December 1964.
5 AN, 4 August 1964; Bridge, 15 August 1964; Land, 13 August 1964; Bulletin, 6 November 1965; Sun (Melbourne), 21 December 1966; IR, 7 July 1964; Country Life, 24 July 1964; AFR, 27 May 1964; Weekly Times (Melbourne), 20 May 1964; RMB NSW, Chairman’s Report, 1964.
6 AD, 8 November 1964. The Leeton Co-operative Cannery, Kellogg’s, Nestle’s, Parsons, Kraft, Keens and RCM ‘Sunwhite’ co-operated in the RMB rice promotion. Sales of rice improved as the comparative costs of other foods increased due to drought. By 1972, the RMB budget for promotion was $750,000.
8 IREC, Ricegrowing in New South Wales, October 1966.
Chapter 32: The Anxious Years, 1969-1973

1. RMB NSW, Chairman’s Report, 1970. In 1969, there were 609 farms producing rice on the MIA, 263 on the CIA and 405 in the Murray Valley.

2. RMB NSW, Chairman’s Report, 1970, 1971. RMB estimated that the cost of production per ton was $48.50 (not allowing for interest and capital investment). RMB operating costs were reckoned at $5 per ton, $1.50 per ton for Equity Scheme and 15 cents a ton for Appraisal.


6. Rice Mill News, March 1970. Wool and wheat were in a mire and markets were badly hit by UK’s entry into the EEC. Farmers were told to ‘get big or get out’. A BAE survey showed that of 200,000 Australian farms, 38 per cent were generating nil or less income. Average farm income was $5,000. Farmers organised protest marches and appealed to governments for help. The chill of a world-wide agriculture recession saw many farmers facing bankruptcy. In the gloom the rice industry still presented as a bright spark among depressed primary industries.


8. Ibid.


11. Yanco Branch RGA, Minutes, 6 July 1970.


13. CIA Branch RGA, Minutes, 5 March, 17 July, 1970, 15 March, 14 July 1971. Clifford Love and Company was planning to apply for a 400 acre irrigation licence at Hay.

Wakool Branch RGA, Minutes, 4 December 1970.


ibid.


ibid.


Rice Mill News, January, November 1972; IR, 10 April 1972. After the Department of Trade and Industry sought a reduction of $20 a tonne for RCM rice in Papua−New Guinea, where rice was becoming a 'political football', RCM established a subsidiary in PNG, Rice Industries Proprietary Limited, with an 80,000 tonne storage and distribution capacity. The idea was to mount this as a holding operation as better paying markets were explored. RCM made energetic but unsuccessful representations to the commonwealth for assistance with credit in markets where buyers were unable to pay immediately. Possibly frustrated by rejection of his Oil-Extraction Plant proposal, Rogers resigned from RCM and set up an independent milling and storage consultancy.

Rice Mill News, November 1971; Ricegrowers' Co-operative Mill Limited, Annual Report, 1971. The RCM Board at this time consisted of: F A Bock (Chairman); I C Davidge (Vice Chairman); G T Barber; G J Blight; H J Heckendorf; P A Hinton; C C Holden; E D Holden; D F Keely; W K Pike; R A Williamson.


Rice Mill News, March 1972; IR, 10 April 1972; Shopper, 7 July 1972.

RMB NSW, Chairman's Report, 1972.

Ian Davidge: Correspondence Gary Lewis, 1992


A 1,200 ton capacity RMB shed was constructed at Burraboi. Plans were begun to refurbish old sheds and weighbridges at Burraboi, Murrami, Willbriggie, Warrawidgee. Storage at Whitton was to be extended. New separators were to be installed at Gogeldrie and Griffith. Extensive alterations were begun at Yenda and new amenities installed at Deniliquin. After such heavy demand on the Equity Certificate Scheme, emphasis swung to upgrading plant, rather than construction.


ibid.


Rice Mill News, January, March 1972; Shopper, 31 May, 1 November 1972; IR, 15 December 1972; Bridge, 8 September 1972; SMH, 22 September 1972. RGA Executive: I C Davidge (President); W N Hogan (Senior Vice President); S G Kayess (Junior Vice President); L C Tweedie (General Secretary). An Inter-Departmental Committee concluded that 425 irrigated hectares was a desirable size for a mixed farm. This became policy in 1973, assisting aggregation of inter-related properties under one title.


AN, 27 October 1972; Shopper, 25 October 1972; IR, 11 October 1972. The Caldwell Store became a priority this year. A seed complex at Deniliquin was to be added to the Walsh site at
Coleambally. Costs were estimated to exceed $900,000. Equity Certificate contributions rose from $1.50 to $2 a ton in 1972 and to $3 a ton in 1973. A receival at Griffith was postponed. New elevators were installed at Whitten and Gogeldrie.

41 IR, 15 December 1972; SMH, 22 August 1972. Hogan had also completed extensive overseas research which was reported at length in the Coleambally Shopper. The report was accompanied by a photograph purporting to be of Noel Hogan. There by mistake, gazing brightly at bemused readers, was an image of John Kellock, the former general manager of RCM.
44 Agriscene Australia, op.cit., 26.
46 IR, 12 September 1973; Shopper, 1, 8 November 1973; AN, 1, 9 November 1973; Sun (Sydney), 29 October 1973.
48 IR, 13 August, 12 September, 5 October 1973; Shopper, 12 July 1972, 8 November 1973; AN, 9 November 1973; Sun (Sydney), 29 October 1973.
52 Tapescript Interview Noel Hogan, op.cit.
54 IR, 22 June, 16 July, 10 September 1973.
57 Mirrool Branch RGA, Minutes, 16 February, 7 July; Yanco Branch RGA, Minutes, 14 February, 23 June 1973; Berriquin Branch RGA, Minutes, 20 February 1973; CIA Branch RGA, Minutes, 15 February, 4 July, 13 August 1973.
60 Shopper, 7 June 1973.

Chapter 33: The Burdekin Imbroglio, 1966-1974
1 Courier Mail, 30 June 1965.
2 SMH, 29 November 1966; Land, 20 October 1966.

 Kellock, 'Rice and Men', op.cit., 129-133; Courier Mail, 17 August 1967.

 AN, 8 September 1967.

 Kellock, 'Rice and Men', op.cit., 45. Talks between RCM and Mars Incorporated (Mars Bars, Pal Dog Foods, Uncle Ben's Pre-cooked Rice) also faded through this period. In May 1967, Mars took over MacRobertson Limited.

 AN, 8 September 1967.


 AN, 8 September; IR, 3 November 1967; Sun, 12 September 1967.

 Ayr AD, 13 September 1967; AN, 3 October 1967; IR, 6 October 1967; Country Life, 21 September 1967; Daily Telegraph, 21 September 1967; Kellock, 'Rice and Men', op.cit., 51. RCM, beset by problems on several fronts, did not help matters by procrastinating. On 28 September 1967, RCM directors met for detailed discussions stretching over two days to consider a range of issues, including the Coleambally Mill, plans for a Deniliquin Mill, problems at the Echuca Mill and the need to finance growth. The Burdekin question appeared as but one item on a weighty agenda. A decision was taken to defer action on the Queensland situation until the next meeting of RICC, scheduled for mid-October, in line with the decision taken at the RGA Conference. However, it appears that RCM proceeded with improvements to plant in the Sydney suburb of Rozelle, preparing to receive de-husked Burdekin brown rice for polishing in the event of an agreement being reached. This came after an RGA Central Executive conditional undertaking, carried nine votes to three:

 If we can ensure that rice produced [in the Burdekin] will be marketed in Home and Export markets in proportion approximately equal to that experienced by the [long-grain] grower in New South Wales, this Central Executive agrees in principle [to help the Burdekin industry].


 Kellock, 'Rice and Men', op.cit., 39, 76.

 Lewis, Rice and Men, op.cit., 207-208.

 Kellock, 'Rice and Men', op.cit., 39; IR, 3 November 1967; Lewis, Rice and Men, op.cit., 353-5.


 Lewis, Rice and Men, op.cit., 364-9.

 Lewis, Rice and Men, op.cit., 309.

 Lewis, Rice and Men, op. cit., 310.

 SMH, 29 April 1968.

 Lewis, Rice and Men, op. cit., 311, 313, 354.

 Lewis, Rice and Men, op.cit., 315.
Chapter 34: A ‘Good Year’: Fifty Years Old in 1974

1 Shopper, 31 January 1974; RMB NSW, Chairman’s Report, 1974.
2 Statistics compiled from RMB NSW, Chairman’s Report, 1975.
3 ibid.
4 IR, 27 February 1974.
6 See Gary Lewis, A Middle Way, op.cit., 224-228.
8 Southern Riverina News, December 1974; RMB NSW, Chairman’s Report, 1975. New sheds were under construction at Benerembah, Burraboi, Hogan, Emery and Coleambaly.
Emergency measures were in place at Murrami and Gogeldrie. RMB was planning for major additions to office space (the 'Noel Hogan Centre' in Kurrajong Street, Leeton). The total building program this year was $6 million. Storage expansion of 50,000 tonnes was planned for Yenda, Moulamein, Deniliquin, Gogeldrie and Coleambally. RMB had imported and sold sixty Arbos and Fahr headers (worth $1.3 million). Hogan bought an Arbos 165 rice header, which he considered the best he had ever used for 'lodged' rice. RCM proceeded with an independent storage program, consisting of a large storage bin at Blighty for the Mayrung-Jerilderie area for growers who had previously trucked to Deniliquin, for example.

9 IR, 14, 18, 21 January 1974; RMB NSW, Chairman's Report, 1974. Messrs Moore, Bate and Gale joined the RMB at this time.

10 Blake, 'History of the NSW RMB', op.cit.; Gary Lewis: Discussion Stan Lanham, 1993; Rod McCleary: Correspondence Ian Davidge, 19 November 1993 in RCL Archives; IR, 21 January, 12 June 1974; AN, 8 March 1974; Land, 4 July 1974. RMB in 1974 consisted of:

   Chairman W N Hogan (Yanco)
   Vice Chairman B M Holloway (East Murray Valley)
   R F Emery (Mirrool)
   R B Blake (CIA, replaced by R J McCleary)
   T F Holden (West Murray Valley)
   Government Nominees J M Burrell and S G Lanham

11 CIA Branch RGA, Minutes, 13 February, 3 July 1974; Deniliquin Branch RGA, Minutes, 25 June 1974; Berriquinn Branch RGA, Minutes, 27 February, 26 June 1974; Wakool Branch RGA, Minutes, 22 February, 25 June 1974; Mirrool Branch RGA, Minutes, 15 February, 5 July 1974; Yanco Branch RGA, Minutes, 28 June 1974; IR, 22 February 1974; Southern Riverina News, 5 March 1974. Clive Holden, vice president of the Deniliquin Branch and a RCM director was appointed Honorary Councillor of the RGA in 1974.

12 IR, 3 July 1974; Shopper, 4 July, 15 August 1974; Land, 22 August 1974; Daily Advertiser, 2 July 1974; AN, 27 September 1974; Age, 30 July 1974.

13 RMB NSW, Chairman's Report, 1975. The report, prepared by John Tagliabue, reiterated the growers' commitment to the maintenance of orderly marketing and defined RMB functions thus:

   Pure Rice Scheme
   Promotion
   Research
   By rebates to assist to combat overseas competition and assist exports
   To store paddy
   To assist growers in every way (eg. Equity Scheme).

The average sale price of the 1973 crop in 1974 was $159.74 a tonne. The report published figures of comparative costs of RMB and RCM:

<table>
<thead>
<tr>
<th>RCM COSTS PER TON PADDY</th>
<th>$</th>
</tr>
</thead>
<tbody>
<tr>
<td>Milling and Storage</td>
<td>14.00</td>
</tr>
<tr>
<td>Bonus RCM Shareholders</td>
<td>4.70</td>
</tr>
<tr>
<td>Administration, finance</td>
<td>8.20</td>
</tr>
<tr>
<td>Purchasing distribution</td>
<td>12.50</td>
</tr>
<tr>
<td>Freight, commission, insurance</td>
<td>14.50</td>
</tr>
</tbody>
</table>

Returns to RMB, including by-product sales ($14), plus seed sales ($2), equalled $93.94. RMB overheads — receiving, storage, administration, publicity, research, Pure Seed Scheme, Appraisal Scheme, finance amounted to $5.45 a tonne — according to Tagliabue. Storage deduction was $3.39, returning $85.00 a tonne to growers.

14 RMB NSW, Chairman's Report, 1975.

Chapter 35: ‘Booting the agricultural goose’: Rice and the Rural Recession, 1975-1977

1 Land, 2 January 1975.


PRODUCTION COSTS 200 ACRES RICE, 1975

| Feed (at 120lb acre) | $1100 |
Sulphate (at 2cwt acre) $2000
Working Costs: *$2200
1 Offset
2 Scarifiers
1 Grader
Combining in Sulphate (At $11 acre) Serial sowing/chemical spraying $1600 Serial herbicides $1050 Water (at $18 acre) $7000 Bank interest/pest control not calculated TOTAL $18500

*$365 more than RMB first payment. Figures calculated by P Grundy, Wandook.

