

PART TWO

CHAPTER SEVEN

QUIET ACHIEVERS

"Most individuals are inherently somewhat conservative. They do not like methods which involve changes in time honored procedures and which are based on a new outlook towards farming and land use. Yet change is inevitable if progress is to be made".

Rural Reconstruction Commission, Sixth Report, *Farming Efficiency and Costs and Factors Relating Thereto*, 1945.

Australians were disconcerted by the failure of World War I settlement to address the needs of their ex-servicemen. Public acknowledgement that the scheme had failed came with the publication of Justice Pike's report in 1929. By 1942 the total loss had risen to about 45 million pounds or 1,200 pounds for each original settler, and this provided a harsh lesson and an embarrassment.¹ Determined to avoid many of the pitfalls which arose from the World War I scheme, J.B. Chifley appointed a Rural Reconstruction Commission (RRC) to provide guidelines for the implementation of War Service Land Settlement (WSLS). These men were diligent and dedicated. Not only did they provide a plan for land settlement, but they published a total of ten reports on the problems of agriculture in general. The RRC were quiet achievers and their task was accomplished with care and devotion. As a result, the combined abilities of the RRC, as well as the politicians and bureaucrats of the period, were important factors in securing an improved outcome for WSLS post-World War II.

¹ E.R. Walker, *The Australian Economy in War and Reconstruction*, New York, 1947, p.353.

The Returned Sailors' and Soldiers' Imperial League of Australia, (RSL), had faith in the administrators and were convinced that the problems of the past could be eradicated by efficient planning.² The RRC sought their assistance in collating data from RSL members and branches.³ At least two conferences with members coming from interstate were convened by the League, and they provided the RRC with a draft bill incorporating the principles which their executive and membership advocated.⁴ Agitation for land commenced as early as 1940, because members of the Defence Forces were determined to receive the same entitlements as those extended to their World War I counterparts. Once again a large number of men harboured the desire for land with almost the same fervour as the soldiers before them. It must be assumed that the same mythologies, modified by the impact of the inter-war period, influenced the men's decisions to apply for a farm.⁵

² RSSILA was formed in 1916 to ensure that the returned men and women received their entitlements. In 1965 the name became Returned Services League (RSL). To avoid confusion this organisation will be known as RSL throughout the thesis. The RSL remains the voice of the ex-servicemen's community. Lake in *Australians: A Historical Dictionary*, Aplin, Foster & McKernan, ed., p.349.

³ RRC, *Report: Settlement and Employment of Returned Men on the Land*, Second Report, 1944, p.17.

⁴ *Ibid.* The RSL and other ex-servicemen's organisations provided the RRC and the Labor Government with the views of ex-servicemen. The official lobby group was the RSL.

⁵ See RRC, Second Report for their ideas on current influences, *op. cit.*, p.47.

Yet again the states anticipated their commitment. New South Wales passed the War Service Land Settlement Act in 1941, and many comments in Parliament resembled those of the earlier period:⁶

If suitable land is made available to them, they will become useful settlers and, with their families, will help to develop this country. The result will not only be wealth for the coffers of the nation, but wealth in home life and character which is the greatest asset of all.⁷

A few members were worried that the problems of land settlement were insuperable. However, their warnings were aimed at improving the scheme rather than its elimination. Meanwhile, as the New South Wales Premier, A. Mair, tentatively expressed the hope that "enthusiasm will be tempered by common sense", members representing the country electorates were anxious to clarify the method of land acquisition proposed for the scheme.⁸ Quality crown land was not available in New South Wales, and there was concern in the electorate that compulsory acquisition of existing farms would be the only way of obtaining suitable land. The desire for a hasty resolution of these, and other pertinent questions, was evident in Hansard.

⁶ War Service Land Settlement Act 1941, No. 43, assented to 8 October; Irrigation and Water Amendment Act 1944, No. 26, assented to 22 November; War Service Land Settlement and Closer Settlement (Amendment) Act 1945, No. 14, assented to 17 January 1946; War Service Land Settlement (Amendment) Act 1946, assented to 17 April.

⁷ *NSWPD*, 24 September 1942, R.E. Nott, p. 39.

⁸ *Ibid.*, 30 September 1942, A. Mair, p.60.

The Commonwealth had quietly recognised its repatriation responsibilities from the beginning of World War II, and the Australian Labor Party Federal Conference had called for a statement of principles in June 1940. It had been noted that Canada had proposed a Ministry of Reconstruction to plan a repatriation policy, and in late 1940 a Reconstruction Division was established within the Department of Labour and National Service.⁹

Radical changes had occurred in community attitudes between the wars which stimulated the demand for Government inspired innovative change. Australians were tired of the economic and social turmoil experienced after World War I, when fluctuating commodities were followed by depression. Images of unemployed men in the early 1930s were indelibly retained by the collective memory. Yet after 1941 the Commonwealth Labor Government felt constrained in its reform programme by a Constitution which placed extensive powers in the hands of the Australian states. They recognised that the Commonwealth's possession of extra emergency powers during the war period had fostered the adoption of coherent policies, while past experience had shown that trying to work on a co-operative basis with the states often failed to achieve satisfactory results. In addition it was a test of patience, and was extremely time consuming.¹⁰ As a consequence it was determined by the Federal Labor Government that an effort should be made to amend Constitutional powers.

⁹ Walker, *op. cit.*, p.346.

¹⁰ G. Greenwood, *The Future of Australian Federalism*, Brisbane, 1976, p.331.

Confidence for such a far-reaching innovation was gained from the Uniform Income Tax Act of 4 June 1942, which gave the Commonwealth the sole right to collect taxes for the duration of the war.¹¹ This measure was accepted as permanent when Victoria, South Australia, Queensland and the Western Australian Governments unsuccessfully fought the indefinite application of the Act in the High Court. Thereafter the states were dependent on annual fixed sums of money from the Federal Treasury, and the Commonwealth gained added status and power in relation to the states.

The extent of their new status was a disappointment to Dr H.V. Evatt, the Attorney General, who believed that sweeping changes to the Constitutional position of governments in Australia were a matter of urgency. He desired Commonwealth control of "all measures which, in the declared opinion of the Parliament, will tend to achieve economic security and social justice", and accordingly, introduced into Parliament a Bill for War Aims and Reconstruction.¹² He argued that in this post-war world, the problems would be just as urgent and perhaps more difficult than during the war.¹³ Without the passage of the Bill, Evatt claimed, the result would be "social and economic disorganisation, chaos in production, mounting unemployment, widespread social insecurity - in short, anarchy".¹⁴

Needless to say, the provision of such a universal brief for change engendered an extremely hostile response from the states, the press and the Leader of the Opposition who believed that the passage of this Bill was engineered by Labor members to fully ensure that their programme of socialism could be initiated.

¹¹ G. Bolton in *A New History of Australia*, F. Crowley, ed., Melbourne, 1974, p.465 and p.475.

¹² W.J. Waters, 'The Opposition and the 'Powers' Referendum 1944', *Australian Journal of Politics and History*, Vol. 4, No. 1, 1969, p.42.

¹³ *Ibid.*, p.43.

¹⁴ *CPD*, Vol. 172, pp.1338-41, cited in Waters, *op. cit.*, p.43.

It was argued that if the Bill went through the House, the Commonwealth would be autonomous and answerable to no-one. In order to defuse these scare-mongering tactics, the Labor Government proposed a Constitutional Convention comprising equal numbers of representatives from both parties from November to December 1942.¹⁵

All delegates recognised that the Commonwealth suffered power deficiencies due to the Constitution, but many were extremely fearful of such radical change. Shadow Attorney-General, W.M. Hughes for instance, claimed that the Attorney-General was attempting to "disembowel, to eviscerate, to emasculate the Constitution".¹⁶ A breakthrough amendment proposed that "adequate" powers referred to the Commonwealth for a period of not less than five years and not more than seven years after the war, subject to a post-war referendum.¹⁷ The matter remained unresolved and opposition continued in the states, particularly from business organisations and non-Labor state members. Finally, a referendum of 19 August 1944 failed to provide the Commonwealth with the extra powers it sought.¹⁸

¹⁵ The first such convention since Federation.

