

## **Maiden Speech**

### **Supply Bill, 19 March, 1953**

Mr WHITLAM (Werriwa) [8.36].- Before the House grants Supply, I too, should like to make some comments on the record of the Government which proposes to expend that appropriation. The matter of finance was very dear to the heart of my predecessor, the late Hubert Peter Lazzarini. At the time he died, he was the father of the Labour party in this Parliament. There were only two persons in the House who had spent a longer time in it than he had. One was the Minister for Health (Sir Earle Page), who founded the Australian Country party and, I am happy to say, looks as if he will survive it. The other was the late right honourable member for Bradfield, Mr. Hughes, who, in his last 40 years in this House, had joined and left every party represented in it except the Australian Country party. Mr. Lazzarini had always belonged to the Labour party, had always adhered to its principles, and had given strength to both -----

Mr. McEwen.- No, he was in and out of the Labour party.

Mr. Pollard.- And the Minister was in and out of the Australian Country party.

Mr. SPEAKER.- Order! It is one of the courtesies of this House that an honourable member shall be heard in complete silence when he is making his maiden speech. I ask that that courtesy be observed now.

Mr. WHITLAM. – I thought that the Minister for Commerce and Agriculture (Mr. McEwen) had returned to the more congenial climate of Disraeli's day. I recollect that Disraeli said, on the occasion of his maiden speech, "The time will come when you shall hear me". Perhaps I should say, "The time will come when you may interrupt me".

The Minister for Commerce and Agriculture said that the Government had encouraged the erection of modern homes for the workers, and that he was proud of its housing record. I concede that the volume of home construction is as good a criterion as any other with respect to the financial and economic health of a community, but to disprove the statement of the Minister, I shall cite some figures from the *Quarterly Bulletin of Building Statistics, No. 19*, issued by the Commonwealth Statistician, for the quarter ended the 30<sup>th</sup> September, 1952. It shows that the number of buildings commenced in any quarter reached its peak in the quarter ended the 30<sup>th</sup> September 1951, when the construction of 22,000 homes was begun. But in every subsequent quarter, the number has decreased. In the quarter ended the 30<sup>th</sup> September last, which is the last quarter for which the figures are given by the Statistician, the number had declined to 15,500.

I need not go further than my own electorate to cite figures showing the decline. In the municipality of Fairfield, which is largely comprised within my electorate, 636 building permits were issued for the erection of houses during the first half of 1951. In the subsequent three half-yearly periods, the number has not exceeded two-thirds of that total, the figures being 438, 442 and 449, respectively. In the municipality of Liverpool, which is largely comprised in my electorate, the number of building permits issued in 1951 was 195, but was only 121 in 1952. In the shire of Sutherland, which is wholly comprised in my electorate, the council issued permits for the erection of 2,900 dwelling houses in 1951, and permits for 2,046 dwelling houses last year. This decline by one-third is marked all over Australia, and not the least in my electorate. The plain reason why people are not building houses now is that they cannot afford to do so. Twenty years ago, during the depression, the first thing on which people retrenched was their accommodation. Food and clothing had to come first, and people continued to live in crowded

circumstances, because they could not afford better accommodation. No one thinks that, twenty years ago, the people of Australia were adequately housed; and nobody thinks that they are adequately housed now. Can there be any excuse for a reduction of the building rate of dwelling houses to two-thirds of what it was less than two years ago?

The Minister for Commerce and Agriculture also cited the record of the Repatriation Commission. I quote the figures which were supplied by the Minister for Social Services (Mr. Townley) to the honourable member for Franklin (Mr. Falkinder) on the 24<sup>th</sup> February last. It appears from those figures that there was an allocation of £25,071,000 for war service homes in the financial year 1950-51, £28,075,000 in the following year, and £28,000,000 in the current year. No one will assert that the £1 to-day has the same value as the £1 of two years ago or even one year ago. Fewer houses will be erected by the War Service Homes Division out of the allocation this year than were erected last year and in the preceding year.

Another respect in which the present Government has hurt housing has been by the increase of the interest rate. A man who borrows £2,500 – a typical amount – to finance the construction of a home and agrees to make repayments over a term of 30 years will pay £2 9s. a week if the interest rate is 3 per cent., £2 16s. if the rate is 4 per cent., and £3 2s. 6d. if it is 5 per cent. Over the period of 30 years, if the interest rate is 5 per cent., he will pay twice as much as the amount he borrows. Housing has also been provided by the housing commissions of the various States, pursuant to the Commonwealth and State Housing Agreement. One of the gravest indictments of the present regime is that it has repudiated the solemn undertaking that it made with the six States in 1945. I shall read clause 6 of the agreement, which appears as a schedule to the Commonwealth and State Housing Agreement Act 1945 –

The Commonwealth will advance to each State.....the moneys that shall be here after required for the carrying out of the State's housing projects as notified to the Treasurer of the Commonwealth from time to time pursuant to Clause 7.