### RICE FARMS, 1975

<table>
<thead>
<tr>
<th>MIA</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Yanco</td>
<td>225</td>
</tr>
<tr>
<td>Mirrool</td>
<td>117</td>
</tr>
<tr>
<td>Beneremab</td>
<td>89</td>
</tr>
<tr>
<td>Kooba</td>
<td>34</td>
</tr>
<tr>
<td>Tabita</td>
<td>6</td>
</tr>
<tr>
<td>Warrawidgee</td>
<td>24</td>
</tr>
<tr>
<td>Widgelli</td>
<td>12</td>
</tr>
</tbody>
</table>

| CIA | 266 |
| MURRAY VALLEY | 617 |
| Deniboota | 145 |
| Denimein  | 70  |
| Tullakool | 10  |
| Wakool   | 176 |
| Berriquin | 216 |

3 Age, 8 July 1975; SMH, 2, 30 October 1975; Australian, 30 October 1975; IR, 19 August 1975; Bridge, 22 August 1975; Geelong Advertiser, 23 August 1975.

4 AN, 15 April 1957. There were other deaths in 1975. Tom Holden died two months after Fred Bock's funeral, and Frank Walsh died in the same year.

5 AN, 2 May, 7 July 1975; IR, 6 May 1975; Ricegrowers' Co-operative Mills Annual Report, November 1975.

6 AN, 22 January, 2 May, 2 June, 5 July 1975; Southern Riverina News, 28 February, 4 July 1975; Age, 8 July 1975; SMH, 30 October 1974; RMB NSW, Chairman's Report, 1975. Secure markets were: PNG, Home, Pacific Islands, Hong Kong, New Zealand, Tahiti. Semi Optional markets were: Indonesia, Malaya, Singapore, Fiji, World Food Program, Mauritius, Seychelles, Guam. 'Chance' markets were: Africa, Japan, Poland, Middle East.

7 IR, 19 August 1975; Bridge, 28 August 1975; SMH, 2 October 1975.

8 Pastoral Times, 2 December 1975.

9 Basmati rice was found in a Griffith supermarket. Analysis revealed telletia barclayana, pladia interpunctella, millet seed, smut and grubs.

10 Pastoral Times, 2 February 1977.

11 Bridge, 5, 12 March 1976.


Chapter 36: The Southern Water Rebellion, 1974-1976

2 Bridge, 5 April 1974; AN, 15 November 1974; Pastoral Times, 14 May 1974; Land, 27 June 1974; Age, 28 June 1974; Rice Mill News, June-July 1974, pp. 26-29.
3 Mirrool RGA, Minutes, 15 February, 5 July 1974; CIA RGA, Minutes, 15 February, 3 July 1974; Berriquin RGA, Minutes, 27 February, 26 June 1974; Wakool RGA, Minutes, 22 February, 25 June 1974.
6 AN, 30 October 1974, 20 April, 9 May 1975.
7 AN, 30 October, 15 November 1974. By March WCIC had granted Murray Valley Irrigation 40 per cent in excess of permanent allotment.
8 AN, 3 June 1974. In 1974 there were 914 rice farms in the MIA and CIA. In 1975 there were 773 (507 in the MIA and 266 in the CIA). In the corresponding period, rice farms in the Murray Valley reduced from 800 to 617 in number. In 1974 there were 1,850 approved ricegrowers in the Murray Valley. By 1975, the figure was less than 1,500. Rice farms, however, were growing larger: by 6.9 per cent in the MIA (largely due to Warrawidgee increases); 2.5 per cent in the CIA and; 2.7 per cent in the Murray Valley. The total average increase was 4.6 per cent with actual acreage available to growers expanding by 20 per cent. In the previous seven years, average acres of rice on farms had doubled from 60 acres to 120 acres. In 1975, for the first time, the Murray Valley became the major producer of rice in Australia, although the overall New South Wales crop fell by 28,000 tonnes.

<table>
<thead>
<tr>
<th>WCIC Rice Areas, June 1974</th>
</tr>
</thead>
<tbody>
<tr>
<td>120 acres</td>
</tr>
<tr>
<td>115 acres</td>
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<tr>
<td>95 acres</td>
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</table>

<table>
<thead>
<tr>
<th>Paddy Production</th>
</tr>
</thead>
<tbody>
<tr>
<td>151 542 tonnes</td>
</tr>
<tr>
<td>148 533 tonnes</td>
</tr>
<tr>
<td>74 498 tonnes</td>
</tr>
</tbody>
</table>

9 Berriquin RGA, Minutes, 17 February 1975; Wakool RGA, Minutes, 25 February 1975; CIA RGA, Minutes, 26 February 1975; Deniliquen RGA, Minutes, 24 February 1975; Mirrool RGA, Minutes, 19 February 1975; Southern Riverina News, 7 November 1975.
10 Southern Riverina News, 31 January, 28 February 1975; Pastoral Times, 4 February 1975; IR, 6 May 1975.
11 AN, 28 February 1975.
14 AN, 17 March 1975; Southern Riverina News, 29 April, 16 May, 1975.
15 AN, 5, 12 March 1975.
17 IR, 6 May 1975; Southern Riverina News, 15 April, 16 May 1976.
18 IR, 20 May 1975; AN, 19 May 1975.
19 AN, 2 June 1975.
20 AN, 21 May 1975; Pastoral Times, 6, 13 June 1975.
21 IR, 20 June 1975.
23 Bridge, 4 July 1975; Pastoral Times, 4 July 1975.
24 IR, 8 July 1975; AN, 30 June, 4 July 1975.
27 IR, 19 August 1975; CIA RGA, Minutes, 2 July 1975; Mirrool RGA, Minutes, 27 June 1975; Berriquin RGA, Minutes, 23 June 1975; Wakool RGA, Minutes, 24 June 1975; Deniliquen RGA, Minutes, 24 June 1975; Yanco RGA, Minutes, 3 July 1975.
28 AN, 28 August 1975; Pastoral Times, 30 September, 3, 8 October 1975; Southern Riverina News, 23 September 1975; Bridge, 10 October 1975; RGA, General Secretary's Report, 1976.
31 IR, 4, 11 November 1975; Southern Riverina News, 7 November 1975.
33 Bridge, 5 November 1975; AN, 19 December 1975; Pastoral Times, 5 December 1975.
36 Southern Riverina News, 16, 19 March 1976; Pastoral Times, 19 March 1976; AN, 23 March 1976. There was speculation about the possible replacement of WRC Chief Commissioner Mackintosh by J B Cunneen through this period. Cunneen was not appointed Commissioner until mid-1977.

Chapter 37: ‘That drop of water we all rely upon’: The Rivers Reach Their Limits, 1976-1977

2 Frances Tsoukalidis: Correspondence Gary Lewis, January 1994.
6 Southern Riverina News, 18 June 1976; Pastoral Times, 30 July 1976; Bridge, 10 September 1976. Greg Graham, President of the Deniboota Landholders Association was Vice President of the SRIDC. K Parkes of Wakool was on the SRIDC Executive. David Lowing was Treasurer.
8 AN, March 1977; Pastoral Times, 18 February 1977.

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Chapter 38: Noel Hogan, Vale!

1. AN, 14, 23 April 1975; Pastoral Times, 11 April 1975; Bridge, 13 June 1975; RCM Annual Report, 21 November 1975; RGA General Secretary's Report, 1975. There were twenty-one delegates to the RGA Central Executive in 1975. Russell Emery replaced the retiring Des Keeley (Mirrool). Other RGA executive members to RICC:

- Senior Vice President Noel Hogan
- Junior Vice President Greg Graham
- Messrs Kayess, Blight, Whelan, Hawkins and McAllister.

Ron Gorey (Moulamein) replaced Tom Holden (deceased) on the RMB. Frank Sheldrick (Farm 17 Tullakool) temporarily filled the vacancy on the RCM Board caused by Fred Bock's death. RCM Board 1975:

- Chairman I C Davidge
- Deputy Chairman C Holden
- General Manager W N Donaldson
- Secretary E J Herring


The RGA Central Executive now consisted of 23 members:

- President G Blight
- Senior Vice President Noel Hogan
- Junior Vice President G Graham

New delegates included:
B Arnold (Berriquin)
P Connor (CIA)
D Cudmore (Mirrool)
T Hogan (CIA)
F Sheldrick (Wakool)
L Tucker (Wakool)

Messrs Blight, McCleary, Whelan, Hawkins and McAllister were delegates to RICC.

More than $26 million was invested in storage mills and equipment; $15.4 million by RMB and $10.6 million by RCM.


RMB Board 1977:

Chairman W N Hogan (Yanco)
Vice Chairman B Holloway (Deniliquin)
R F Emery (Griffith)
R J McCleary (CIA)
R A Gorey (Moulamein)


RMB NSW, Chairman’s Report, 1976.


IR, 8 February 1977.

IR, 11 February 1977.

IR, 16 February 1977.


Land, 30 June 1977.

IR, 2 August 1977; Southern Riverina News, 11 November 1977; RMB NSW, Jubilee Report, February 1978. Russell Emery, Acting RMB Chairman, was unanimously elected Chairman. Rod McCleary became Vice Chairman. An election was to be held in November 1977 to fill the vacancy caused by Hogan’s death.


IR, 30 September 1966.


AN, 30 March 1966; Telegraph, 9 June 1966; Canberra Times, 9 June, 16 November 1966; SMH, 10 March, 6 June 1966; Land, 5 May, 16 March 1967; Bridge, 19 January 1973; RCM, Rice Mill News, November 1971; RGA, Presidential Report, 971; RMB NSW, Chairman’s Report, 1971, 1972; Shopper, 17 May 1973; Southern Riverina News, 1 March 1980. The variety Sirca, released in 1962 by CSIRO for use in the Northern Territory, was selected from crossbred populations
introduced from India. There were large increases in yields in 1970/71 from 6.24 tonnes to 7.48 tonnes per hectare.

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*Country Life*, 10 February 1967; *AD*, 3 March 1967; *Southern Riverina News*, 31 March 1978; *IR*, 23 September 1966; *SMH*, 14 October 1966; A E Bowmaker, *History of Leeton*, op. cit., 246-7. In the mid-1960s, deeper ploughing gathered vogue, especially on Willbriggie clay-soils on the CIA and Kooba, replacing shallow disc ploughing. The 'Noble' blade plough was developed allowing stubble to be chopped confidently and fed into the soil, enriching soils and reducing the need for artificial fertilisers (but not without problems associated with nitrogen concentrations and decomposing organic matter).

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*Land*, 3 December 1964; *AD*, 25 March 1965; *Pastoral Times*, 25 August 1964, 9 January 1979; *SMH*, 16 April, 1 June 1964, 19 February 1966.

13  

*AD*, 2 August, 7 October, 8 November 1968; *RMB NSW, Chairman's Report*, 1969, 1971; *RCM, Rice Mill News*, March 1969, March 1970. In 1988 the chemical Londax was introduced for the first time 'revolutionising' weed control by killing broadleaf weeds such as 'Dirty Dora' and 'Starfruit' at an early stage. The Dupont Company which marketed the chemical said that the key issue was correct timing in the application of Londax, after the two-leaf stage of the rice plant and not before:

If the weeds are breaking the surface of the water you have really started to lose yield. Therefore you have to increase your rate of chemical but the horse has bolted. ... We suggest it is done the night before or six hours prior instead of while they are marking for the plane because the water movement will cause the chemical to move.

Farmers were advised to turn water off early. The other common mistake was not putting a stop in the first bay. Holding the water for approximately five days was important if the full benefits of Londax were to be realised.

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16  


18 AN, 30 March, 6 May 1966; IR, 25 March 1975; Pastoral Times, 21 September 1976.


20 IR, 30 August 1966.


22 AD, 8 November 1968.

23 Bridge, 4 August 1972, 11 April 1974; Pastoral Times, 21 May, 26 July 1974; Southern Riverina News, 26 January, 5 April 1974, 6 April 1976.


28 Southern Riverina News, 26, 28 September 1978, 2 March 1979, 15 January, 8 October 1983; Pastoral Times, 1 August 1978, 6 April 1979; Bridge, 14 September 1979; Age, 15 April 1983; Land (Southern Extra), 18 July 1985. In 1983 the Tullakool System pumped about 8,100 megalitres of water containing 155,000 tonnes of salt. In the four years to July 1986, about 646,000 tonnes of saline water was pumped into the evaporation basin. No salt had been harvested. The system was effective but hard-pressed to meet the volume of effluent and prone to corrosion, involving expensive maintenance.