¹⁶ Waters, *op. cit.*, p.44.

¹⁷ Convention of Representatives of the Commonwealth and State Parliaments on the Proposed Alteration of the Commonwealth Constitution, 1942, Record of Proceedings pp.7-10, cited in Waters, *ibid.*, p.44. See also W.J. Waters, *The Post-War Reconstruction Plans of the Australian Labor Party*, M.Econ. thesis, Department of Government, Sydney University, 1968, pp.6-8.

¹⁸ Greenwood and Waters argue that Curtin may have been more successful if the referendum had been held when Australia was under the threat of Japanese attack.

The referendum failed its objective, but it did determine that the Commonwealth would have to work with the states inside the framework of "co-operation, collaboration and mutual trust" in regard to land settlement for ex-servicemen.¹⁹ It cleared the air so that the task of shaping a nation could commence. In addition, the power which had been gained from the Uniform Taxation Act meant that the relationship between the Commonwealth and the states was changed forever.

At this time within the electorate there emerged the strong desire for fundamental social reform. An opinion poll taken in mid-1942 revealed that three in every four citizens looked forward to great changes in post-war life.²⁰ They had become accustomed to looking to the Commonwealth for leadership during the war and had accepted the benefits of Uniform Taxation. Consequently, this placed the central government in a position of heightened authority and with a superior status when compared with the states. The electorate was fortunate that Commonwealth administrators who undertook the reforms were able men, and well equipped for the difficult task of re-shaping the society having learned from past mistakes. The 1942 Constitutional Convention gave permission for the establishment of a Ministry of Post-war Reconstruction and J.B. Chifley, the Treasurer, was appointed Minister in December 1942. He held the two portfolios until 1945.²¹ Chifley appointed Dr H.C. Coombs Director-General of Post-war Reconstruction in January 1943. Staff appointments to the task were important for its efficiency.

¹⁹ Working ideals referred to by the Rural Reconstruction Commission's Second Report, *op. cit.*, pp.22-3.

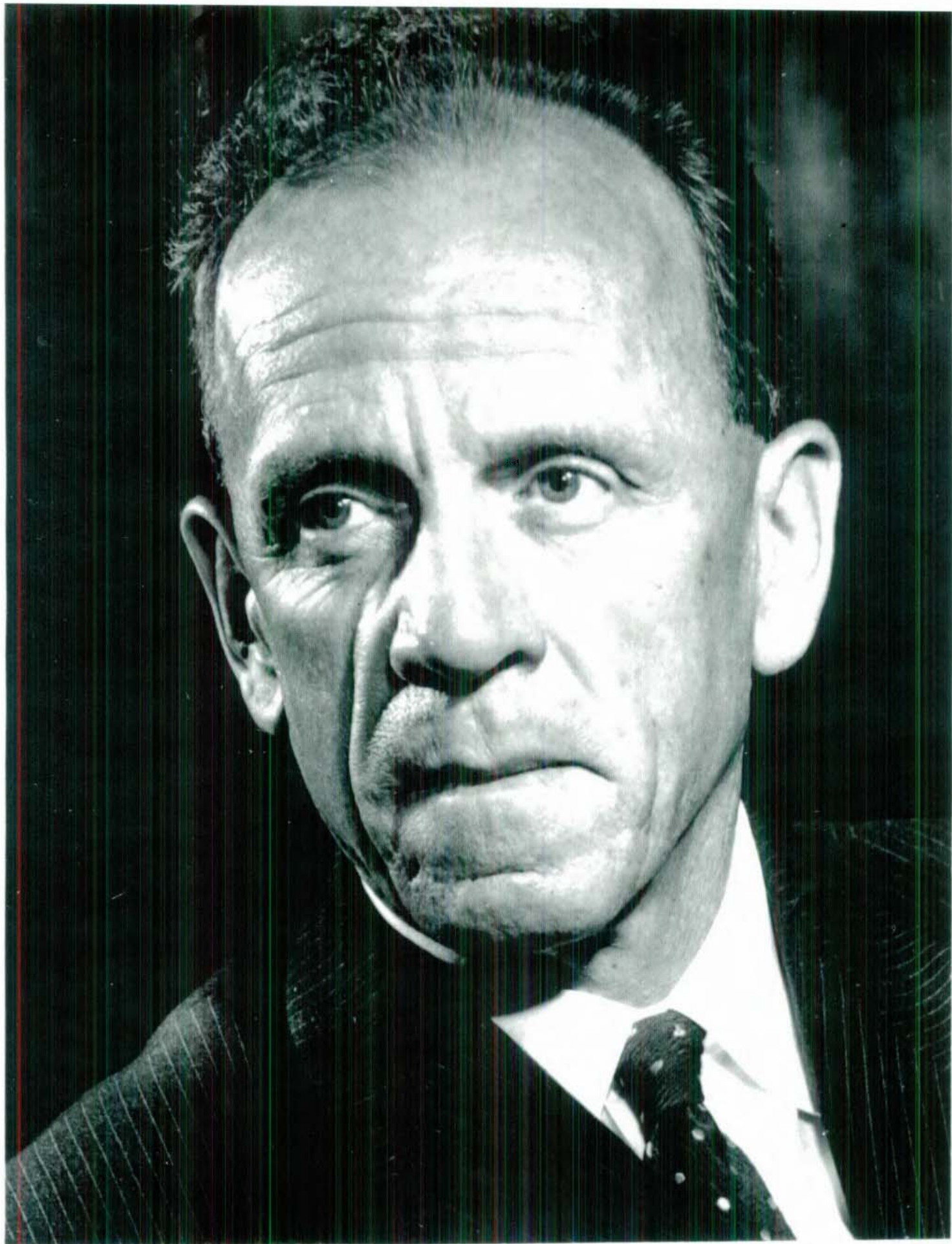
²⁰ W.J. Waters, 'Australian Labor's Full Employment Objective 1942-45', *Australian Journal of Politics and History*, Vol. 16, April 1970, p.51.

²¹ J. J. Dedman succeeded Chifley as Minister for Post-war Reconstruction in 1945. In Australia the term 'Ministry' usually refers to the staff of a Minister who does not have a 'department'. The Department of Post-war Reconstruction did not conform to this model as it had a department as well as several commissions and committees directly under the Minister. See Walker, *op. cit.*, p.347.

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H.C. Coombs

Photo by courtesy of the Public Affairs Division of the Department of Foreign Affairs and Trade



As Greenwood says, Coombs was not only a competent economist, but he gathered around him "a group of younger men trained in the new economics and political science".²² Coombs and Chifley had been influenced by the depression, and looked to Keynesian ideals to reshape their society. Both men had clear objectives and projected outcomes for their sphere of influence, and both were determined that they would be successful. Coombs defined Post-war Reconstruction as a "synthesis of 'building again', or recovery and building afresh', or an attempt at permanent reform".²³ In a series of articles published by the *Sydney Morning Herald*, Chifley outlined how this would be achieved. His primary aim would be a high employment rate combined with social security and a strong international economic policy.²⁴

Although employment was a priority, soldier land settlement was no longer regarded as the principal way to achieve this. At a national level, emphasis on the World War I dogma of progress through primary production was reduced in emphasis and manufacturing was now more accepted as a legitimate method of achieving national growth. According to the Rural Reconstruction Commissioners in their first Report: "it would be a major blunder if Australian Governments launch schemes of agricultural expansion ... without a realistic view ... of finding a place on the markets of the world".²⁵ The lessons drawn from their experience between 1918 and 1939 provided sombre warnings as many of the economic problems encountered were as a direct result of government policies.²⁶

²² G. Greenwood, *Australia A Social and Political History*, Sydney, 1955, p.420.