Clause 7 reads as follows: -

Each State shall at least fourteen days before the first days of January, March, June and September in each year notify the Treasurer of the Commonwealth of all housing projects which it proposes to commence in the ensuing period of three months and in respect of the dwellings included in that housing project or projects shall furnish particulars to the Treasurer of the Commonwealth of the proposed nature and type and estimated cost of each dwelling or group of dwellings.

I have the New South Wales figures showing the performance of this Government in the last two years under that solemn agreement. In the financial year 1951-52 New South Wales notified the Treasurer of the Commonwealth that it would place contracts under that agreement to a value of £14,000,000. The Commonwealth granted only £8,514,000. An amount of £11,123,000 was expended. New South Wales, therefore, had to find from its own restricted resources the sum of £2,609,000. I quote now from the eleventh annual report of the New South Wales Housing Commission concerning the effect of that reduction.

The report says –

The immediate result was the virtual cessation as from November, 1951, of the letting of buildings contracts, the cancellation of contracts for homes, the termination of negotiations for favourable contracts for large numbers of houses, the drastic curtailment of day labour housing

works and other actions calculated to reduce expenditure. Associated grave disadvantages were the inability to honour obligations to firms established locally and/or developed in the interests of the Governments' housing operations (some from overseas) with which there existed understanding from some continuity of work to ensure reasonable prospects of return on finance invested at the Commission's instigation, and the disruption caused by the sudden severe limitation of activities to the programming and planning for the future.

A statement on page 9 of the report reads –

The number of contractors actively engaged on Commission work at 30 June, 1952, was 497. Prior to the imposition of the financial restrictions in November 1951, the number of contracts so engaged was 549.....

In an annexure to the same report is shown the number of houses contracted for in the financial year 1950-51 and in the financial year 1951-52, which shows that the number decreased from 3,512 in 1950-51 to 1,980 in 1951-52. That is not the end of it, because New South Wales has notified the Treasurer that a sum of £17,190,000 can be expended in the current financial year on contracts let under the agreement. The Commonwealth said, first, that it would grant New South Wales a mere £8,800,000, but it later repented to some degree and increased that sum by £3,300,000, making a total of £12,100,000 to be expended on the erection of houses. That amount was only 70 per cent. of the amount the Commonwealth was due to pay under the agreement.

There is no question in my mind that the Commonwealth has broken and repudiated that agreement. It has defaulted on it, and there is no doubt that New South Wales and the other States could seek a declaration from the High Court that the agreement is binding on the Commonwealth, and that the Commonwealth has broken it.

That is not the only agreement that the Government has broken. Another agreement that it has broken is the Financial Agreement of 1927, which is enshrined, in its present form, in the schedule to the Financial Agreement Act 1944. A great deal of mystery surrounds the operations of the Australian Loan Council, because it meets in secret. No communiqués are issued after its meetings. Its meetings are like political party meetings. One has to read the press to find out what goes on at them. Clause 3 (8.) of the Financial Agreement reads –

The Commonwealth and each State will from time to time .....submit to the Loan Council a programme setting forth the amount it desires to raise by loans during each financial year.....

Sub-clause (9.) of the same clause states –

If the Loan Council decides that the total amount of the loan programme for the year cannot be borrowed at reasonable rates and conditions it shall decide the amount to be borrowed during the year.....

Sub-clause (15.) states –

A decision of the Loan Council in respect of a matter which the Loan Council is by this Agreement empowered to decide shall be final and binding on all parties to this Agreement.

The agreement, therefore, is binding not only on the States, but also on the Commonwealth. Clause 4 of the agreement reads –

.....The Commonwealth, shall.....arrange for all borrowings for or on behalf of the Commonwealth or any State.....