PART IV: DEREGULATION


3 Southern Riverina News, 28 April 1978; RGA President’s Newsletter, January, July 198.

4 Pastoral Times, 27 June 1978; Southern Riverina News, 1 September 1978; IR, 10 November 1978; Australian, 1 September 1978; CIA Branch RGA, Minutes, 3 February 1979. Lois Grant died aged 87 years in October 1978.
By 1980 there were 1,203 private irrigation pumpers on the Lachlan system alone.

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AFR, 26 January 1983.


Deniliquin Independent, 1 June 1983; IR, 17 May 1983.


Land, 7 July 1983. Skogerboe pointed to the excellent work being done by Damien Heenan at the Yanco Irrigation Research Station, investigating optimum plant use of water and rice production under restrictive irrigation.

AN, 18 August 1983; Daily Advertiser, 18 August 1983; IR, 19 August 1983.


Chapter 41: ‘On the razor’s edge’: Rice Industry Crisis, 1984-1985

1 Southern Riverina News, 10 February, 19 April 1984; Deniliquin Independent, 23 February, 26 October 1983; NSW Grain Farmer, 18 April 1984.


4 AFR, 16 May 1986.

5 Age, 12 March 1984; IR, 6 March 1984; Southern Riverina News, 20 March 1984. Geoff Hogbin was an author of the Monash University study.


8 IR, 26 June 1984.

9 Land, 12 July 1984.


14 Southern Riverina News, 14 September 1984; IR, 18 September, 26 October 1984.


16 Land, 4 October 1984; IR, 16 October 1984. Executive Officers of the Irrigation Farm Working Group 1984-1986: Ms Sally Jones, Regional Economist, New South Wales Department of Agriculture, MIA (until February 1985); Robert Young, Regional Economist, New South Wales Department of Agriculture, Yanco (from March 1985).


18 SMH, 28 November 1984; Land, 4 October 1984; IR, 16 October 1984.


21  AN, 15 May 1985; Land (Southern Extra), 18 July 1985. Land Classification Working Party: M Symth, H Bond (WRC); I David, B Caldwell (RICC); B Wood, A Grieve (Department of Agriculture).

22  IR, 2 August 1985.

23  AN, 8 May 1985; Pastoral Times, 21 June 1985. About 400 attended a meeting in Deniliquin Town Hall on 18 June 1985 to co-ordinate concerns about the effects of government action on rural communities. Hunter Landale was instrumental in organising this meeting addressed by: Ross Boyd (Mayor of Deniliquin); Bill Hermiston (Conargo Shire President); Ray Brooks, Ian Douglas, Tony Cullenwood, Bruce Holloway and Bruce Caldwell.

24  IR, 27 August 1985.


26  IR, 24 May 1985; AFR, 29 July 1985; SMH, 20 June 1985. Controversy continued over proposals for 15 per cent air space in Burrinjuck Dam for flood mitigation purposes. A potentially damaging cargo of mixed barley and rice was discovered at the Grain Elevator Board storage in Geelong.


Chapter 42: ‘It is time to bite the bullet’: The Marketing Board and the Co-operative, 1977-1984


RMB Board 1977:

Chairman R F Emery (Mirrool)
Deputy Chairman R J Mc Cleary (CIA)
J R Small (East Murray Valley)
R A Gorey (West Murray Valley)
Government Nominee J M Burrell
Government Nominee S G Lanham
S G Kayess (Yanco. elected 13 October 1977)
General Manager J P Tagliabue


RGA Central Executive 1978-79:

President G Blight  N F Sheldrick
Vice President C Hawkins  F Wilson
Senior Vice President G Graham  D M Cudmore
General Secretary Bruce Caldwell  I L Durrant
P Connor  T N Hogan
I C Davidge  S G Kayess
R F Emery  N H McAllister
T M Holschier  K M O’Connell
A R Macauley  L H Power
C L McCleary  R L Simpson
F N Partington  K S Williams
R D Williamson     G J Wright


7 Yanco Branch RGA, Minutes, March 1978; Deniliquin Branch RGA, Minutes, 20 February 1978; IR, 9 February 1978; *Pastoral Times*, 19 September 1978, 9 February 1979; *Southern Riverina News*, 3 August, 1979; 6 March 1984; RCM Board re-elected 1979:

   Chairman I Davidge
   Vice Chairman C Holden
   D Keely
   N McAllister
   W Heckendorf (Cotton)

RCM Director Robin Williamson died on 16 May 1979, aged 48. An agronomist, Williamson had married Gwen Tooth, daughter of Harold Tooth. Peter Connor (CIA) replaced him for the rest of the term. RCM, with federal government assistance, had made good market contact in Singapore and the Middle East. Important advances in the use of by-products, particularly for fuel, were made through this period.

8 *Southern Riverina News*, 3 August 1979; *Pastoral Times*, 9 February 1979; IR, 9 February, 1979; AN, 5 January 1979; *Land*, 15 November 1979; Yanco Branch RGA, Minutes, 1 March, 21 June 1979; Deniliquin Branch RGA, Minutes, 26 June 1979; Blake, 'History of the NSW RMB', op.cit; Gary Lewis: Discussions Ian Davidge, Bruce Caldwell. George Kayess was chairman of the Rice Investigation Sub-Committee of IREC, vice chairman of the Narrandera Pastures Protection Board, chairman of the IREC Wheat Investigation Sub-Committee, chairman of the Yanco Water Users Association and involved in the RSL, Legacy and local government.

9 IR, 5 February 1980; *Pastoral Times*, 8 February 1980; IR, 5 March 1982; AN, 6 February 1980; RMB NSW, *Annual Report*, 1980; IR, 5 March 1982. RMB was involved in a Royal Commission involving the Building Labourers’ Federation through this period. In 1980, RMB had paid BLF $1,400 following retrenchment of workers at Burraboi. This was alleged by BLF to be 'under the counter', precipitating strike action.


   C Barber (Griffith)     G Blight (Gogeldrie)
   K Durrant (Barham)      P Hinton (Gogeldrie)
   F Sheldrick (Barham)    H Heckendorf retired, replaced by C Hawkins (Finley)

The huge Deniliquin Mill was opened in February 1981 ($5.75 million) bringing $1.5 million in wages to the area annually.

12 NSW RMB *Annual Report*, 1982. The RMB leased storage space from:

   Grain Handling Authority (NSW)     Grain Elevator Board (Vic)
   Bunge (Aust) Ltd                   Victoria Oat Pool
   Barley Marketing Board of NSW      Bartters Enterprises
   Deniliquin Grain Trust             Letona Foods
   Allied Traders Pty Ltd             White Rose Flour Mills
   Howard Martin & Co.                

13 *Stock and Land*, 20 February 1981.

14 *Pastoral Times*, 2 March 1982; *Southern Riverina News*, 12 February 1982; RMB NSW, *Annual Report*, 1981. Doubts about *The Marketing of Primary Products Act* were not clarified until mid-1985 and then only ambiguously in a High Court decision involving the Queensland Barley Board and Australian Coarse Grains Proprietary Limited, establishing that a crop belonged to a farmer in respect of a statutory marketing authority until it was harvested and became a commodity.

planning and formulating policy in rice areas, production and marketing in equal participation with other component arms of the industry and other related organisations;

- establishment of efficient management and control in co-operation with other related organisations over all matters connected with the receipt, handling, drying, storage, processing, financing and selling of the New South Wales crop;

- disposal of and payment for the entire New South Wales rice crop on an annual crop pool basis and to this end the provision and operation of rice receiveal, drying and storage facilities at depots situated throughout the ricegrowing areas;

- liaison with and representations to governments;

- encouragement of optimum production relevant to current requirements;

- promotion of increased *per capita* consumption of New South Wales rice;

- encouragement of and funding of appropriate research;

- purchase of farm in-puts and services for re-sale;

- accurate records for sound management and provision of accurate data for analysis, planning and payment purposes;

- keeping producers well informed on board and industry matters, effectively involving them in decision-making in connection with quality and type of services;

- maximising the board’s resources including entering into agency and consulting arrangements;

- safe work standards; and

- maintenance of an effective organisation capable of adapting to changing demands and sensitive to the responsibilities of producers generally.

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18 *IR*, 1 June, 10 July 1984; Gary Lewis: Discussions Bruce Caldwell, Neil Donaldson.

**Chapter 43: Birth of Ricegrowers’ Co-operative Limited, 1985**


5 RCM, *Annual Report*, 1985; Gary Lewis: Discussion Neil Donaldson; Gary Lewis: interview Ian Davidge, 1991. George Kayess objected to the phrase ‘up to five RMB directors’, insisting it be replaced by ‘five RMB directors and two external directors’. D Tinkler, of Berriquin, proposed a variation to the timetable. At the RCL AGM 1985, four RCM directors were to retire and stand for office for two years. At AGM 1986, five RCM directors were to retire and stand for office for two years. Three RCM directors were to do the same at AGM 1987. Then at AGM 1988, three RCM directors would retire and seek re-election for three years. In 1989, another three would retire and seek re-election for four years. Former RCM directors included: D F Keely (1970), N H McAllister (1974), P A Hinton (1962), C H Hawkins (1981), G T Barber (1964). RMB managers B Mannell, H Bate and L Talbot accepted redundancy packages. K S Williamson of Yanco left the RMB after the board’s grower-elected representative number on RCL was reduced to four, leaving D Cudmore (Chairman), G F Lawson (Deputy Chair), R J McCleary and G W Rathbone; (RCL Directors); G Mackinnon (RMB Secretary). The services of Field Manager John Sharman were retained. Docherty was at various times a director of:

- Burns Phelp and Company,
- Coal and Allied Industries Limited,
- Legal and General Assurance Holding (Australia) Group,
- Med Network Systems Proprietary Limited,
- Victory Reinsurance Company of Australia Limited.

Chapter 44:  Deregulation Regardless: Momentous Change in 1986

Chapter 45:  ‘All I have to offer you is objectivity’: RCL General Manager Jim Kennedy

Chapter 46:  Reports Fair and Foul, 1987
2  National Farmer, 4 September 1986; Profitability of Large Area Farms, op.cit., 2, 4-9, 29, 45, 47-48, 50, 56-58, 79-80, 107. Gary Lewis: Discussion Secretary, RGA Mike Hedditch.
5  IAC, Rice Industry Report, op.cit., xi, xii, xxvi-xxvii.
7  IAC, Rice Industry Report, op.cit., xxv-xxvi, 95, 97.

Chapter 47:  ‘This is a grower co-operative run by farmers’: A Review of Rice Industry Events, 1987-1992
2  Gary Lewis: Interview Jim Kennedy, op.cit.
3  The RCL ‘Sculptures’ advertisements, depicting foods being assembled out of rice grain, won the Australian Food Advertisement Campaign of the Year Award, a Gold Logie at the London International Advertising Awards and were finalists in the New York Art Directors' Awards.
4  In 1989 Terry Hogan was elected Deputy Chairman of RCL. The RCL Board of Directors was then:

RCL DIRECTORS
Chairman Ian Davidge (Yenda)
Deputy Chairman Terry Hogan (Coleambally)
Bruce Barber (Warrawidgee)
Graham Blight (Gogeldrie)
Des Cudmore (Benerembah)
Knox Durrant (Deniboota)
Clive Holden (Deniliquin)
Peter Burrell (Coleambally)
Gerry Lawson (Deniliquin)
George Rathbone (Wakool)
External Directors Barry Buffier, Derrick Docherty

EXECUTIVE STAFF
<table>
<thead>
<tr>
<th>General Manager</th>
<th>Jim Kennedy</th>
<th>Operations</th>
<th>Ron Marks</th>
</tr>
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<tbody>
<tr>
<td>International Marketing</td>
<td>Ross Allan</td>
<td>Biocon</td>
<td>Peter Klatt</td>
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<tr>
<td>National Marketing</td>
<td>Jim Morwitch</td>
<td>Coprice</td>
<td>Keith Hutton</td>
</tr>
<tr>
<td>Finance &amp; Admin Services</td>
<td>Bruce Caldwell</td>
<td>Grower Services</td>
<td>John Sharman</td>
</tr>
</tbody>
</table>
Des Cudmore retired as RMB Chairman and was replaced by Gerry Lawson. The IC had claimed that assistance to the rice industry was 50 per cent. Later it accepted that the measurement of consumer transfer (the difference between domestic rice prices and export prices originally claimed to be due to the industry’s marketing arrangement) was faulty, adjusting the assistance figure to 10.6 per cent, removing rice from the list of highly assisted industries.

Other promising varieties were being prepared for commercial testing in 1989: Doongara, shorter than Amaroo; and Bahai originally from Spain, a large, bold-shaped grain with a pronounced chalky-fleck. RMB NSW, Annual Report, 30 June 1989; RCL, Update, 9 March, 17 July, 11 September 1989; RGA, Newsletter, May 1991, 4.


7 RCL, Update, 13 February, 11 June 1991. The discovery of a Warehouse Beetle infestation at CIA and East Murray Valley storages requiring fumigation by the Department of Agriculture caused some embarrassment to RCL and inconvenience for growers. Estimates of losses varied to 80,000 tonnes.