²³ H.C. Coombs in *Australia*, C.H. Cattan, ed., Berkeley, 1947, p.466, cited Waters, M. Econ. thesis, *op. cit.*, p.12.

²⁴ *SMH*, 1, 2 and 3 December 1943, 3, 6, 4 and 4 respectively, cited in Waters, 'Labor's Full Employment Objective', *op. cit.*, p.53. J.B. Chifley believed in open government and consensus. He requested ideas and comments from the public which was considered 'bizarre' at that time. However, he was prompt and decisive in his judgements. D.B. Waterson, 'Chifley', Joseph Benedict (1855-1951)', *Australian Dictionary of Biography*, Vol.2, p.415.

²⁵ Rural Reconstruction Commission, Report One, *A General Rural Survey*, 1944, p.28.

²⁶ See Chapter Five for the 'Grow More Wheat Campaign'.

In 1930 the Commonwealth had failed to recognise that it was futile to boost areas of primary production without access to market outlets. It did not consider the ramifications of increasing Australia's rural production in direct competition with other countries.²⁷ The desire for profit was too great.

The Australian outcome was tariff protection imposed on all major primary products with the exception of wool and meat, and by the late 1930s the farmer was reliant on assistance.²⁸ Even with substantial tariff subsidy, the position of the average farmer was unsatisfactory at the outbreak of war as rural producers received only 18 percent of the national income in the decade ending 1939.²⁹ The prices of farm products were 25 percent lower on average than the preceding decade, and rural indebtedness had increased by 20 to 25 percent since 1927 "despite the expenditure of 6.3 million pounds on an elaborate scheme of farmers' debt adjustment".³⁰

The war years created agricultural advantages as well as major irritants. Britain acquired the total wool clip for the duration of the war and for one year after, which gave graziers the security of a guaranteed price for as much wool as they could produce. The problem of surplus production in wheat was addressed by the introduction of the Australian Wheat Board and the Wheat Industry Stabilisation Board (1940) to limit wheat production to marketing opportunities. Initially Australian dairy farmers received a guaranteed price for butter on the British market, but as the war progressed, they were requested to intensify cheese production.

²⁷ Europe had increased its production of foodstuffs following their lack of supplies during the war. A. Offer, *The First World War: An Agrarian Interpretation*, Oxford, 1989. He argues that Germany lost the war because of lack of food sources.

²⁸ S.M. Wadham, *Reconstruction and the Primary Industries*, Melbourne, 1944, p.11.

²⁹ Walker, *op. cit.*, p.185.

³⁰ *Ibid.*

This was welcomed as the dairy industry was in an extremely poor state at the outbreak of war. After the local meat market was supplied, any surplus was snapped up by Britain, with 225,000 tons exported in 1940-41.³¹

When Japan entered the war the problems of agricultural surplus were replaced by a large deficiency. But the reduced farm labour force, the desperate need for superphosphate and nitrates plus the shortage of shipping all hampered any sudden increase in production.³² It was the threat of a sudden upsurge in demand for rural products which presented the young Keynesian economists with a challenge. World War I had shown that the artificial wartime demand could not be sustained, and any post-war growth needed to be shared between industry, primary production and public works.

Although the legacy of agricultural supremacy in Australia had undergone change at a national level, many in the states still clung to the past. A Closer Settlement Conference in Molong, New South Wales, in 1944 resolved that "further development to rural areas was essential to the well being of the nation".³³

³¹ *Ibid*, p.200.

³² Superphosphate was required to the level of one million tons per year and imported from Nauru and Ocean Island. Shipping difficulties and later the occupation of Nauru by the Japanese created a desperate shortage. Nitrogenous fertiliser was manufactured from sulphate of ammonia but the munitions programme used increasing quantities;. Sugar suffered until 1944 when it was pronounced a priority crop.

³³ *SMH*, 3 October 1944, cited in *AA*, A.571/64 48/1285.

As the states administered land settlement it was not surprising that they continued to support it. In a letter to the Ministry of Post-war Reconstruction from the Secretary to the Commonwealth Treasury it was stated that the Commonwealth was sponsoring land settlement "not because of the economic need to expand the number of farm units, but primarily for political reasons".³⁴ In other words, in order to maintain the spirit of co-operation with the states, and in an endeavour to accommodate the expectations of the RSL and the general electorate, it was politically expedient to retain the scheme: a scheme which was universally accepted as an enormous challenge and an extremely costly exercise for the nation.

Eager to commence planning for a positive outcome in WSLs, Chifley appointed a Rural Reconstruction Commission in February 1943 to advise on the re-organisation and rehabilitation of the rural economy as a whole, and to make recommendations for the settlement of ex-servicemen on the land.³⁵ It was an enormous task, given the problems already outlined. However, the appointees to the RRC were four competent men.³⁶ They provided a unique blend of administrative ability and agricultural expertise. F.J.S. Wise was a former Premier of Western Australia and currently worked as an agricultural adviser in the Public Service. Professor Samuel Wadham held the position of Professor of Agriculture at the University of Melbourne. The third member, J.F. Murphy was Administrator and Chairman of the Australian Wool Realisation Commission, while C.R. Lambert, was Administrator and Chairman of the New South Wales Reconstruction Board.

³⁴ Letter to Ministry of Post-war Reconstruction from N.F. Stuart on behalf of the Secretary to the Treasury, 17 April 1944, AA, A.571/64 48/1285.

³⁵ Cabinet Minute on Rural Reconstruction from J.B. Chifley, 21 May 1942, *ibid.* Other Commissions included Housing and Secondary Industries. The Department undertook the research required by the Commissions to supplement their own enquiries.

³⁶ From four Australian states.

This hardworking Commission investigated and produced ten reports between 1944 and 1946 on the problems and future directions of rural production in Australia.³⁷ It is important to note that the RRC were asked to recommend guidelines for the implementation of war service land settlement, rather than judge the merits or otherwise of such a scheme. The question as to whether land settlement for ex-servicemen would provide a viable farming opportunity was beyond their terms of reference. They were quiet achievers, making recommendations on the economic structure of farms, the impact of land utilisation on the environment and the social aspects of farming.³⁸ The Second Report, *Settlement and Employment of Returned Men on the Land* (1944) referred specifically to the problems of the past, and the Commission's plan for farm employment and settlement for ex-servicemen post-World War II.

It is important that the RRC reports should not be under-estimated. The Commissioners approached their work with the zeal of reformers while maintaining an eye to the practical, and the clarity of the proposed plan provided the Commonwealth and the states with an extremely good legislative model for War Service Land Settlement. Wadham brought a sense of mission to the group.³⁹

³⁷ AA, A.461/1 D.387/1/1 Part 1. The Rural Reconstruction Reports are as follows: (1) *A General Survey* (2) *Settlement and Employment of Returned Men on the Land* (3) *Land Utilisation and Farm Settlement*, (4) *Financial and Economic Reconstruction of Farms* (5) *Rural Credit* (6) *Farming Efficiency and Costs and Factors Relating thereto* (7) *Rural Amenities* (8) *Irrigation, Water Conservation and Land Drainage* (9) *Rural Land Tenure and Valuation* (10) *Commercial Policy in relation to Agriculture*.

³⁸ M. Vellacott, *War Service Land Settlement in Victoria 1945-60*, B. Litt. thesis, ANU, 1983, p.10.

³⁹ In a discussion between Morna Vellacott and G.W. Leeper, a colleague and friend of Wadham, Leeper claims that Wadham believed it was his "mission" to prevent the mistakes of the World War I scheme being reproduced. Vellacott, *ibid.*, p.11.