It is a common impression that the Commonwealth should run the Australian Loan Council. It may, in fact, run it but that was not the intention of the States and the Commonwealth when the agreement was made in 1927, nor was it the intention of the citizens of the States and the Commonwealth who, for once in their lives, voted affirmatively in a referendum, and approved the agreement. The fact is that the Commonwealth and the States jointly decide how much money should be raised, whether it is possible to raise that amount on the open market, and what the interest rate shall be. The present regime has flouted the decisions of the Australian Loan Council. It appears that the Loan Council voted, by a majority consisting of the six States, three of which at that time were under Labour governments, two under Liberal governments, and one under a Country party government, for the raising of loans amounting to £247,500,000, during the current financial year. The States decided that it was necessary and possible to raise that amount, but the Commonwealth representatives on the council said in effect, “You can vote as you like. We shall disobey the decision of the council”. That is a flaunting of the Constitution. The Commonwealth decided that the loan moneys to be raised should amount to about £185,000,000. In this financial year New South Wales will be allowed only £51,000,000 out of that sum. That appears to be a great amount, but in the previous financial year the Loan Council voted, and the Commonwealth approved, an amount of £64,000,000 for New South Wales. In order to obtain a complete picture of the situation one has to realise that in that second year there was available £13,000,000, or 20 per cent., less than was available in the previous year. The Minister for Commerce and Agriculture said that in this financial year the Commonwealth was making available to the States £125,000,000 for their public works programmes. He did not state that in the previous year it made £153,000,000 available to the States. It is impossible for a State to budget adequately and plan for works that will keep people engaged in useful employment, if the amount of money available is to fluctuate so much. We all know it has varied in value, consistently downwards. However, the amount, on its face value, has fluctuated now up and now down. If it was right for the Commonwealth this year to make available £125,000,000 for State public works it was foolish of it to make available £153,000,000 the previous year. There has been no consistency in its policy. The consequence of these reductions in public works has been that the people of New South Wales are not adequately housed, and have not the number of public buildings to which they are entitled.

I consider that I can speak with authority on that subject, because I represent an electorate that has grown very rapidly. There is only one other electorate more populous than mine, and it is represented by the right honourable member for La Trobe (Mr. Casey). I hope that I shall not be guilty of vanity if I hazard the opinion that the number of electors of the Werriwa division who wish me to represent them here exceeds the number of electors in the La Trobe division who wish the right honourable gentleman to represent them. The figures are more impressive when one realises that at the re-distribution of electoral boundaries in 1948 the number on the rolls in Werriwa was 38,000. At the end of 1949 it was 46,000 and at the end of last year it was about 57,500. Those figures show an astonishing growth of population. The electors of Werriwa are mostly people from the inner city area who have moved to the periphery of the city, where they had hoped to be able to erect homes in more pleasant, congenial, and spacious surroundings. As a result of lack of loan moneys they are without homes. Many of them are still living in the garages that they built as a temporary measure. They are without hospital and high school

facilities. I think it can be said truthfully that those outer suburbs have the highest birth-rate in the State. Three 250-bed hospitals were planned at Fairfield, Liverpool, and Sutherland in my electorate, but the contracts have been cancelled. No one in public life would venture to say that any of these hospitals is other than a necessity but the construction of each has had to be delayed because of the 20 per cent. cut in the amount of money made available to New South Wales for works in the present financial year. No high schools are being erected in the electorate, and as a consequence children have to undergo the tedium and hazards of up to 20 miles travel each way to school on five days a week.

The Commonwealth has not restricted only the activities of the States. It has also restricted those of its own activities that it regards as non-productive, inflationary or unnecessary. I believe that my electorate has the most unhappy distinction of having more unsatisfied telephone applications than any other electorate. Brazenly displayed on the sixth floor of the General Post Office building in Sydney is a list of telephone exchanges with the number of unsatisfied applicants shown against the name of each exchange. The number shown against the Werriwa exchanges is 2,500. That is not the total number of people in the electorate who are dissatisfied because of the lack of telephones. It represents businesses and families, and there must be many more thousands of people who are without telephones. It probably does not make those people feel much happier to think that money can be found for television but not for the provision of telephones. I can take any honourable member to at least six unfinished telephone exchanges which have remained in that state of tardy construction to which the Prime Minister referred yesterday, for at least three years.

The restriction of new building affects employment most markedly. I need not cite figures from official statistics to show that in the last eighteen months unemployment has risen. Any Monday morning 300 people can be seen queuing up for unemployment benefit outside the Commonwealth Employment Office at Liverpool, and the same number outside the Commonwealth Employment Office at Sutherland in my electorate for the first time since the right honourable gentleman was last Prime Minister.