8 Cartage subsidies cut out at 64 kilometres, equal to 17 cents a tonne across the crop. RCL, Update, 20 July, 18 September 1987, February, June, September 1988, 6 April, 8 June, 10 September 1990; RMB NSW, Annual Report, 30 June 1988, 30 June 1990; Gary Lewis: Discussion, Jim Kennedy, Mike Hedditch, 1992. Farmers in other primary industries observed the relatively good returns for rice. Many, particularly wheat and woolgrowers, were on their knees, labouring for negative returns.


11 Pastoral Times, 28 June 1991; Southern Magazine, 11 July 1991; IR, 12 July 1991; RGA, Australian Members' Newsletter, 27 May 1991. New South Wales Minister for Water Resources Ian Causerly agreed to appoint an independent review to examine MIA water delivery costs. The MIA and Districts Management Board consisting of Wally Hood (Chairman), Mike Hedditch, John Lugsdin, Ian Oag, Dick Thompson and Alan Wray, set prices. The MIA Council of Horticultural Associations demanded equal representation on the board. There was disagreement between horticulturalists and large area farmers over pricing and supply. Local government and vegetable growers were also keen to gain representation on the board. The minister was prepared to ‘step in’ if the board could not resolve disputes.


15 Deniliquin Standard, 18 September 1991; Gary Lewis: Discussion: Bruce Caldwell, Chris Black.
PART VI: APPENDICES

Appendix A: ‘A clap of thunder followed by an angry wind’: European Occupation of the Riverina


3 Kelly, op.cit., 27; Gammage, op.cit., 25, 28-29.


6 Read, op.cit., 24-27, 39, 57, 132; Gammage, op.cit., 15, 29-37, 40.

7 A political perception arose after the Robertson Acts linking land reform and public control of water resources and water conservation. John Robertson (himself a squatter and Premier again between 1875 and early 1877), unsuccessfully sought state construction of dams, tanks and reservoirs for artificial water as a means around the squatters’ Riparian Rights defence. Premier Frank Farnell resigned in 1878 after squatters defeated a pro-selector bill in the Legislative Council and unsuccessful attempts to legislate for water trusts and water conservation. After a brief period of political stability, the Parkes–Robertson administration also fell in 1882, again on the land reform question. Alexander Stuart formed a government in 1883 with a mandate to introduce radical land reform. Drought, continuing conflict between selectors and squatters and the Colony’s parlous financial situation saw Stuart resign in 1885. His replacement, George Dibbs, resigned soon after. John Robertson again formed a government. This lasted for two months. A Crown Lands Act, designed specifically to break-up the great squatter runs, was enacted but became paralysed by political jostling.


9 Royal Commission on Crown Tenants, reported in Bulletin, 1 January 1890.

10 The Robertson Crown Lands Act dispensed with the requirement for surveys. Selectors could select between 40 and 320 acres from other than existing leases or licences, town land, reserves (including water reserves) on goldfields, paying £1 an acre on 5s.0d. deposit payable fully in three years or deferred indefinitely at 5s.0d. per annum exclusive of fencing, through that period. Existing lessees were given special rights of selection relating to investments made. G L Buxton, The Riverina 1861-1891, op.cit., 59, 249; W R Cowper, The Barren Jack Scandal, op.cit., 38-99; Gammage, op.cit., 222-30; Kelly, op.cit., 28, 38.

Appendix B: The Thirsty Years: Closer Settlement and Irrigation, c1885-1906


3 McCaughey, op.cit., 87; *Macquarie Book of Events*, op.cit., 158.

4 In 1881, the Junee Railway reached Narrandera. Work began on the Hay line via Darlington Point. The Narrandera–Jerilderie Branch Line was completed in 1884. The Wagga–Albury line was opened and by 1883 Sydney and Melbourne were linked directly by rail via the Albury Bridge. In 1885, the railway system reached Bourke on the Darling River. Small dams and lakes were built for sluiceways used in gold mining. Copper was discovered near Cobar in the late 1860s, leading to the development of a mine. Tin mining began at Inverell, Tenterfield and Glen Innes in 1871. In 1875, the Department of Mines was formed. Silver was found at Silverton in 1876 and silver, lead and zinc at Mount Gipps (Broken Hill) in 1883. Smelting works commenced soon after. All minerals found on Crown Land in respect of future land grants became the property of the Crown after 1884. Gammage, op.cit., 104; Cowper, op.cit., 70.

5 Gammage, op.cit., 104; Walker, op.cit., 246-47. After settling in Australia, McKinney was appointed to the New South Wales Public Works Department in 1879.


9 Cowper, op.cit., 11-12; Kelly, op.cit., 45; Gammage, op.cit., 104; McCaughey, op.cit., 97.

10 The Murray River Main Canal League formed in 1897 among mainly wheatgrowers in the Berriquin and Finley districts. Local Member E J Gorman, agitated for prompt implementation of *The Home Report* in the Murray Valley. The political perception, however, was that development of a Murray River Scheme was 'inter-colonial' and therefore, by definition 'governmental'. In Sydney, the idea of a future federal government, probably based in Melbourne, gaining control over New South Wales water resources was unconscionable. Irrigation lobby groups calling for action on *The Home Report* also formed among wheat farmers around Whitton and Narrandera in the Murrumbidgee Valley. In April 1902, the Murray River Main Canal League held a conference in Corowa to which the prime minister and the premiers of New South Wales, Victoria and South Australia attended, and representatives of Victorian Irrigation Trusts. An interstate Royal Commission on the River Murray formed from this conference. Although the Murray River belonged to New South Wales, its southern bank forming the northern boundary of Victoria, New South Wales had made no use of the water apart from the small Curlewaa Irrigation Scheme at Wentworth. In 1913, an Interstate Conference of Engineers met to consider the question of the use of Murray River waters. The *River Murray Waters Act* followed in 1915, effective in 1917, creating the River Murray Commission. Construction began on the Hume Weir in late 1919. The weir was not formally opened until 1936. Walker, op.cit., 191-93; Kelly, op.cit., 51; Chessbrough, op.cit., 11-12.

11 Kelly, op.cit., 54; McCaughey, op.cit., 88, 95, 102; Gammage, op.cit., 104; Cowper, op.cit., 20-21. Estimates of damages awarded vary between £2,000 and £17,000. McCaughey had been earlier required by the government to meet costs of repairing the Wilson Cutting. The government voted £7,000 toward construction of the 'McKinney Cutting' two kilometres upstream from the Wilson Cutting, involving McCaughey and other landholders in construction through 1895 to 1896 and dramatically improving the flow in Yanko Creek.

12 McCaughey, op.cit., 72, 98, 102-109; Cowper, op.cit., 20–21; Gammage, op.cit., 104. McCaughey proceeded with an ambitious property purchasing program, buying Fort Bourke in 1905, Nariah and Oakhurst in 1906 and Nocelecha in 1909, for example. It is probable that he was aware of the possibilities of irrigation for primary production and future land sales or resumption.
the government's rule, involving accusations of bribery by former ministers with whom Harvard University. In 1905, the Carruthers' government was shaken by the appointment of a investigator for the US department of agriculture. McKinney was replaced at public works by his protégé, L A B Wade.

Cowsbrugh, op. cit., 9; Cowper, op. cit., 14-17, 21-23, 66, 93-94; Kelly, op. cit., 47-49; Riverina grazier, 2 February 1904, 2. Chief surveyor of the department of mines A L Lloyd surveyed the Whitton-narrandera area, reporting in November 1904. The survey covered 4,118 miles and 2,635 million acres, embracing country north of the murrumbidgee, north-west of Narrandera to the Lachlan River, about twenty miles out of Hillston. Some sections to the south of the murrumbidgee were also surveyed. The survey took seven months.

Cowper, op. cit., 14-17, 21-23, 93-94, 103; McCaughey, op. cit., 110-111; Gammage, op. cit., 104; Irrigation record, 15 March 1913; jaffcoat, op. cit., 113. Following the select committee's conference in narrandra, the narrandra district irrigation association formed in February. The future prosperity of the region was described in terms of irrigation, farming products and settlement. Cowper dismisses Patricia McCaughey's assessment, a point irrelevant to our discussion.

Gammage, op. cit., 87, 104; Kelly, op. cit., 51; marilyn lake, the limits to hope: Soldier settlers in victoria, 1915–1938, Oxford university press, melbourne, 1987, 19-20. A new south wales royal commission into the declining birthrate linked agriculture and large families. Since much land suitable for agriculture was occupied by pastoralists, it would be necessary to break up the vast runs to release 'productiveness' and:

... counteract the tendency to the increased employment of women and girls in factories [by] encouraging the settlement of people on the land, especially agriculture as this enlists the force of self-interest on behalf of the growth of families.

Kelly, op. cit., 47-49, 54; McCaughey, op. cit., 98, 110-111; Cowper, op. cit., 14-17, 21-23, 66; 93-94, 103; Gammage, op. cit., 100, 104-105; Chessbrough, op. cit., 9. Whitton FSA President A J Newson firmly believed McCaughey had undue influence on a decision which seemed 'solely for his benefit'. McKinney agreed.

Kelly, op. cit., 51; Cowper, op. cit., 22-24. At the 1905 conference, mccaughey linked irrigation, immigration, closer settlement, railways and defence:

I consider we can carry a very big population here [and] we want immigration, railways and water conservation. ... there are teeming millions not far from our shores who will not allow us to retain this country with a mere handful of population.

Kelly, op. cit. 51-52; Cowper, op. cit., 26, 53. Cowper describes the department of mines and agriculture surveys as 'superficial'.

Kelly, op. cit., 51-52, 55; Cowper, op. cit., 25-26; Gammage, op. cit., 105; McCaughey, op. cit., 98.

A E Bowmaker, A Brief History of Leeton, op. cit., 8-9; Kelly, op. cit., 54-57; Cowper, op. cit., 22, 28-30, 34; W R Cowper, 'A History of the Murrumbidgee Irrigation Area', MA thesis, university of newcastle, 1968; SMH, 6 February 1906. Mead was chief irrigation investigator for the US department of agriculture, professor of institutions and practice of irrigation at the university of California and special lecturer in irrigation engineering at Harvard University. In 1905, the Carruthers' government was shaken by the appointment of a Royal commission to investigate allegations of malpractice in the lands department during the see government's rule, involving accusations of bribery by former ministers with whom
the premier was associated. The Royal Commission reported in 1906. Carruthers resigned in 1907.

Appendix C: ‘Muddling mismanagement, disastrous blundering and callous misrepresentation’: The Murrumbidgee Irrigation Area, 1906-1934


2 For an excellent description of construction of the Burrinjuck Dam see Sue Chessbrough, A Spread of Green, op.cit., 11-26. W R Fry was the first Manager of the Yanco Experimental Farm. He was replaced in 1908 by F G Chomley who held the position for more than twenty years.

3 W R Cowper, op.cit., 35-41; Bill Gammage, Narrandera Shire, op.cit., 100.

4 Cowper, op.cit., 40-41, 44, 47, 53, 94-98; Kelly, op.cit., 58; Bowmaker, op.cit., 55; Patricia McCaughey, Samuel McCaughey, op.cit., 119-120, 129, SMH, 9, 10 August 1910.

5 Chessbrough, A Spread of Green, op.cit., 31, Kelly, op.cit., 31-33, 59; Cowper, op.cit., 53; Kevin Jaffcoat, More Precious Than Gold, op.cit., 6. A Land Board was constituted consisting of: F W Watt (Lands Department), W J Allen (fruit expert), and G H Tolley (engineer).

6 For an interesting discussion on the determination of costs see Cowper, op.cit., 50-53, 56-57, 59-65, especially 61 and 65; Kelly, op.cit., 59, 63-65; Bowmaker, op.cit., 55; Gammage, op.cit., 104, 106; SMH, 6 November 1912.

7 Kelly, op.cit., 64, 202; Chessbrough, op.cit., 33, 38 (for a statement of WCIC powers); Cowper, op.cit., 56-65; Gammage, op.cit., 103; Irrigation Record, 15 February 1913. Under a planned Industrial Undertaking Act (1913), the commission was supposed to be self-supporting.

8 Chessbrough, op.cit., 31, 33, 59, 63; Kelly, op.cit., 64, 81, 202; Cowper, op.cit., 60-61; Jaffcoat, op.cit., 5, 14; Bowmaker, op.cit., 19-21, 25, 29; Gammage, op.cit., 102-104; Irrigation Record, 15 February 1913.

9 Cowper, op.cit., 58-59, 70; McCaughey, op.cit., 131.

10 Cowper, op.cit., 50-51, 63-70; Kelly, op.cit., 25, 78, 119; Bowmaker, op.cit., 36, 100.

11 Cowper, op.cit., 72, 75; Kelly, op.cit., 120; Gammage, op.cit., 201, Bowmaker, op.cit., 259. In November 1916, Holman deserted Labor and formed a Nationalist Coalition Ministry, which included five ex-Labor Ministers, six Liberals and the Progressive, Beeby.