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Professor S.M. Wadham

Photo by courtesy of the Melbourne University Archives



He was committed to the view that Australian conditions were very different from those of Europe, and that farming should take account of the precarious nature of the climate and soil structure. He advocated that War Service Land Settlement should be placed on a commercial footing, retaining little patience for the idea of an enforced peasantry. For many farms in Australia, he declared, "the pioneering stage has gone on a very long time".⁴⁰ The support of uneconomic farming industries "is merely a waste of people's time, patience and money".⁴¹

Wadham was a man of vision and impetus, just right for the times. His practical perception allowed him to nominate problems promulgated by past agricultural practice in Australia and recommend methods to ensure a better outcome. Small in stature, he was an outspoken realist, and a constant advocate of the merits of his own idealism. Morna Vellacott concludes her thesis with the statement that "it was Wadham who made the greatest individual contribution to the success of the scheme".⁴² Taking into account his numerous published works, his experience as Professor of Agriculture at Melbourne University and his devotion to communicating the ideals he so fervently believed, it would be difficult to disagree with Vellacott's summation of Wadham. Nevertheless, one can only speculate about his personal commitment to war service land settlement. The RRC's brief was to recommend a plan for land settlement which would guarantee a successful outcome.

⁴⁰ Wadham, *op. cit.*, p.12.

⁴¹ *Ibid.*, p.18.

⁴² Vellacott, *op. cit.*, p.96.

With their Second Report, the men of the RRC provided a sound base for WSLS, in contrast with the "stumbling, piecemeal and tortuous approach" of the first scheme.⁴³ Clear achievable guidelines provided the foundation of the report. Based on the World War I ratio, it was estimated that approximately 54,000 applicants would want land at a cost to the Commonwealth of approximately 160 million pounds.⁴⁴ In their conclusion, the RRC specified several reasons why the demand for land might be lower after World War II. For instance the decade preceding World War II provided many examples of failed settlement. In addition there was a shortage of suitable farm land, as well as little confidence in land development and global marketing.⁴⁵

When recommending principles to guide land settlement, the Commission directed that there must be a reduction in "misplaced" generosity. The number of eligible persons settled should be determined primarily by opportunities of settlement with the emphasis firmly placed on quality rather than quantity. A much tighter system of selection was advocated for state authorities when making their selection. First, it was important that a written application, giving personal details, a full medical history, previous experience as well as references and the current financial position of the applicant should be submitted in order that verification of the details could be made prior to an interview. When married, the applicant and his wife should both be interviewed. The Second Report warned State Soldier Settlement Authorities that they must act with "firm resolve" when judging performance.⁴⁶

⁴³ H. LeLacheur, *War Service Land Settlement in South Australia*, MA thesis, University of Adelaide, 1968, p.43.

⁴⁴ RRC, Second Report, *op. cit.*, p.10.

⁴⁵ *Ibid.*, p.47.

⁴⁶ *Ibid.*, p.28.

Lack of experience should not debar a man from consideration. The interviewing committee would have to ascertain his willingness to undertake farm work for up to three years in order to gain the necessary farming knowledge.⁴⁷ As the farm labour force had been depleted during the war, applicants with no experience, but who met the criteria in every other way, would be an asset in the immediate post-war period.

Secondly, the Commission was adamant that lack of capital should not exclude an applicant from achieving settlement, and safeguards should be built into the scheme in the form of concessions on interest payments until financial stability was achieved.⁴⁸ Thirdly, short training courses would be conducted by the states in existing institutions with extra buildings and staff provided when necessary. Living allowances for students were recommended.

Approved applicants should be graded as follows:

- A1 - men suitable to assume farm ownership without further experience;
- A2 - men suitable to assume farm ownership but short specialised courses in business or other aspects of farming desirable;
- A3 - men suitable for farm employment, but further experience and training necessary before qualified to assume farm ownership;
- A4 - men suitable for farm employment as trainees.⁴⁹

The Report maintained that the community would be deluding itself if it believed that enough land could be obtained by voluntary negotiation. As a consequence, it would be necessary to acquire land compulsorily for soldier settlement with price control for a period of time to prevent unjustified inflation.⁵⁰

⁴⁷ *Ibid.*, pp.26-7.

⁴⁸ Australia remained committed to an egalitarian scheme with no capital which differed from other countries embarking on similar schemes, for instance, New Zealand.

⁴⁹ RRC, Second Report, *op. cit.*, p.23.

⁵⁰ *Ibid.*, p.15.

Farm size should be determined on long-term commodity averages with a margin or contingencies to accommodate cyclical weather fluctuations as well as an allowance for diversification.⁵¹ Greater emphasis should be placed on topography, soil testing and the general physical layout of the land in order to eliminate many of the fundamental problems of the earlier scheme. Settlement should not occur, unless special circumstances existed, until road access was completed, an adequate residence had been erected and the land had been prepared to allow for production of income at sustenance level.⁵²

Over-riding these measures was the recommendation that settlement should take place with advisors influencing production choice and farm establishment purchasing. The advance should be interest-free for the first five years from the date of allotment; during the next five years at 2 percent per annum and thereafter at the current rate of the Commonwealth Mortgage Bank.⁵³ Financing the settlers was considered to be a repatriation responsibility of the Commonwealth, with the provision of "all capital funds" and "all capital losses as well as net administrative costs".⁵⁴ Acceptance of the financial burden would be necessary because of the uniform taxing arrangements between the Commonwealth and the states, but also because the Commonwealth wanted to maintain control. The state soldier settlement authorities were not to proceed with land preparation or allotment without the concurrence of the Commonwealth.⁵⁵ Clearly, this last provision would provide the Commonwealth with the power of veto over any state nominated settlement. It was a cumbersome procedure, but an essential one if the overall concept was accepted that settlement would proceed only when the economic prospects were secure.

⁵¹ *Ibid.*, pp.14-5.

⁵² *Ibid.*, p.36.

⁵³ *Ibid.*, p.39.

⁵⁴ *Ibid.*, p.44, see my Appendix 7.

⁵⁵ *Ibid.*, p.31.

It was deliberately imposed to curb any reoccurrence of misplaced enthusiasm by the Australian states, and to ensure the Commonwealth's position as master controller.

The Commission wholeheartedly believed that a written agreement between the Commonwealth and the states was absolutely essential if accusations of foul play were to be eliminated. Therefore a large part of the Second Report was devoted to the basic organisation and the division of responsibilities in an attempt to clarify undefined areas of control. When the RSL had made their recommendations to the Federal Government, they had recommended that the Commonwealth should take full responsibility. While the Commissioners were deliberating, the Commonwealth was attempting to gain greater powers in other areas. The RRC believed it was not practical for them to recommend a line of action which would assume that the Commonwealth could win the referendum. However, with a power of veto over land preparation and allocation, as well as possession of a hefty contribution towards settlement, the Commonwealth was in a much better position to maintain overall control.

The period when the Rural Reconstruction Commission presented their ten reports 1944-46 was a very opportune time for new ideas. The Commonwealth was determined never again to be hampered by the states' interpretation of land settlement for ex-servicemen. The Ministry was in place headed by the best men for the task and the RRC had made a significant contribution to land settlement, and agriculture in general, with their guidelines. This contrasts with the first scheme when the administrators had a hazy concept of the magnitude of what they were proposing, and as a result, the Commonwealth took a minimalist approach economically.

For instance, the Commonwealth believed that the task of settlement planning could be undertaken by Watson in an honorary capacity, and that funding for establishment advances should be allocated from Patriotic Funds. Conflict and tension was bound to erupt when the states' interpretation was an ever-expanded financial outlay and an increased number of ex-servicemen on farms. The first scheme was hastily conceived by Watson, and endorsed by the states after three days of deliberation at the 1916 Conference. Contrast this with the RRC's Report. The Commissioners were able to assess the failed model in order to eliminate many of the problems which occurred after World War I.⁵⁶ In addition they consulted the RSL to incorporate worthwhile ideas from their membership and branches. Moreover, these quiet achievers were able to assess settlement for ex-servicemen in the context of marketing opportunities and agriculture in general. With the RRC's work completed, responsibilities lay with Chifley and Coombs to implement the scheme. Nevertheless, success would be dependent on the states' acquiescence to the recommendations as well as on co-operation and mutual trust.