I quote from the *Monthly Bulletin of Employment Statistics*, No. 134, issued in January last by the Commonwealth Statistician, which shows that civilian employment in Australia reached its peak in November, 1951, when 2,643,000 people were employed, and in January last the number had dropped to 2,522,000. Each intervening month shows a decline. The total decline in those fifteen or sixteen months was 121,000, and in that time at least 30,000 able-bodied men had come into the country from abroad, and at least the same number of able-bodied youths had left school and were seeking jobs. It may be that that was completely fortuitous and inevitable, but I shall quote a statement made by the Treasurer in the *Marcus Clark* case in November, 1951, at the time when employment reached its peak. In justifying the Defence Preparations (Capital Issues) Regulations to the High Court the right honourable gentleman said that it was necessary that we should be ready for mobilisation at the end of 1953, and for that purpose it was essential that the number of persons employed in the defence forces should be increased by 130,000 and that the number of persons in defence employment should be increased by 158,000. At page 20 of the demurrer book in that case the Treasurer is reported to have said –

If, as in 1939, there had been available currently unused economic resources and manpower, substantial defence preparations would have been carried out before the necessity arose to withdraw resources and man-power from present employment. No such unused resources or man-power, however are at present available. On the contrary, at the present time practically all resources of man-power, materials, plant, buildings, and equipment are being fully used, or

employed. Indeed, many types of man-power and materials are extremely scarce by comparison with the current demand for them.

At 30<sup>th</sup> June, 1951, the total number of persons receiving unemployment benefits in Australia was 449. This position may be contrasted with June, 1939, when there were 298,000 unemployed in Australia.

The right honourable gentleman then described the various methods by which the same happy result could again be achieved. He said that it might be brought about by legal compulsions, which would be highly disturbing, by giving higher prices and wages, which would be inflationary, or by limiting and reducing various economic activities of the nation, particularly those related to the provision and sale of civilian goods. The last method was the one that he chose. At page 32 he is reported to have said –

These objectives are being sought by taxation of individual incomes directed to reduction of consumer demand, by sales tax and excise taxation for the same purpose, and also by increased taxation upon companies, thereby curtailing further investment and reducing consumers' income. Public expenditure upon less essential public works is also being curtailed.

One can read between the lines and learn that hospitals, schools, telephones and all those things which may make for better communications or better living and a better trained population, are all regarded as unnecessary. Honourable members of the Opposition believe that good communications, a trained population and adequate hospital facilities are defence assets in the long run, and they do not agree that they are merely State matters which are to be squeezed out by other matters considered to be more important.

Now I shall answer the rhetorical questions of the Minister, who has just left the chamber to make way for another Minister, who, like *Hansard* takes his quarter hourly stint. Australians will respond to a national emergency frankly disclosed, and repudiate one which is used as a smoke-screen. The decline in popularity of the Government parties has been made obvious in every election that has been held under adult suffrage in Australia in the last year, whether it has been a federal, State or a municipal election. There have been two exceptions, one in the electorate of Bradfield, where the victory was pyrrhic, if every a victory was such, and the other was in South Australia, where an extraordinary position arose in which one party won the general elections by gaining 21 of the 22 seats it contested with a total of 162,000 votes, and the other party lost the general elections and gained fourteen seats of the 22 it contested with a total of 162,000 votes. At the recent by-election in my own electorate, 6,000 people who voted for the Liberal party eighteen months before changed their minds and voted Labour. One of the Liberal members of the Legislative Assembly of New South Wales, who then represented part of my electorate, advertised congratulations upon my victory, in which he said –

The increased majority on this occasion registers a positive protest against the financial policy of the Menzies-Fadden Government.

The decline in popularity of the Government is not due merely to the evaporation of their financial reserves, to the defection of the mercenaries who helped them on the last occasion or to the retrenchment of many of their paid organizers. It is due to the disillusion and frustration of thousands of Australians, particularly young ones who want to raise families under decent Australian and British conditions. It is clear that the people of Australia want a better deal. It is no less clear that they deserve a better deal.

Mr. OPPERMAN (Corio) [9.6].- I take this opportunity of congratulating the honourable member for Werriwa (Mr. Whitlam) on his maiden speech. It is obvious that his legal training has afforded him a clarity of thought and expression which is admirable. It is to be hoped that the principles of logic and common sense, which he has obviously developed, will always be applied to his contributions in this House, and it is also to be hoped that political considerations that must arise will not divert him from the path of reason and fair-mindedness. Honourable members listen to his speech with great attention, but I am afraid that the next time the he speaks he will not conclude without some interjection upon the contentious points that he may raise. He has shown a tendency to parochialize the debate by citing housing figures which are obviously State figures from the districts of Fairfield and Liverpool. Fairfield has been the centre of a special housing effort, and a reduction of building applications in that area is a sad reflex of the tragic waste for which the New South Wales Government has been responsible and of its failure to provide housing for the people.