12 Chessbrough, op.cit., 123; Kelly, op.cit., 119, 124; Cowper, op.cit., 74-75, 78; Bowmaker, op.cit., 13, 100; Marilyn Lake, The Limits to Hope, op.cit., 7, 24, 53-54, 106. E J Brady released the popular book, Australia Unlimited in 1920 writing 'Under the arid seeming plains I saw possibilities of marvellous tilth'.

13 McCaughey, op.cit., 129.

14 Gammage, op.cit., 220; Bowmaker, op.cit., 109, 128, 136; Cowper, op.cit., 78, 79, 90; Kelly, op.cit., 122; for discussion on the politics of closer settlement through this period see Gary Lewis, 'Million Farms Campaign, NSW, 1919-1925' in Labour History, No 47, November 1984, 55-72. Land Settlement Officer and Chairman of the Irrigation Investigation Committee H R Alexander, who had been corresponding with Wade since 1914, was passed over in the selection process, disappointing many. Alexander resigned soon after.

15 Cowper, op.cit., 85; Bowmaker, op.cit., 102-103, 105, 122; WCIC Leeton Correspondence: G J Evatt to J G Youll, 9 August 1923; E Mead, Report MIA, 11 September 1923.

16 Bowmaker, op.cit., 52, 130, 259; Cowper, op.cit., 82-85, 88; Chessbrough, op.cit., 89; Kelly, op.cit., 85; SMH, 23 March 1925.

17 Lake, op.cit., 8, 22; Cowper, op.cit., 85, 90; SMH, 23 March 1925.

18 Cowper, op.cit., 86, 88; Bowmaker, op.cit., 13; Kelly, op.cit., 125-127, 271; Classification Committee: F H Brewster (Chairman), G St Clair Potts (Land Settlement Inspector, Leeton), H J Braund (Land Settlement Inspector, Griffith).

19 Stark v WCIC, Land Valuation Court Reports, 1926; Batkin v WCIC, Land Valuation Court Reports, 1926. HMA was subsequently defined as:
An area which when used for the purpose for which it is reasonably fitted, would be sufficient for the maintenance in average seasons, and circumstances of an average family.

Dennis Toohey, New South Wales Department of Agriculture Regional Director, Murray and Riverina Regions, in Agricultural Gazette, NSW, 1 January 1990, 13; Bowmaker, op.cit., 89, 96-97; Chessbrough, op.cit., 124; IR, 30 July 1926; Lake, op.cit., 224.

20 Farram Committee of Review: J Farram (Chairman), A H McDonald (Director of Agriculture), P H Rutledge (Secretary, Irrigation Co-operative Societies); Bowmaker, op.cit., 110-111, 260; Kelly, op.cit., 131-133; Cowper, op.cit., 96-97; Chessbrough, op.cit., 124. A separate Large-Area Holders Association formed demanding the right to grow rice and planning to test at law the value of large-area farms which were still considered too high. This was later withdrawn.
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A Abrahams and Sons
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Alabama
Albert River
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Albury
Albury Farm
Alex Colquhoun and Sons
Alexander the Great
Alexander, H R
Alexander, J H
Aljibury, Dr F
Allen, W J
Allied Reconstruction Plan
Allman, S
Alps
Alston, J
*Amaroo*
Amaterasu Omi–Kami
America
American Samoa
American Trade Agreement
Anderson
Anderson Meat Packing Company Limited
Anglo-Am, C
Ankolto
Anomalies Committee
Antarctica
Anthony, D
Antwerp
Appraisal Scheme
Aquilina, A
Arab Gulf
Arbitration and Conciliation Commission
Ardlethan
Area Brickworks Proprietary Limited
Arkansas
Armstead, K
Armstrong, A
Armstrong, I
Army Veterinary Corp
Army worms
Arnold, B
Arnold, R B
Arnold, R B
Artesian Wells Act NSW (1897)
Arthur, J
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Asquith, R H
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'Austral'
Australasian Association for the Advancement of Science
Australia
Australia
Australia Post and Telegraphs
Australia(n) Rice Proprietary Limited
Australian (Associated) Rural Industries Limited (ARI)
Australian Agricultural Council
Australian Broadcasting Commission
Australian Bureau of Statistics (ABS)
Australian Canners' Association
Australian Capital Territory
Australian Coarse Graingrowers' Association
Australian Consolidated Fertilisers
Australian Constitution Free Trade
Australian Council of Salaried and Professional Associations
Australian Council of Trades Unions
Australian Dairy Farmers Federation
Australian Farmers' Federation (AFF)
Australian Horticultural Growers' Council
Australian Labor Papers Limited
Australian Labor Party (ALP)
Australian National Commission on Irrigation and Drainage
Australian National Emergency Scheme
Australian National Film Board
Australian National Parks and Wildlife Service
Australian National University
Australian Primary Producers' Union
Australian Producers' Wholesale Co-operative Federation
Australian Rice Millers Association (Associated Millers/Millers' Association)
Australian Rice Millers' Association (Associated Millers/Millers' Association)
Australian Rice Millers' Association: Rice Equalisation Committee
Australian Rice Millers; Association: Rice Equalisation Committee (REC)
Australian Rural Industries (ARI)
Australian Socialist League
Australian Society of Soil Science
Australian Wheatgrowers' Federation
Australian Wool and Meat Producers' Federation
Australian Woolgrowers' and Graziers' Council
Australian Workers' Union (AWU)
Australie: Commonwealth Bureau of Agricultural Economics (ABAE)
Ayr
Baddeley, J
Bailey, B
Bailey's Creek
Baillie District
Baird, H
Baker, F
Bald Coots
Balkans
Ballina
Balranald/ Balranald Weir
Baltieri, C
Ban Chiang
Bangkok
Bangladesh
Barber, B
Barber, G
Barellan/Barellan Station
Bargo
Barham
Barley Market Board Queensland
Barnhill, W (Junior)
Barnyard Grass
Barren Box Swamp
*Barren Jack and Murrumbidgee Canals Construction Act NSW (1906)*
Barron River Rice Company
Barter, Mr
baru:
Bateman C
Bathurst/Bathurst Burr
Batkin, J
Bavin, T R
Beale, J
Beckett, Professor
Beckom
Beeby, G S
Beelbangera
Behan, T
Beirut
Belconnen
Belebula Dam
Belgium
Bell, A F
Bell, S R
Bendigo
Benerembah/ Benerembah Irrigation District/ Benerembah Station
Bennet, M
Bennett, W
Bent, Sir T
Beremebd/Berembed Weir
Berrigan
Berriquin Irrigators' League (Deniliquin Branch)
Berriquin Irrigation District (BID)
Berriquin Irrigation District Drainage Committee
Berriquin Irrigation District Ricegrowers' Association
Berriquin Irrigation District Sub-Surface Drainage and Salt Intervention Scheme
Berriquin Irrigator' Council (BIC)
Berriquin Rice Development Association (BRDA)
Berriquin Water Users' Association
Berry, R
Besinett, I
Bethungra Dam
Bevan Royal Commission NSW (1916)
Bevan, H
Beveridge J
Beveridge, N W
Beveridge, R
Biame, Maker of the Universe
Bicego, F
Billabidgee
Billabong Creek
Billilingera
Biloela Regional Experiment Station
Binya Station
Birchip
Biscuit Wheat Committee
Black and Company
Black, R C
Blacker, W
Blackmore, D
Blackwood, J H
Blainey, J
Blair and Cameron Proprietary Limited
Blake, Mr
Blake, R
Blakeney, A
Blakeney, T
Blayney
Blencowe, G F
Blight, G
Blighty
Blighty-Mayrung Irrigation League
Bloodworms
Bloomer, P W
Blowering Dam
Blue Bonnet 50
Blue Rose
Boabula
Bock, A
Bock, B
Bock, F A
Bock, J
Boerema, E
Bogan
Boldiston, B
Bombay
Bonami, L
Booligal
Booree Plain
Boorooban Domestic and Stock Water Supply District
Borneo
Bougainville Mine
Bourke
Bovis, R G
Bowdich, C
Bowmaker, A E
Bowmaker, I (nee Goldie)
Bowning
Box Creek
Boyd, R
Boyd, W A
Boyson, J
Bradbury, H R
Bradbury, R H
Bradley, G
Brady, E (née Williams)
Brady, H P
Brady, J (Jack)
Brady, J (Joan)
Brandon/Brandon Mill
Brazil
Breadalbane Plain
Brevindic
Brevis
Brewarrena River
Brewster, F H
Brewster, F W
Bright, J
Brisbane
Broadhurst, M
Brogenah Bridge
Brock's Creek
Brodribb, W A
Broken Hil
Broughton, G W
Brown Leaf Spot
Brown, D
Brown, H J
Brown, J E
Brown, T C
Browning, E
Brunning Proprietary Limited
Bruxner, Lieutenant-Colonel
Buckinbong Station
Buffier, B
Bugno, A
Bundigerry Creek
Bungowannah
Burdekin Development Council
Burdekin Rice Mills Proprietary Limited
Burdekin Valley/Burdekin Delta/Burdekin Dam/Burdekin River Scheme
Burdett Family
Bureau of Agricultural Economics (BAE)
Burley-Griffin, W
Burma
Burns Phelp and Company
Burrawoi
Burrell, J M
Burrell, M
Burrell, P
Burrinjuck Dam ('Barren Jack' Dam
Burrows, B
Button, Senator J
Buxton, G L
Byrnes, P
Byron Bay
C E Waters and Company
C Itoh and Company Limited
C S Paul and Company
C19187
Cabramatta Creek
Cahill, Mr
Cain, W
Cairns
Cairns Rice Manufacturing Company
Calady
Cal-Air
Caldwell, B
California
California Fruitgrowers' Exchange
Caloro
Calrose M7
Calville, H
Camarooka District
Camballin Irrigation Area
Cambodia
Campbell, W
Campbelltown
Camperdown/Camperdown Milling Company
Canada/Canada Rice Mill
Canberra
'Canowindra Seven'
Cape Tribulation
Capital Equity Scheme/Capital Equity Certificate
Captan
Carbaryl
Carbone, A
Carlon, R
Carlon, R
'Carmichael' Royal Commission NSW (1915)
Carmichael, W B
Carolina
Carrathool
Carroll, Mrs
Carruthers, J
Carter's Corner
Carver, N P
Casserby, J G
Castagna, M
Catamaran Mine
Cater, W R
Causeley, I
Ceccato, V
Central Murray Flood Mitigation Committee
*Century Patna*
Ceylon
Chaffey Scheme (1886–1893)
Chaffey, F A
Chaffey, G
Chaffey, W B
Charlestown
Cheking Province
Chessbrough, S
Chifley, B
Chile
China/Chinese immigrants
Chomely, Mr
Christmas Islands
Churchill Fellowship/Scholarship
Churchill-Shaw, M
Cirnca
Citrus Research Station (later CSIR irrigation Research Station)
Clampett, W
Clare
Clarence River
Clarke, M
Clifford Love and Sons Proprietary Limited/Clifford Love and Company Proprietary Limited
Closer Settlement Bill (1901)/Closer Settlement Act NSW (1904)
Closer Settlement Board NSW
Clough, R
Cobar
Cocos Islands
Codette, Lieutenant Colonel
'Coffee Pot' Header
Cohuna Irrigation District
Cole Manufacturing Company
Coleambally
Coleambally Creek
Coleambally Irrigation Area (CIA)
Coleambally Irrigation Areas Progress Association
Coleambally Mill
Coleambally Promotion Committee
Collautti, A
Collie Proprietary Coalfields (Western Australia) Limited
Collin, Mr
Colombo Creek
Colombo Plan
Colusa
Commercial Baking Company
Commodity Board Qld
Commonwealth Alien Registration
Commonwealth Arbitration Commission
Commonwealth Bank
Commonwealth Board of Trade
Commonwealth Conservation Strategy
Commonwealth Constitution
Commonwealth Consul-General
Commonwealth Department of Agriculture
Commonwealth Department of Commerce
Commonwealth Department of Commerce and Agriculture
Commonwealth Department of Foreign Affairs
Commonwealth Department of Home and Territories
Commonwealth Department of Immigration
Commonwealth Department of Industry, Trade and Commerce
Commonwealth Department of Man Power
Commonwealth Department of Primary Industry
Commonwealth Department of Prime Minister and Cabinet
Commonwealth Department of Social Security
Commonwealth Department of Taxation
Commonwealth Department of Trade and Customs
Commonwealth Department of Trade and Primary Industry
Commonwealth Environmental Planning Assessment Act (1979)
Commonwealth Food Aid Program
Commonwealth Government
Commonwealth Industries Assistance Commission
Commonwealth Industries Assistance Commission (IAC) Inquiry into the Rice Industry
Commonwealth Industries Commission (IC)/Industries Assistance Commission (IAC)
Commonwealth Industries Commission Review of Statutory Marketing Authorities
Commonwealth Institute of Science and Industry
Commonwealth Labor Government
Commonwealth Murray-Darling Authority
Commonwealth National Conservation Strategy
Commonwealth National Water Resources Program
Commonwealth Resources Tax on Water (Natural Resources)
Commonwealth Rice Advisory Executive
Commonwealth Rice Millers’ Control Committee
Commonwealth Rice Production Committee
Commonwealth River Murray Commission
Commonwealth River Murray Commission
Council for Scientific and Industrial Research (CSIR)
Council for Scientific and Industrial Research: Irrigation Research Station
Cowabbe Creek
Cowan, B
Cowan, D B
Cowper, W R
Cowra
Cox, S H
Crane, C L
Crawford, G R
Creamota Company
Crean, F
Crete
Cribb, J
Crookwell
Crosio, J
Crosky, A
Crown Land/Commissioners of Crown Land
Crown Lands Act
Cruikshank, A
Cudgel Creek
Cudmore, D
Cudmore, M
Cullen, Mr
Cumbungi
Cuneen, J B
Cunial, A
Cunningham, A
Curlwaa
Customs and Excise Department NSW
Cyprus
Czechoslovakia
Daimyo
Dalbeg
Dalton, C E
Dalton, Dr W J
Dalton, G
Daly River
Dapingxiang Village
Darchy, T
Dare, H A
Darlhay
Darling Harbour
Darling Point Road
Darling River
Darlington Point
Dartmouth Dam
Darwin
Davidge, C
Davidge, I
Davidge, V (nee Trainor)
Davidson, B R
Davies, E
Davies, J L H
Davis University California
Davis University Farm USA
Davis, W W
Day, D
DDT
De Pauw University
Debenture Certificate Scheme
Debenture Certificates
Delany, G (nee Harvey)
Deniboota Landholders’ Association
Deniboota/Deniboota Irrigation District
Deniliquin Irrigation District
Deniliquin Irrigation League
Deniliquin Mill
Deniliquin/Deniliquin Council
Denimein Landholders’ Association
Denimein/Denimein Irrigation District
Department of Agriculture and Fisheries NSW
Derby
Derham, F
Desailly, C P
Detheridge Wheel
Deutero-Malays
Development Bank
Dichlobenil
Dickens, A
Dickson, Dr B
Dieldrin
Dirty Dora: *(Cyprus: Difformis)*
Diuron
Docherty, D
Domestic and Stock Water Supply and Irrigation District
Donaldson, N
Dooley, J
Doug Mackellar: Scholarship
Dougherty, T
Douglas, I
Douglas, Sir C
Downing, R G
Doyle, J O
Doyle, P
Drew, D
Drug Houses of Australia
Dubbo
Duffy, M
Dun, W F0
Dunn, D H C
Durrant, K
Dwie Srie
Dwyer, N W
East India Company
East Murray Valley
Eastern Swamp Hen
Echuca Mill
Echuca/Echuca Milling Proprietary Limited
*Edith*
Edmonds, W
Edward River
Edwards, K
Egypt
Egypt-Israel War