⁵⁶ World War I planners could have looked to the experience of countries such as Canada which undertook soldier settlement after the Anglo-Boer War.

CHAPTER EIGHT

A GREAT DREAM REVISITED

"There must be no more gambling with men's futures just as a means of mechanical rehabilitation"

Sydney Morning Herald, 11 October 1945.

Once more Federal and State Governments had to address the dreams of a nation after battle. In doing so, they readily acknowledged the necessity for full co-operation and mutual trust if a second attempt at delivering land settlement to ex-servicemen was to be successful, but this objective was frustrated due to the problems of dual control. Both levels of government experienced frustration whilst Agreements were negotiated, and blame for delays in settlement once the Agreements were signed was attributed to the other party. The Commonwealth's failed attempt to legislate for Constitutional reform as detailed in Chapter Seven, prevented overall Commonwealth control, and undoubtedly hampered an efficient implementation of the scheme post-World War II. Nevertheless, despite the difficulties of a central body negotiating and administering two different schemes with six sovereign states, the result was favourable. The Federal Labor Party maintained clear policy aims and objectives concerning land settlement, gained state acquiescence to Federal recommendations for the adoption of selected RRC principles, secured control of administration and finance in the Agent states of Western Australia, South Australia and Tasmania, and a compromised Agreement with the eastern states holding Principal status.

In addition the Commonwealth claimed the power of veto over the acquisition of estates and subdivision plans. State agreement was achieved because both levels of government desperately sought a successful outcome. The major fear of both parties was a failure of the magnitude previously experienced, and therefore a compromised stance was eventually sought rather than place War Service Land Settlement in jeopardy.¹ Undoubtedly, Agreement with the Principal states fell short of the Commonwealth's ideal, but in comparison with the loss of effective control to the states after World War I they were placed in a superior position.

Once again a survey was conducted in order to gauge interest in War Service Land Settlement. This time only one Infantry Division was questioned. 15,109 men were informed that meetings concerning post-war land settlement would be held, and from a total of 1,207 who attended, 399 indicated that they would expect to buy or return to their own farms with some Government assistance in the form of a rural loan, and 504 stated that they would apply for land under a Government Land Settlement Scheme.² Since the results of this survey predicted that approximately 20,460 would apply for settlement, a figure considerably reduced from the RRC's anticipated figure of 54,000, it was accepted that the sample was too small.³

¹ Known hereafter as WSLS.

² Report on the Survey of an Infantry Division carried out in connection with Post-war Land Settlement and Rural Training, Ministry of Post-war Reconstruction, AA, A.606/1 R2-1-1.

³ *Ibid.*, Rural Training Meeting, 4-5 June, 1945.

However, the survey did convince the Federal Government that a considerable number of servicemen would expect to take up the option of land settlement on their return to Australia.

During the establishment period the Commonwealth remained resolute in its determination to implement the scheme proposed by the RRC with minor adaptations in emphasis, and the principles of operation adopted by the Premiers' Conference of Commonwealth and State Ministers in August 1944 were those recommended in the RRC's Second Report.

(a) Settlement shall be undertaken only where economic prospects for production concerned are reasonably sound; and the number of eligible persons to be settled shall be determined primarily by opportunities of settlement and not by the number of applicants.

(b) Applicants shall not be selected as settlers unless a competent authority is satisfied as to their eligibility, suitability and qualifications for settlement under the scheme and their experience of farm work.

(c) Holdings shall be sufficient in size to enable settlers to operate efficiently and to earn a reasonable labour income.

(d) An eligible person deemed suitable for settlement shall not be precluded from settlement by reason of lack of capital, but a settler will be expected to invest in the holding such a proportion of his own financial and other resources as is considered reasonable in the circumstances by the appropriate state authority.

(e) Adequate guidance and technical advice shall be made available to settlers through Agricultural Extension Services.⁴

⁴ *Commonwealth Year Book 1946-47*, p.114.

Adoption of principle (a) indicated the Federal Government's determination to place limitations on settlement in order to restrain the states, and to counter the World War I notion that universal land settlement was a given right. In a letter to the Ministry of Post-war Reconstruction from the Secretary of the Treasury the position was clarified: "I assume that it is mutually agreed that the settlement scheme contemplated will be on a much smaller scale than that envisaged by the Rural Reconstruction Commission".⁵

The Commonwealth's conception of what constituted success on the land was also diminished. The Minister for Post-war Reconstruction stated that the blocks set aside for settlement must provide a return equal to "at least the wage of a labourer".⁶ The official commitment to settlers in the Re-establishment Pamphlet No. 4, *Farms for Fighting Men*, issued by the Ministry for Post-war Reconstruction, stated that settlers would have a "reasonable living ... after meeting all such working expenses, rent, interest and principal repayments".⁷

Social equality for settlers with their urban counterparts was of vital importance to Country Party Members of Parliament. John McEwen, Member for Indi, stressed the need for all-weather roads, electricity, schools and the provision of recreation facilities in order that settlers should share some of the comforts of town life.⁸ In agreement was McEwen's Party colleague, the Member for Maranoa: "settlers must enjoy a reasonable standard of comfort".⁹ The aim of moderation was realistic, although it undermined the settlers' dreams of an earlier period.

⁵ Letter from Secretary to the Treasury and signed on his behalf by N.F. Stuart, to the Ministry of Post-war Reconstruction, 17 April 1944, AA, A.571 48/1285.

⁶ *CPD*, 30 August 1945, A. McDonald, Member for Corangamite, quoting the Minister for Post-war Reconstruction, p.5060.

⁷ Re-Establishment Pamphlet No. 4, *Farms for Fighting Men*, issued by the Ministry of Post-war Reconstruction, 23 October 1945, AA, A.606/1 R2-1-1.

⁸ *CPD*, 31 August 1945, pp.5088-9.

⁹ *Ibid.*, C.F. Adermann, p.5082.

It was not envisaged that the farm should be regarded automatically as an inheritance for the sons and daughters of settlers. Rather it was a method of re-establishment and a living for the settler and his family.

This proposed reduction of scale was proposed by the Federal Labor Party due to prospects of further economic diversification after the war. Manufacturing had developed in wartime. No longer could primary industry claim huge financial outlays to the detriment of secondary industry, public works and the new ideals of social equality. While the restrictive marketing policies adopted by world traders indicated that a sudden expansion of primary industry in Australia would be irresponsible.

A second extremely important determinant for scaling down WSLS was the fear of a political backlash from urban ex-servicemen and women who might consider that the soldier settler received "a more generous repatriation treatment".¹⁰ The Secretary to the Treasury warned that any political advantage associated with the scheme would be destroyed if this attitude prevailed. Indeed, the scheme would become "a political liability rather than a political asset".¹¹ The new Minister for Post-war Reconstruction, John Dedman, indicated the importance of this issue when he declared: "Any disparity of any magnitude cannot be allowed".¹²

¹⁰ Letter signed by N.F. Stuart for the Secretary to the Treasury, AA, A.571 48/1285, *op. cit.*

¹¹ *Ibid.*

¹² CPD, 19 June 1946, p.1601.

Another variation to the Commission's recommendations was a proposed administrative and financial structure which gave no assurance that the states would have adequate credit facilities.¹³ The RRC had recommended that the Commonwealth should be responsible for all finance. This did not eventuate, nor did two separate Commonwealth authorities to administer investigation of the proposed schemes submitted by the states, and a second to finance all returned men placed on farms. J.B. Chifley, Federal Treasurer and Minister for Post-war Reconstruction during the establishment period, recommended that a single authority should be set up because of the urgency attached to getting the scheme underway. In addition, he was not convinced that the Commonwealth should take unrestricted financial responsibility because of the former scheme's poor performance and catastrophic debt. Chifley's economic and social anxieties were contained in a Cabinet minute dated March 1944.

(a) The Government will be sponsoring development in industries which in pre-war years were not prosperous.

(b) The Government will be giving to servicemen undertaking farming a degree of assistance denied to those entering other industries.

(c) The Government will be using public money to build up private assets.¹⁴

¹³ S. Copley, *A Comparative Study of Soldier Settlement in South Australia and Victoria 1943-50*, BA Hons thesis, Flinders University, 1979, p.43.

¹⁴ *Ibid.*, p.1.

Although WSLS was in conflict with Chifley's social vision, it did provide a rationale for splitting up large land holdings. It also created an opportunity for change in line with socialist policies in an area of state jurisdiction. Therefore an over-riding strategy of moderation was established by the Commonwealth, in reducing the number of farms and the promises given to prospective settlers. Party members accepted that the unwieldy settlement of more than 39,000 settlers to 1939 was excessive. Whereas this new cautious approach was in line with the Labor Party's major unofficial reason for embarking on another scheme, which was the realisation that the electorate expected it.

Principle (b) of the Principles of Operation placed the responsibility of ensuring a reduced number of applicants with the states by advocating stringent adherence to tighter qualification guidelines. If a state should fail in its responsibilities in this regard, the Commonwealth had some protection due to its discretionary power. The state retained the responsibility of settler qualification, but the Commonwealth had to approve every estate acquired for subdivision. J.B. Crawford, Director of the Rural Division of the Ministry of Post-war Reconstruction, recognised the danger of deliberately refusing proposals in an attempt to limit the "*rate and magnitude*" of settlement.¹⁵ He believed this "would engender friction" with the states, and would certainly hinder the policy of collaboration, co-operation and mutual trust. He stressed that a Federal veto should be used only as a last resort. Nevertheless, it was an important psychological last resort for a nervous Commonwealth when they contemplated the nature of the states' generosity.

¹⁵ J.G. Crawford, Primary Industries Economic Outlook, 20 August 1945, AA, A606/1 R2-1-3. Emphasis was in the original quotation.

The Principles of Operation adopted by all governments were circulated widely in the press, handouts such as *Return to Civil Life* and Re-establishment pamphlets.¹⁶ But some community members in New South Wales considered restraints on land settlement an unnecessary irritant and questioned why there was such caution in a period of post-war expansion.¹⁷ When applications came flooding in, public and media pressure in New South Wales amended perceptions. "It will be years before all the returned servicemen who desire it were settled", claimed the *Sydney Morning Herald* in 1946.¹⁸ T.P. Gleeson told the New South Wales' Parliament later in 1946 "We should not be satisfied until every qualified ex-serviceman who is competent and willing to take up land received the assistance and consideration that should be coming from a grateful nation".¹⁹ Agreement with the Commonwealth concerning the number of land opportunities controlling the rate of settlement was temporarily forgotten. Sustained editorial comment in the *Sydney Morning Herald* during the first six months of 1946 reflected this change of emphasis, undoubtedly stimulated by the singular lack of progress made in that state.²⁰ It should be noted that an irrational change took place in editorial policy. In late 1945 an emotional plea went to press that mistakes of the past should not be repeated. But the message changed from February to June 1946 when editorials in the press implied that the holders of qualification certificates in New South Wales were entitled to war service land settlement.

¹⁶ Post-war Reconstruction, *A Handbook for Members of the Defence Forces Return to Civil Life*, A.5693 (VII), Auchmuty Archives, University of Newcastle; Ministry of Post-war Reconstruction Pamphlet No. 11, *Rural Training*, ML940.531144/4 N5-12; Pamphlet No.4, *Farms for Fighting Men*, op. cit., *SMH*, nd.

¹⁷ J.G. Crawford in H. Grattan, ed., *Australia*, Berkeley, 1947, p.185.

¹⁸ *SMH*, 7 June 1946, p.5.

¹⁹ *NSWPD*, 6 November 1946, p.13.

²⁰ The RRC had warned of the need to resist public pressure in its Second Report, *Settlement and Employment of Returned Men on the Land*, 1944, Clause 159, p.13.

"Nearly 7,500 men have already been recognised by the government as having all the qualification necessary for a successful life on the land".²¹ The President and Secretary of the Ex-Servicemen's League in Parkes, with their letter to the editor of the *Sydney Morning Herald* attempted to clarify the principles of WSLS by quoting the words of the Minister for Post-war Reconstruction: "It appears unlikely that all eligible and suitable ex-servicemen who apply for settlement will be allotted holdings" because applications will outnumber opportunities.²²

Federal members were aware that outmoded attitudes in the states prevailed. McEwen forewarned Parliament that "unless the Commonwealth lays down certain basic requirements, we may find some parsimonious or short-sighted State Government repeating the state of affairs which soldiers of the last war experienced".²³ It was imperative that a formal agreement defining administrative and financial responsibilities for the inevitable losses including both the Commonwealth and the states should be made. The process was handled slowly and with skill. Whilst the Premiers accepted the 'Principles of Operation' contained in the RRC's report in August 1944, they rejected a draft agreement delegating financial and administrative responsibilities. This put forward that capital for the acquisition and development of land, plus one half of the difference between the property cost and the productive value of the land should be borne by the Commonwealth. Protests from the financially weaker states of Western Australia, South Australia and Tasmania argued that the Federal Government should accept a larger share of financial responsibility. Meanwhile Victorian Liberal and Country Party members were incensed when informed that perpetual leasehold was the land tenure.²⁴

²¹ *SMH*, 7 June 1946, p.2; other comments 8 February 1946, p.6; 23 April, p.2; 29 May, p.2.

²² *SMH*, 16 December 1946, p.2.

²³ *CPD*, 31 August 1945, p.5088.

²⁴ Labor had a term in office from 1945-47 with John Cain Sn. as Premier. Otherwise the period of planning from 1944-45 and from 1947-50 was by the Liberal Country Coalition in Victoria.

The RRC had excluded tenure from its findings, stating that it was "too contentious", and that settlement should proceed under existing tenure.²⁵ Victoria maintained that freehold was its existing tenure, that arguments as to the advantages of perpetual leasehold tenure were not convincing, and that their decision should be respected. In order to remove the disadvantage which was created by a greater capital valuation and therefore a larger debt, the Soldier Settlement Commission of Victoria instigated a two-tier system of leases leading to freehold land. During the establishment period an interim lease required the settler to pay rent. Only at the Purchase Lease stage was the settler required to make payments against the capital debt.²⁶ Thus the Commonwealth approved a scheme of tenure for Victoria which was different from that of every other state. Victoria maintained the fundamental belief that a settler must establish ownership in order to make a full commitment to the farm. The fact that a Liberal Country Government was in power in Victoria during the planning years may have been influential in this policy.

The different aspirations of the larger states, in comparison with the less financial states of Western Australia, South Australia and Tasmania, were accommodated by two separate agreements with the Commonwealth. These were presented to a Conference of Commonwealth and State Ministers in October 1944, and were tentatively approved.²⁷ Further meetings were held in February and May 1945 when a final draft agreement was submitted to each state.²⁸ Formal agreement was reached on 22 August 1945 and state signatures obtained in November.²⁹

²⁵ RRC, Second Report, *op. cit.*, p.36.

²⁶ R. Smallwood, *Hard to Go Bung: World War Soldier Settlement 1946-62*, Melbourne, 1992, p.36.

²⁷ Agreement between the States, AA, A.571 42/4438.

²⁸ Discussion by Commonwealth and State Officers on Agreements and Administrative Procedure, AA, A.605/1 R2-1-10.

²⁹ *Commonwealth Year Book 1946-47*, p.113.