Ehime

Ehime Prefecture

Elodea (*Elodea Canadensis*)

Emery, M

Emery, R F

Enticknap, A G

Enticknapp, A E

Equity Certificate Scheme (Equity Redemption Fund)

Eskine, T

Euabalong Track

Eucumbene

Eungella

Euphrates River

Europe

European Carp

European Economic Community (EEC)/European Community (EC)

Evans, G W

Evatt, G J

F H Stephens Proprietary Limited

F W Hughes and Company

Fabbro, del G

Facer, E L M

Fairbairn, D E

Fairfield Council

Fairview Estate

Falkiner, F B

Fallon, R

Farley A E

Farley, B

Farley, M E

Farley, Meyer and Company

Farm Management Certificate Course

Farm Services Centre

Farmer and Settlers' Association (FSA)

Farmer, R

Farmers' and Settlers' Association (FSA)

Farmers' Union
Farram Committee of Review NSW (1933)
Farram Committee Report
Farrer, W
Fauna Protection Council
Fawns, B
Federal Farmers’ Co-operative Service
Federal Government/federal government
Federal Rice Marketing Board
Federation
Fiji
Finley
Fischer, T
Fish Creek
Fitzgerald, D
Fitzroy
Fitzroy River
Five Bough
Five Bridges
Foodex-91 International Fair
Forbes
Ford Foundation
Ford, E
Fordham, E
Foreign Language Press
Fosterville
France
Franklins
Fraser, M
Fraser, R
Freckled Duck
Freemason
Fremantle
French Indo-China (Vietnam)
Fresno University
Freudenstein, G K
Fuks, J D
Fuller, E
Furby, E B
Fyson, Mr
Gabon
Gala Vale
Gammage, W
Ganges Plain
Gardiner, L
Gatenby, N A
Gates, Mr
Gautama Buddha
Geelong
Gellatly, Dr C
Geltch, J
Gemalong Station
General Agreement on Tariffs and Trade (GATT)
Geneva Convention
George, H
Germany
Gibb, Mrs
Gibbings, F
Gibbs, G B
Gibson, J A
Gibson, R
Gilgil
Girl Guides' Association
Gjirek Aletai
Gjirek Gobah
Gjirek Okowman-kolto
Glebe
Gleeson, J
Glover, C R
Glume Blotch
Gogeldrie/Gogeldrie Weir/Gogeldrie Station
Golburg, Dr S
Gold Coast
Golding Family
Gondwanaland
Gooden, Mr
Goolarah
Goolgowi
Goornong
Gordon, L
Gore, D
Gorey, H J
Gorey, P
Gormley, J
Goulburn
Goulburn Valley
Governor Darling
Governor Macquarie
Gowrie-Smith, B
Grace, P R
Grafton/Grafton Experiment Farm
Graham, E H
Graham, G
Graham, W
Grain Corp Sheds
Grain Traiders Limited
Graminae
Grant, D A
Grant, H
Grant, L
Grant, M
Granville
Gras, F
Gras, J
Gras, S
Grassby, A J
Great Artesian Basin
Great Depression
Great Dividing Range
Greeks
Green, J L
Greissier, D
Grieve, Dr A
Griffith Investments Proprietary Limited
Griffith Mill
Griffith Producers' Co-operative
Griffith Settlers' Co-operative Society
Griffith, A
Griffith/Griffith Chamber of Commerce/Griffith Radio Station 2RG
Grocery and General Merchants Limited
Grong Grong
Guam
Guglielmini, L
Gulf War
Gulgong
Gunbar/Gunbar Water Trust
Gunbower Creek
Gundagai
Gutteridge, Haskins and Davey
H V McKay Harvesting Company
Haigh, F B
Hairy Millet
Hall, H S
Hallam, J
Ham, G
Hambledon Sugar Mill
Hamilton Plains
Hamparsum, I
Hangehow
Hankinson, R H
Hankinson, R N
Hannon, J
Hanwood
Harnett, R F
Hartley, R
Hartwood Estate
Hawke, A
Hawke, R
Hawkesbury Agricultural College
Hawkins, A
Hawkins, C
Hay
Hay District Water Users’ Association
Hay Irrigation Area
Hay Irrigation Trust
Hay Rotary Club
Hay Shire Water Users' Association
Hayden, W
Hayes-Williams, N
Hayne, R D
Heck, K H
Heck, W
Hecke, G H
Hemadu
Henham, W T
Henson Family
Herman, Mr
Herodotus
Hickey's Creek
Hicks, E W
Hiderishtriazu
High Court
Hill, W
Hillston
Himalaya
Hinton, P W
Hinton, S J
Historical Society of New South Wales
Hoare, E R
Hobson, W
Hodgkinson Goldfield
Hoffman, A
Hogan, A N
Hogan, B
Hogan, F
Hogan, J
Hogan, J
Hogan, L (née McIntyre)
Hogan, M
Hogan, T
Hogan, W N
Hokkaido
Hokkaido, Central
Holden, C
Holden, C
Holden, E D
Holden, H
Holden, T
Holden, W
Holland
Hollins, E R
Holloway, B M
Hollywood, J
Holman, Mr
Holme, Colonel
Home Maintenance Area (HMA)
Home, Colonel F J
Home, H E
Homestead Selection and Settlement Leases Act NSW (1895)
Homestead Selections and Settlement Leases Bill NSW (1895)
Hong Kong
Honshu
Hop Wah Syndicate
Hoskings, W W
Hoskings, W W
Hourigan, P
Housewife's Association
Houston
Howley, M G
Hudspeth, W R
Hughes, D
Hughes, T
Hulong Sandhill
Hume Weir
Humpty Doo
Hungerford Family
Hunt, A
Hunt, R
Hunt, W
Hunter Valley/Hunter District Water Board/Hunter Valley Water and Drainage Board
Huntly
Hutton, Mr (Senior)/Hutton, Mr (Junior)
Ibis House
IBM (Australia)
Ice Age
ICI
Illinois
Imperial Economic Conference
Importers and Agents
Independent Order of Rechabite
India
Indiana
Indica (Hsein)
Indo-China
Indonesia/Indonesia (Java):
*Industrial Undertakings Act* NSW (1913)
Inga
Ingham
Ingleburn Municipal Council
Inkaman Sugar Mill
International Commission on Irrigation and Drainage
International Co-operative Alliance
International Ore and Fertiliser Corporation
International Rice Research Institute
IR8
Iran
Iraq
*Irrigation Act* NSW (1914)
*Irrigation Amendment Act* NSW (1956)
Irrigation Amendment Bill NSW (1925)
Irrigation and Research Extension Committee (IREC)
Irrigation and Research Extension Committee: Rice Investigation Sub-Committee (Sunchracking)
Irrigation Farm Working Group
Irrigation Holdings Freehold Bill NSW (1924)
Irrigation Research Advisory Council
Irrigation Research Extension Committee :Rice Soil Testing Service Sub-Committee:
Irrigation Research Extension Committee: Wood Lot Sub-Committee
Irrigation Research Extension Committee: Elodea Co-ordination Control Sub Committee
Irrigation Research Extension Committee: Land Use Sub-Committee
Irrigation Research Extension Committee: Reclamation Sub-Committee
Irrigation Research Extension Committee: Rice Investigation Sub-Committee
Irrigation Research Extension Committee: Soil and Leaf Sub-Committee
Irrigation Research Station
Irrigators' Association of Australia
Irrigators' Co-ordination Committee NSW
Irrigators' Council NSW
Irvine, K
Italy
Izumi-chô
Jacka, Mr
Jakagawa, J S
James River
James v Commonwealth
Japan/Japanese Emperor
Japan: Agricultural Ministry
Japan: Consul-General
Japan: Foreign Ministry
Japan: House of Representatives
Japan: War Bonds
Japanese Agricultural Basic Law
Japanica
Japanica (Keng)
Java
Java:
Javanica
Jay, M
Jeffrey, B
Jeffrey, B
Jemalong-Wyldes Plains Irrigation District
Jennings, C
Jensen, Dr R
Jerilderie Irrigation District
Jerilderie Irrigation League
Jerilderie Rice Development Association
Jerilderie Rice Mill Association
Kettlewell, M
Killen, W W
Kimberley Region
King, C
King, F R
King, H V
King, M H B
King, S J
Kirishima
Kobe
Komatsu, Professor Y
Kooba Station
Koonadan
Korea
Kraft Foods Limited
Kruex, Professor
Kubank, A G
Kulu
Kununurra
Kuwait
Kyba
Kyushu
Labor Electoral League
Labor Papers Limited
Lacey, J
Lachlan River
Lachlan Valley
Lady Wright Cross-Bred 13-3-1
Lae
Lake Cargelligo
Lake Coolacumparna
Lake Eucumbene
Lake Eyre
Lake George
Lake Meejum
Lake Menindee
Lanas, Dr J
Land Colinisation and Rural Credits (California)
Land Tax Assessment Act NSW (1910)
Landa, P
Landale, R H
Landeryou, Mr
Landholders' Committee
Lang, J T
Lanham, S G
Laos
Lappidge, D
Larcombe, W H
Large-Area Holders' Association
Larkin, T R
Lars, K
Larsen, Mr
Laser land-levelling
Late Caloro
Launceston
Lavistock
Lawler, T
Lawson Siphon
Lawson, G
Lawson, H
Lawson, J A
Leaf Miner
Learmouth family
Lebanon
Lee, C A
Leeton Co-operative Cannery
Leeton Fruitgrowers' Association/Leeton Fruitgrowers' Co-operative
Leeton Government Cannery (later Leeton Co-operative Cannery Limited)
Leeton Mill
Leeton Musical and Dramatic Society
Leeton Producers' Rural Co-operative Society (later Leeton Fruitgrowers' Co-operative Society):
Leeton Steelworks
Leeton/Leeton Chamber of Commerce
Legislative Council NSW
Leichhardt
Leighton, H
Leighton, J
Letheran, W
Letheren, W
Letona (Leeton Co-operative) Cannery
Levick D
Lewin, L G
Lewis, K N S
Lewis, T
Liberal Party of Australia
Licensed Pumpers' Association
Litchfield
Lithgow
Little, J E
Liverpool
Local Government Act NSW
Lockhart
Locust
Lodge, R
Lodging
Logan District
Logan Farming and Industrial Association
Logan River
Londax
London, J
Los Baños
Loughlin, P F
Louisiana
Love, C
Lovell, J
Lowbidgee Area
Lower Burdekin Development Council
Lower Burdekin Rice Producers' Co-operative (LBC)
Lowing, A E
Lowing, D
Lucca, E
Lyndhurst
Lyne Royal Commission NSW (1884-1887)
Lyne, J
Lyne, Sir W
Lyttle (or Little) and Company
Macauley, A
Mackellar, A D
Mackintosh, T A
Macleay, G
Macquarie River
Madagascar
Maejima, M
Magpie Goose
'Mahatma'
Main Canal
Mainguard
Malathion
Malaya
Malcolm, A D
Mallaby, H A
Mallee District
Mandang White
Maned Goose
Manera, A
Manila
Manning River District
Manning, H D C
Marchinton, S J
Mareeba
Mariana Islands
Mariani, P
Marketing of Primary Products Act (Amendment Section 33[a]) (1956) NSW
Marketing of Primary Products Act NSW (1927)
Marks, J H
Marley, W
Marraki
Mars Incorporated (Uncle Ben's) (USA)
Marshall, G
Marston, A
Martin, H
Mason Brothers