The first schedule adopted by New South Wales, Victoria and Queensland designated that they should act as principals, with the Commonwealth providing assistance on a ratio basis. Tenure was optional, to accommodate Victoria, while New South Wales and Queensland opted for perpetual leasehold. A Principal State was responsible for capital outlay for the acquisition, development and improvement of the land for a settler. It would pay one-half share of any loss involved should the valuation of the farm be less than the cost of development, one-half of the interest remission during the assistance period and one-half of any loss incurred from advances for working capital.³⁰ The Commonwealth was responsible for half of any excess of cost over valuation, one-half of any losses on advance working capital, one half rent remission and the total cost involved in the provision of the living allowance for the first twelve months.

The second schedule adopted by South Australia, Western Australia and Tasmania declared that the States would administer the scheme as agents of the Commonwealth and all land would be perpetual leasehold tenure. Under this schedule, the State contributed the cost of State administration and made a capital contribution in respect of each holding equal to two-fifths of any excess in respect of acquisition, development, improvement and valuation. The Commonwealth provided the capital for acquisition, development, improvement and for advances to settlers as well as making a contribution of three fifths of the excess of total cost over the valuation. They would bear any losses arising from advances, the total cost of the remission of rent and interest and the payment of living allowances to settlers.³¹

³⁰ The valuation of each farm to be made by Commonwealth and State officers following establishment.

³¹ *Ibid.*

Examination of the two options instantly poses the question, why did the Principal states opt for a greater financial burden when they could have absolved themselves from this responsibility in favour of the Commonwealth under Agent status? Historian E.R. Walker suggests that the Principal states were prepared to trade added financial responsibility for independence in order to reassert themselves following defeat of the Constitutional referendum.³² Some Federal members were frustrated by the complex nature of the Agreements finally achieved, and regretted their failure to achieve uniformity under Federal control.³³ But from the Commonwealth's viewpoint these Agreements, reached through arduous negotiation and compromise, provided definite advantages in the form of protection for both parties. This situation was very different from that which had existed in 1916 when the Commonwealth had embarked on settlement in conjunction with the states with no formal procedure for ensuring accountability in state administration for settlement numbers, quality control on land, the size of farms and the industry entered into by the settler.

While negotiations took place, the Commonwealth established a tight and competent administrative structure. The Department of War Organisation and Industry was absorbed into the Department of Post-war Reconstruction in February 1945. The same year the WLS Division of the Ministry was created to administer the WLS Agreement Act 1945, and the Re-Establishment and Employment Act 1945, with W.A. McLaren as its first Director.³⁴

³² E.R. Walker, *The Australian Economy in War and Reconstruction*, New York, 1947, p.35

³³ *CPD*, 31 August 1945, Member for Wannon, D. McLeod, pp.5091-2.

³⁴ WLS Agreement Act 1945 was to authorise the execution by, or on behalf of, the Commonwealth Agreements, AA, A.2863/1 45/52. Re-Establishment and Employment Act 1945 provided loans and financial assistance to ex-servicemen undertaking farming, horticulture, viticulture, apiculture, dairy farming, poultry farming, pastoral or grazing operations.

He was responsible to the Minister for Post-war Reconstruction for the administration of the Agreements. J.G. Crawford, Director of the Rural Division of the Department of Post-war Reconstruction, was the chairman of the Farm Plans Consultative Committee which was responsible for the investigation of state proposals. Other departments represented on the Committee were Treasury, Commerce, Agriculture and the Commonwealth Bank. In each state the Federal structure was represented by staff able to liaise with state authorities and attend state committee meetings.

It was hardly surprising that a period of instability followed the signing of the Agreements in 1946. The Commonwealth required abundant patience in order to retain a tactful approach so that the spirit of co-operation with the Principal States was maintained. New South Wales was eager to commence purchasing land so that settlers could be installed on their farms, whereas Queensland was extremely slow to get started.³⁵ Victoria, having won the right to freehold tenure, was determined to fight the Commonwealth on the issue of single farms, despite the fact that the RRC had specified that this should not occur because of the large percentage of failures in this category after World War I. At this time fathers "kidded" sons to take up non-living areas sub-divided from family farms.³⁶ But despite protest from the Federal Minister for Post-war Reconstruction, Victoria went ahead outside the Commonwealth-State Agreement and by December 1947 it had successfully settled 800 ex-servicemen on single farms.³⁷

Many of the problems which hampered the working relationship of the Commonwealth and the states in 1946-47 were compounded by delays in the approval of land purchase. The procedure was cumbersome but extremely thorough.

³⁵ Perhaps this was due to the fact that Queensland sustained a 40 percent failure rate post-World War I.

³⁶ RRC, Second Report, *op. cit.*, p.32.

³⁷ *SMH*, 11 December 1947, p.2.

First, the state authority selected land as suitable for settlement and requested Commonwealth permission to survey. Any state submission had to include detailed information about the property including its location, climate, type of soil, potential for erosion, water supply, production proposals, as well as plans for development, sub-division, and improvements.³⁸ When Commonwealth approval was given, the state could then prepare a plan of the proposed settlement showing block size, its potential use, a valuation and other relevant information. Only when Commonwealth approval had been given could the state acquire the land and prepare it for the settler. In addition, the Commonwealth's financial participation was dependent on their authorisation of each stage of this procedure.³⁹

Inevitably this double handling of land investigation was extremely slow. But it did ensure that the states gained benefits from the opinion of numerous experts, covering many fields of agriculture, who gave their collective knowledge to the question of viability in regard to a particular project. Needless to say, the states frequently harboured animosity towards the educated experts who, in their opinion, were not able to evaluate the particular problems of an area with any degree of accuracy in comparison with the state field officer. Unfortunately, the Principal states found a national vision for agriculture difficult to accept as they jealously guarded their Constitutional rights. However, Federal approval for each projected land settlement development under the Commonwealth-State Agreement did eliminate many borderline submissions which failed the home maintenance criteria. For instance, New South Wales continually breached the Commonwealth's farm size guidelines in their enthusiasm to build up the numbers of settlers placed on farms.⁴⁰

³⁸ *CPD*, 20 July 1945, J. Dedman, p.4345.

³⁹ *Ibid.*, and *Commonwealth Year Book 1946-47*, p.114.

⁴⁰ AA, A.461 394/1/3 cited in M. Vellacott, *War Service Land Settlement in Victoria 1945-60*, B. Litt. thesis, ANU, 1983, NLA, MS8409, p.36.

When answering a question put to him by the Member for Wide Bay, Bernard Corser, Dedman had to admit: "I am not altogether satisfied with the progress made in the selection of suitable land".⁴¹ He displayed even greater passion the following year, just having read the latest in a barrage of press attacks on the Commonwealth's method of land approval which, the *Sydney Morning Herald* claimed, was "encumbering ... with overlapping supervision, re-inspection of estates ... and apparently limitless extension of inquiries, correspondence, form filling and all the procedure dear to the red-tape mind".⁴² Dedman immediately disclaimed any Commonwealth negligence. Fifty five estates had been submitted by New South Wales, of those forty five had gained approval. Seven of the approvals had been made for a period of eight-and-one-half months, three for eight months, six for three months and one for two months, he added.⁴³ This firm rebuke was directed at the New South Wales Government, although Dedman partially hid his intent by claiming his impassioned response was due to the irresponsibility of the press.

⁴¹ *CPD*, 26 April 1945, p.1102.

⁴² *SMH* editorial, 23 April 1946, p.2.

⁴³ *CPD*, 19 June 1946, p.1599.

Honourable members oppose in the New South Wales Government also brought to public notice the fact that the scheme had failed to place any ex-servicemen on the land.⁴⁴ Indeed, it had taken twelve months to obtain Federal approval to purchase enough land for fifty to sixty settlers.⁴⁵ According to the Federal Member for New England, the only progress made was four reports from the RRC, "cold comfort to the men who wait".⁴⁶

Despite the fact that the Principles of Operation clearly stated that men would be settled on the land only when there was land availability and commodity marketing opportunities, ex-servicemen began to feel impatient and cheated of their due rights following active service. As the result of sustained editorial criticism, I.C. Thomson of Palm Beach wrote to the *Sydney Morning Herald* documenting his experience.⁴⁷ Thomson placed his application for a qualification certificate while on active duty and it was granted in September 1944. A second application, two letters and five months later, Thomson believed he was a "victim of evasion, half truth and equivocation".⁴⁸

⁴⁴ *NSWPD*, 26 November 1946, V.H. Treatt, pp.318-32 and *SMH*, 6 May 1946, p.2.

⁴⁵ *Ibid.*, p.332.

⁴⁶ *CPD*, 30 August 1945, J. Abbott, p.5061.

⁴⁷ *SMH*, 14 February 1946, p.2.

⁴⁸ *Ibid.*

The fact that at this time not one settler had been placed on a farm created great anxiety amongst applicants. Men like Thomson were concerned because they read in the *Sydney Morning Herald* "that some thousands of ex-servicemen are likely to be still on the waiting list in 1956".⁴⁹

Protest meetings and negative comments in the press encouraged governments to apportion blame. The New South Wales Government's response typified state reaction generally, with claims that the Federal Government's agenda was to centralise authority in Canberra.⁵⁰ When New South Wales' submissions were rejected on general suitability, the price or the size of farms, there were cries of foul play. State Member for Corowa, Ebenezer Kendall declared: "The dual control of State and Federal authorities is not conducive to the settling of returned soldiers on the land; rather it crucifies them".⁵¹ No doubt tension was reinforced by the fact that the state upheld the notion that they possessed the practical experience necessary for successful land settlement, and this skill was lacking in their Federal counterparts.

A second area of contention occurred concerning who should be the final arbiter in the case of Commonwealth-State conflict. The *Sydney Morning Herald* promoted State determination in such a situation.⁵² The new Minister for Lands in New South Wales, W. Sheahan, affectionately known as Billy, believed that conflict resolution should be his responsibility because if total agreement could not be reached the result was deadlock. When he replaced J. Tully as Minister in 1947, he was frustrated by the lack of action in New South Wales on land settlement.

⁴⁹ *Ibid.*, 26 March 1946, p.7.

⁵⁰ *NSWPD*, 28 September 1949, D.B. Hunter, p.3780. The New South Wales Government was conscious that the Federal Government had also taken over the Snowy Mountains Hydro Electric Scheme.

⁵¹ *Ibid.*, 6 July 1949, p.3189.

⁵² *SMH*, 23 April 1946, p.2, and 29 May 1946, p.2.

Although 127 ex-servicemen had been settled on farms by the time he took office, he was frustrated by an inheritance of 17,000 unprepared deeds, 2,000 outstanding lease grants, 1,267 maps awaiting completion, 19,210 applications for qualification certificates and 12,212 holders of certificates actively agitating for land.⁵³

In his efforts to get settlement moving in New South Wales, Sheahan soon found that the accepted policy of co-operation and mutual trust was difficult to sustain. On 6 May 1949 the *Daily Telegraph* (Sydney) maintained that the working relationship between Dedman and Sheahan had broken down, with serious delays for New South Wales' settlements as a result.⁵⁴ At an Australian Labor Party Conference in Cootamundra, Sheahan replied that he would not tolerate being treated like the "office boy" by the Federal Minister for Post-war Reconstruction. "We would have been more settled if it had not been for the power of veto exercised by Mr. Dedman" he claimed.⁵⁵

Unfortunately, Sheahan refused to accept that the power of veto was imposed to protect the Commonwealth against state excesses such as those exhibited by New South Wales. The Commonwealth had learned from past experience and, as a result, recognised that they needed protection against state action which did not mirror land settlement policy. New South Wales accepted the merit of the recommendations included in the Principles of Operation with regard to the number of settlers and the size of farms, yet the tendency towards excessive enthusiasm, and competition between New South Wales and Victoria in settler figures, quickly re-surfaced again.

⁵³ *Ibid.*, 14 June 1947, p.5.

⁵⁴ Letter to Premier from W. Sheahan stating that leaked documents to the *Daily Telegraph* were not from his office. See also *Daily Telegraph*, 6 May 1949, p.4, AA, A461 B.394/1/3 Part 5.

⁵⁵ *Ibid.*, 28 March 1949, p.4.

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**W. Sheahan, New South Wales Minister for Lands
late 1940s**

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Hostile criticism from the Federal Opposition increased pressure on the Federal Minister to speed up the procedure, perhaps to the detriment of the scheme. "The Department does not mean to make any mistakes because it does not intend to put any soldiers on the land" stated the Member for Richmond, Hubert Anthony.⁵⁶

Criticism gradually diminished in intensity when settlers began to take up their blocks and pandered to their dream. By 1949, a total of 2,614 settlers were placed on 4,902,902 acres. As 1,091 of these settlers were in New South Wales, the Department of Lands was particularly pleased with their effort.

Although New South Wales was exhilarated by its lead in settlement figures, the Commonwealth remained disappointed. Their failure to gain control of a unified scheme severely restricted a smooth and efficient implementation of WSLS. At December 1947 only three percent of ex-servicemen holding a qualification certificate in Australia had been placed.⁵⁷ However, the Federal Government responded to the difficulties which emerged with patience and persistence. Dedman told Federal Parliament "we shall refuse to be stampeded into ill advised plans and projects".⁵⁸ He adhered to the Chifley viewpoint that it was better to have fewer settlers but well established ones.⁵⁹ Confidence to remain with this policy was gained from the work of the RRC which presented the basic guidelines for settlement before the governments of Australia. The Commonwealth also retained the RSL's support.

⁵⁶ *CPD*, 19 June 1946, p.1574.

⁵⁷ *SMH*, 11 December 1947, p.2.

⁵⁸ *CPD*, 19 June 1946, p.1602.

⁵⁹ Minutes of Farm Plans Consultative Committee, September 1945, p.6, AA, A606/1 R2-1-10.

Although the Commonwealth gained Agent status Agreements with the less financial states of Western Australia, South Australia and Tasmania which ensured a large degree of overall control, it was forced to accept a position of compromise with New South Wales, Victoria and Queensland who were not prepared to exchange their independence for settlement funding. As already stated, disappointing results emerged in Queensland which showed lack of interest. Victoria essentially embarked on settlement outside the Agreement and without funding. While New South Wales became over zealous in its attempts at land settlement, sometimes forgetting the basic principles laid down by the RRC and agreed to by all Governments. In the case of New South Wales it was fortuitous that the Commonwealth held the power of veto, thus reducing unrealistic settlement proposals, but the constant antagonism between the two parties remained.

Settlement commenced at a time when the Federal Government was inspired with reformist zeal for rural dwellers⁶⁰ Furthermore, some of the lessons of history had been absorbed and acted upon. For instance, the Commonwealth established that clear and concise guidelines were required, that all Governments must agree to these principles and endeavour to maintain a common goal for their implementation. Commonwealth-State harmony was strained by the formal Agreements which were subsequently amended to accommodate the differing demands of the Principal states of New South Wales, Victoria and Queensland and the less financial Agent states. Moreover, the central Government recognised that in order to ensure a worthwhile outcome it must retain a power of veto over and above the states to demand their compliance to the agreed settlement guidelines. This did not eventuate in Victoria. Still, Victorians were fortunate because their Government recruited sound administrators who were determined to execute a scheme which would be a credit to their state. It was a great public cost to the State of Victoria because they acted essentially outside the Commonwealth's Financial Agreement. But the ultimate outcome of the World War II scheme rested with the Federal authority to impose moderation and restraint, notwithstanding the desire of all governments to emerge victorious from this second experiment. The Commonwealth had failed to grasp total control of the scheme. Nevertheless, in 1946 there were legal Agreements in place to protect the Federal Government from a repetition of the previous disaster.

⁶⁰ The notion that rural dwellers should have a lifestyle comparable with their urban counterparts.