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Massey-Ferguson Rice Header
Matero
Matsuyama
Matthews, F
Maude
Mauldon, R G
Maunsell and Partners
Mauritius
Mayrung
McAllister, N H
McArthur, A
McCaughey, D
McCaughey, P
McCaughey, S
McCleary, R G
McConnell, T R
McCormack, A
McCullock Carrying Company
McCullough, J
McDonald, A E
McDonald, D J
McEachern, Sir M
McGirr, Mr
McGowan, J S T
McHugh, S
McInnes, J
McKell, Mr
McKenzie and Company
McKinney, H
McKinsey and Associates
McLachlan, I
McLean, T
McLeary, C
McLeish, A
McMillan, Professor J R
McNulty, W
McWilliam, J J
Mead, Dr E
Meillon, M
Mekong River
Melbourne
Melbourne University
Meldrum, F
Melvin, J G
Merran Creek
Merribee Bridge
Merrimac/Merrimac District
Methodist Ladies' Guild
Metropolitan Water Sewerage and Drainage Board NSW
Mexico
Meyer, H E
Mice
Micronesia
Middle Beach
Middle East
Middleton, A
Mildura/Mildura Irrigation Scheme
Millaroo Research Station
Miller, G
Mills, Mr
'Miracle' rice
Mirrool Large-Area Farmers' Association
Mirrool Leaseholders Campaign Committee
Mirrool Ricegrowers' Co-operative
Mirrool Settlers' Cash Club (later, the Griffith Settlers' Co-operative Society)
Mirrool Wine Co-operative
Mirrool/Mirrool Creek/Mirool Irrigation Area
Mississippi River
Mitsui Company
Mizumono Kuni
Mole, R
Molinate (Ordram)
Moller, J
Moller, P W
Monargo
Monaro District
Monash University
Moncrieff, G
Moombooldool Station
Moors
Morago
Moran and Cato
Moran and Cato Proprietary Limited
Moree
Morton, P H
Moscow
Mossman River
Moulamein
Mount Bingar (Mount Binya)
Mount Brogden
Mount Eliot
Mount Fuji
Mount Gwynne
Mount Hope
Mount Ida
Mozambique
Mudgeeraba/Mudgeeraba District
Mulgrave River
Mulholland, C St J
Mulwala Canal
Mundowey-Lake Mejum Association
Muntz, S
Munz, K
Murdering Island
Murphy, Senator L
Murrami
'Murrami Rice'
Murrami Rice Mills Company
Murray Industrial Development Board
Murray Irrigation Management Board
Murray Pine
Murray Research Extension Committee (MREC)
Murray River
Murray River Salinity Control Project
Murray River Scheme
Murray River Working Party
Murray Valley Development League
Murray Valley River Irrigation Management Boards
Murray Valley Water Users’ Association
Murray Valley/Murray Shire Council
Murray, W
Murray-Darling Basin
Murrumbidgee and Murray Valley Water Users' Association Joint Committee
Murrumbidgee Canal Enlargement Bill NSW
Murrumbidgee Irrigation Advisory Association
Murrumbidgee Irrigation Area (MIA/Area(s)/Districts)
Murrumbidgee Irrigation Area Co-operative Company
Murrumbidgee Irrigation Area Defence Committee
*Murrumbidgee Irrigation Area Occupiers Relief Act NSW (1934)*
*Murrumbidgee Irrigation Area Resumption Act NSW*
Murrumbidgee Irrigation Area Resumption Bill NSW (1910)
Murrumbidgee Irrigation Area Rice Growers’ Association (MIA RGA)
Murrumbidgee Irrigation Area Ricegrowers' Co-operative Society (MIR Co-operative Society)
Murrumbidgee Irrigation Area Settlers' Association
Murrumbidgee Irrigation Area Settlers' Co-operative Society
Murrumbidgee Irrigation Area Trust
Murrumbidgee Irrigation Area: Joint Executive Committee
Murrumbidgee Irrigation Area: Ricegrowers' Defence Fund
Murrumbidgee Irrigation Area: Seepage Sub-Committee
Murrumbidgee Irrigation Dairy Farmers' Co-operative Society Limited (MID Co-operative
Murrumbidgee Irrigation Development League
Murrumbidgee Irrigation Management Board
Murrumbidgee North Canal Proposal (1890–1891)
Murrumbidgee North Water Supply and Irrigation Bill NSW (1905)
Murrumbidgee Regional Development Committee
Murrumbidgee River Advisory Council
Murrumbidgee Valley Licensed Pumpers' Association
Murrumbidgee/Murrumbidge River/Murrumbidgee Shire Council
Murwillumbah Experiment Farm
Myall Creek
Myrtleford
Narrandera
Narrandera Pastures Protection Board

Nasik

National (Country) Party

National Capital

National Farmers' Federation (NFF)

National Farmers' Union

National Rural Outlook Conference

Native Dog Bore

Nauru

Neil Fuller Proprietary Limited

Neilson, N

Netherlands (Holland)

New Caledonia

New Dehi

New Hebrides

New South Wales Auditor-General

New South Wales Commissioner for Forestry

New South Wales Commissioner for Soil

New South Wales Commissioner for Water

New South Wales Conservation Authority

New South Wales Crown Solicitor

New South Wales Equity Court

New South Wales Government Grain Elevator

New South Wales Irrigation Farm Working Group

New South Wales Land and Valuation Court

New South Wales Livestock and Grain Producer' Association

New South Wales Marketing Boards' Association

New South Wales Parliamentary Select Committee (1903)

New South Wales Pollution Control Commission

New South Wales Producers' and Consumers' Conference (1926)

New South Wales Royal Society

New South Wales Rural Youth

New South Wales Savings Bank

New South Wales State Forests

New South Wales Supreme Court

New South Wales Water Advisory Committee

New South Wales Water Plan ‘2010’

New South Wales/New South Wales Government/New South Wales Legislative Council
New York
New Zealand
Newcastle
Newson, A J
Newton, W
Niemur/Niemur River
Nile Delta
Nimming-Pollen Creek
Nolan, Mr
North Burma
North Hunan Province
North Yanco Station
Northern Developments (Ord River) Proprietary Limited
Northern Territory
Northern Water Users' Association
Northern Water Users' Committee
Nowra
NSW Department of Agriculture
NSW Department of Child Welfare
NSW Department of Conservation
NSW Department of Lands
NSW Department of Local Government
NSW Department of Local Government and Railways
NSW Department of Mines and Agriculture NSW/Department of Mines
NSW Department of Natural Resources
NSW Department of Public Works
NSW Department of Public Works and Ports
NSW Department of Railways
NSW Department of Soil Conservation
NSW Department of Water Resources (DWR)
NSW Department of Water Resources, Forests and Aboriginal Affairs
NSW Farm Water Bill
Nulty, Mr
Nyah/Nyah New Settlers' League
O’Connell, K
O’Neill, K
Oak Creek
Oatway-Middleton, W E
Padi Pandan
Padi Verang
Paganini, S
Pakistan
Palestine
Palmer Gold Field
Palmers' Channel
Papua–New Guinea (PNG)
Paraquat (Gramoxone)
Parker, J
Parkes
Parson Brothers and Company Proprietary Limited
Partington, F
Pascoe, F J
Pasquale and Company
Pastega, A
Paterson, Dr J
Patna
Patterson, Dr R
Peek, F W
Pelde
Pengtoushan
Pennsylvania
Perth
Peru
Pest Destroyers Act NSW (1945)
Pesticides Act (1978) NSW
Pesticides Drum Disposal Scheme (1983)
Petersham
Peverill, A A
Pfafflin, A O
Philippines
Piangil
Pike, Mr Justice
Pimpana Island/Pimpana River
Pine Box Scrub
Pine Creek
Pinnuck, W
Pleistocene Age
pneumonic plague (Spanish Influenza)
Poggendorff, W
Poland
Port Douglas
Port Kembla
Portugal
Potato Board NSW
Potts, G St Clair
Poulson, A
Powell, Dr R
Prenzlau
Prescott, Dr J A (late Professor)
Primary Export (Australia) Limited
Primary Industries Promotion Council NSW
Primary Producers Organisation and Marketing Act Qld (1926)
Prior, K
Prisoners of War (POW)
Private Irrigation Districts Act NSW
Producers Distributive Co-operative Society Limited
Progressive Party (later Country Party)
Promotion Scheme
Propanil (StamF 34)
Protectionist Party
Punch, L
Pure Rice Seed Scheme
Pyke, K
Pyle, T
Pyle, W
Qld Department of Agriculture
Qld Department of Lands
Qld Department of Primary Industry
Quanchi, Dr
Quarantine Zone
Quata
Quee, J P
Queensland/Queensland Government
Quodling, A
Raskaddum
Rathbone, G
Rawlings, W
Read, P
Red Cross War Chest Colony
Redbank-Balranald Irrigation District
Reddock, A S
Regan, R
Registry of Co-operative Societies NSW
Reid, G
Reilly, J H
Rendel, Palmer and Tritton Consulting Engineers
Renmark
Renshaw, J B
Reserve Bank of Australia
Returned Services League (RSL)
Rice Cartage Proprietary Limited
Rice Commodity Conference
Rice Development Committee
Rice Equalisation Association Ltd
Rice Export Corporation
Rice Gardens
Rice Industries Proprietary Limited
Rice Industry Co-ordination Committee (RICC)
Rice Industry Co-ordination Committee: Select Committee
Rice Industry Deep Drainage Committee
Rice Industry Economic Review Committee
Rice Industry Operational Costs Sub-Committee
Rice Industry Plan
Rice Industry 'Two Pool' System
Rice Marketing Board Qld
Rice Marking Board (RMB/Board) NSW
Rice Production Committee
Rice Quarantine Area/Zone
Rice Research Institute
Rice Smut
Rice Soil Testing Committee
Rice Vigilance Committee
Ricegrowers' Association of Australia: Central Executive
Ricegrowers' Association of Australia CIA Branch
Ricegrowers' Association of Australia/Rice Growers' Association (RGA/Association)
Ricegrowers' Association of Australia/Rice Growers' Association (RGA/Association): Leeton Branch
Ricegrowers' Association of Australia: Berriquin Branch
Ricegrowers' Association of Australia: Coleambally Branch
Ricegrowers' Association of Australia: Deniliquin Branch
Ricegrowers Association of Australia: District Committee
Ricegrowers' Association of Australia: Drainage Committee
Ricegrowers' Association of Australia: Industry Organisation Sub-Committee
Ricegrowers' Association of Australia: Mirool Branch
Ricegrowers' Association of Australia: Rice Industry Tile Drainage Committee
Ricegrowers' Association of Australia: Test Bore Committee
Ricegrowers' Association of Australia: Yanco Branch
Ricegrowers' Co-operative Limited (RCL/co-operative)
Ricegrowers' Co-operative Limited Subsidiary Biocon
Ricegrowers' Co-operative Limited Subsidiary Coprice Stock Feed
Ricegrowers' Co-operative Mills (RCM/co-operative)
Ricegrowers' Co-operative Mills Limited Engineering Department
Ricegrowers' Co-operative Mills Limited Export Department
Ricegrowers' Co-operative Mills Limited: Cotton Division
Ricegrowers' Defence Committee
Richards, R
Richmond
Ricketson, Mr
Rickter, H
Rikken Seiyukai Party
Rillstone, J C
Riparian Rights
Riverina Area Council
Riverina Creeks Committee
Riverina Creeks Preservation League
Riverina Industry Development Council (RIDC)
Riverina/Riverina Region, NSW
Riviana (Australia) Proprietary Limited/Riviana Foods
Riviana Rice Mills Company
Robert Harper and Company Proprietary Limited
Roberts, A


Robertson, J

Robinson, B

Robinson, F

Robson, H

Rochdale patronage principle

Rockerfeller Foundation

Rocky Point

Rogers, D J

Rolle, J

Roll, T

Rome

Ronfeldt, E H

Rossiter, R

Rotary Club

Rowe, B

Royal Australian Air Force (RAAF)

Royal Commission into the Sugar Industry Queensland (1899)

Royal Commission on Crown Tenants NSW (1890)

Royal Melbourne Institute of Technology

Rozelle

Ruddock, M

Rural Assistance Board

Rural Bank

*Rural Credits Act*

Russia

Rutherford, E (née Brady)

Ryall, V

Ryan, J C

'Rycena'

'Rycette'

S Richards and Company Limited

Saba

Sacramento Valley

Sahara Desert
Saker, Mr
Salisbury
Samurai
San Francisco
Sand Hills
Sandy Creek
Santalucia, F
Saudi Arabia
Saunders, Mr
Saunt, J
*Savings Bank (Amendment) Act NSW (1914)*
Sayers, Mr
Scarsbric, B
Scottish Collieries
Seabooks Corner
Seed Industry Association of Australia
Sendall, W N
Seton, D
Seychelles
Sharam, C
Sharman, J
Shaw, Dr
Sheed, P
Sheehan, N
Sheehan, T
Sheep Marketing Board
Sheffield
Sheldrick, G
*Shensho (Senoko or Lensho)*
Shepherd, A N
Sheridan, K
Shinriki
Shroo, H
Siam
Sicily
Silverleaf Nightshade (*Quena/Potato Weed*)
Simplex-O-Matic
Simpson, R
Sinclair, I
Singapore
Sippel J
Sircna
Sissons, D G
Skat-a-Bird
Skelly, Mr
Skogerboe, Professor G
Small, J
Smith, P
Smyth, M
Snails
Snowy Mountain Hydro-Electric Scheme
Snowy Mountains Council
Snowy River
Society Limited)
Sogo Boeki Company
Soil and Irrigation Extension Service
Soils Conservation Service
Soldier Settlers
Solomon Islands
Solomon, D
South Africa
South America
South America
South Australia/South Australian Government
South Korea
South-East Asia
Southee, Mr
Southern Carolina
Southern Riverina Irrigation Development Council (SRIDC)
Southern Riverina Irrigation Districts Council
South-West China
South-West Machinery Dealers' Association
Spain
Spicer, R W A
Spiller's Creek
Sprayseed
Spry, M
Sri Lanka (Ceylon)
ss Charles F Hunt
ss Ellen
ss Invincible
ss Marion
ss Mongo
ss Oscar Pevensey
ss Sonama
ss Ventura
Stanbridge
Stannard, R M
'Star Fruit' (Dansosonomium minus)
Stark, D G
Start, Mr
State Bank NSW
State Rivers and Water Commission Victoria
Statutory Marketing Authorities
Stevenson, C H
Stickles, B
Stockholm
Storemen and Packers' Union
Storey, Mr
Stott and Hoare Business College
Stratton and Son Proprietary Limited
Stuckey, P
Sturt
Sturt, C
Suddhodana
Suehiro-chō
Suez Canal
Sullivan, J
Sumitomo Company
'Sunbrown Quick Ricecakes'
'Sunlong'
'Sunlong Jasmine'
'Sunrice'
'Sunwhite'
Supreme Court
'Susan Lee Whyte'
Susuki, Mr
Sutherland, Mr
Swales, W H
Swallow, T
Swan Hill Housewives' Association
Swan Hill Irrigation Area
Swan Hill Pioneer Settlement Museum
Swan Hill, Victoria
Swan, B
Swan, H G R
Sweden
Swift and Company Limited
Swinton, R
Switzerland
Sydes, Mr
Sydney Teachers' College
Sydney/Sydney County Council
Sykes, A
Symons, A E
Syria
Tabbita/Tabbita Irrigation District
Tagliabue, J P
Tahiti
Taiwan
Takasuka
Takasuka Dight and Company
Takasuka, A
Takasuka, K
Takasuka, M
Takasuka, S N
Talbingo Dam
Talmud
Tamassari
Tantonan
Tapiolas, J
Taree Experiment Farm
Tasmania
Tatchera
Tavella Cheeses Proprietary Limited
Taylor, J
Taylor, L
Temephos
Temora
Temperance Friendly Society
Temple-Smith, Mr
Tennessee Valley Authority
Territory Rice Limited
Teryawynia
Texas
Texas Patna
Thailand
Tharwa
The Cliffs
Thomas National Transport
Thomas Robinson Proprietary Limited
Thorby, H V C
Thornton, J
Throsby, C
Tiffen, J
Tiffen, R
Tintenbar
Tobacco Board Qld
Tocumwal
Tokyo
Tolga
Tom Bullen En Route Storage
Tonga
Tongala
Toohey, D
Tooth, H L
Townsville
Trades Unions
Transport Workers' Union
Treflé, J L
Trinity Inlet
'Trukai'
Tubbo Station
Tuckerbil/Tuckerbil Swamp
Tuft, Professor
Tulla Station/Tulla Station District
Tullakool
Tullakool Basin Salt Mining Evaporation Scheme
Tullakool Irrigation Area/Tullakool Irrigation District
Tullibigeal
Tumblegum
Tumut River
Turkey
Tuross River
Tweedie, E C
Tweedie, L
Twigg, R S
Twigg, S
Tyntynder
Tyson, J
United Arab Emirates/United Arab Republic
United Farmers and Wool Growers
United Kingdom (Britain)
United Kingdom (Britain) Government Regional Water Authorities
United Nations Food and Agricultural Organisation (FAO)
United Nations Organisation
United Nations Organisation International Year of Rice
United Nations Organisation World Food Aid
United States of America (America/United State/USA/US)
United States of America Bonus Incentive Commodity Export Program
United States of America Export Enhancement: Program (EEP)
United States of America Wildlife Service
United States of America: Bureau of Plant Industry
United States of America: Department of Agriculture
United States of America: Export Enhancement Plan
United States Rice Experiment Station
United: States of America Grand Valley Salinity Control Demonstration Project
University of Adelaide
University of California
University of Melbourne
University of New England
University of New South Wales
University of Queensland
University of Sydney
University of Tasmania
Unsworth, B
Uruguay
Urana
Ursin, A
USSR Irrigation and Drainage Organisation
Valder, Mr
*Valuation of Land Act NSW (1983)*
Vancouver
Vardanega, G
Venezuela
*Verangan*
Verdich, P
Verona
Vic Department of Agriculture
Vic Department of Crown Lands and Survey
Vic Department of Fisheries and Wildlife
Vic Department of Forestry
Vic Department of Water Supply
Victoria State Rivers and Water Supply Commission
Victoria/Victorian Government
Victorian State Rivers and Water Supply Commission
Vietnam
Villiers, Mr
Vinifera
Virginia
Voluntary Rice Pool NSW
Volunteer Defence Corps
Von Mueller, Mr
Wade Shire
Wade, C
Wade, L A B
Wagga Wagga
Wah Wah Creek
Wah Wah Irrigation District
Wakool Irrigation Area/Wakool Irrigation District
Wakool Irrigation District Salinity Sub-Committee
Wakool Landholders' Association
Wakool River
Wakool Sub-Surface Drainage and Salt Intervention Scheme
Wakool-Tullakool Irrigation District Sub-Surface Drainage Scheme
Walker, R F
Walker, W G
Wallin, D
Walsh, F A
Walsh, F C
Walsh, M
Wamoon
Wandoan
Wantabadgery
Warbreccan Station
Ward, Mr
Warehouse Beetles
Warrawidgee/Warrawidgee Irrigation District
Warrego River
Waseda University
Washington, J
Watanabe Saiho Gakko
Wataribune
Water Act (Districts) NSW (1976)
Water Act Amendment Bill NSW
Water Act NSW (1973)
Water and Drainage Act NSW (1902)
Water Audit NSW
Water Conservation and Irrigation Advisory Committee Act NSW (1932)
Water Conservation and Irrigation Commission (WCIC/Commission) NSW
Water Conservation and Irrigation Commission Agriculture and Extension Service
Water Conservation and Irrigation Commission Drainage Sub-Committee
Water Conservation and Irrigation Commission Field Extension Service
Water Conservation and Irrigation Commission Rice Investigation Sub-Committee
Water Conservation and Irrigation Commission: Deep Drainage Committee
Water Conservation and Irrigation Commission: Soils and Irrigation Extension Service
Water Conservation Conference NSW (1905)
Water Development Association
Water Hyacinth
Water Resources Act NSW (1973)
Water Resources Commission (WRC/Commission) NSW
Water Resources Commission Review Committee
Water Rights Act (1896)
Water Roster Committee
Water Supply Advisory Council
Water Supply and Resources Conference
Water Supply Commission Qld
Water Trusts NSW
Water Trusts Victoria
Water Users’ Association of New South Wales
Water Users’ Protest Executive Committee
Water Utilisation Council
Watkins, W R
Watson, A A
Watson, F K
Watson, G
Watson, S P
Watson, W
Webb, Mr
Weir, G
Wenming, Yan
Wentworth Irrigation Area
West Corungan/West Corugan Irrigation System
West Indies
West Irian
West Samoa
West, E
Western Australia/Western Australian Government
Western Murray Valley
Western Plains
Westminster College
Westralian Farmers’ Co-operative Limited
Woolworths
Woongoolba
Wootton, R
Workers' Educational Association
World Bank
World War I
World War II
Wrag, T
Wran, N
Wriedt, Senator K
Wright, D
Wright, G J
Wright, Heaton and Company
Wright, J (née Bennett)
Wyndham
Wynn, C
Wynn, T
Yamma
Yamma New Settlers' Association
Yanco / Yanko Creek / Yanco Weir
Yanco Agricultural College / Yanco Agricultural Institute
Yanco Depot
Yanco Experiment Farm / Research Station
Yanco Irrigation Area Water Users' Association
Yanco Irrigation Area / Yanco Irrigation District
Yanco Irrigation District Band
Yanco Research Long (YRL1 and YRL2)
Yanco Water Users' Association
Yanko Creek and Tributaries Advisory Committee
Yanko Creek and Tributaries Development League
Yarrawonga
Yass
Yeldham, Justice
Yemen
Yenda Producers' Co-operative Society
Yenda / Yenda Mill
Youll, J G
Young, B (nee Evans)
Young, R St Chad
Young, T
YR1389.11
YR73
Yurong (Yerong) Creek
Zimmerman, C A
The Grower's Paddy describes how rice-growing developed in the Riverina Region of New South Wales, Australia, and how co-operatives arose to service farmer input, infrastructure, marketing and research needs, placing the industry virtually on a democratic footing. While describing historical aspects dating back to the earliest days of irrigated farming, the reader will be struck by the many parallels with contemporary issues including:

- sovereignty over established agricultural land and crops;
- the abiding importance of water in making land productive;
- a struggle for control of the vital water resource;
- the relatively low place of agriculture in primary industry notwithstanding its invaluable contribution to national wealth and regional development; and
- the role of dominant city institutions in setting agendas affecting the bush.

The influence of environmental, social and economic forces, particularly the changing attitude of governments, which impacted upon agriculture, is also discussed, making clear the advantages of stability, the dramatic short-term, often deleterious, impact of change and, above all, the need for sustainable agronomy.

Australia should rightly feel proud of its agricultural achievements and the role co-operatives have played in providing a democratic alternative to hapless exploitation by powerful non-farm economic and political players.

The Growers’ Paddy: Land, Water and Co-operation in the Australian Rice Industry provides an admirable case study of one agricultural industry which elected to organize co-operatively and offers a historical perspective on the successes and failures from which we may learn.

A grant from The University of Sydney Co-operatives Research Group has enabled the preparation and publication of this manuscript in the United Nations International Year of Co-operatives 2012 and the Australian Year of the Farmer, and its release in PDF.

Gary Lewis is the leading authority on Australian co-operatives’ history and the author of several books on financial, producer and consumer co-operatives, including: The Democracy Principle: Farmer Co-operatives in Twentieth Century Australia (2006); A Mutual Way: Fifty Years at Gateway Credit Union Ltd (2005); Laughing All the Way to the Credit Union (2001); People Before Profit: The Credit Union Movement in Australia (1996); An Illustrated History of the Riverina Rice Industry (1994) and; A Middle Way: Rochdale Co-operatives in New South Wales, 1859-1986 (1993).