

MEMO FOR CABINETHOUSING SCHEME IN AUSTRALIA

Despite the relatively high unemployment which unfortunately still persists, emigration to Australia is at a very low ebb at present. Various factors have contributed to the situation, not least the adverse propaganda regarding the housing conditions in which some of our emigrants have to live. Though no doubt reports about housing in Australia were exaggerated and had a political tinge, the fact remains that Government has failed to keep its promise made three years ago to start a housing scheme in Australia. That the Government would sponsor such a scheme was made public both in Malta and in Australia during my predecessor's visit to that country.

This question of improving housing facilities for our countrymen already in Australia and for prospective emigrants to that country was discussed at length both in Malta and in Australia, and it was agreed that the best way of solving the problem would be to set up and finance a Terminating Cooperative Building Society under the provisions of the Australia Cooperative Community Settlement and Credit Act, 1923, for the purpose of issuing loans to Maltese migrants. The Society would be financed by annual contributions to be shared equally between the Malta Government and the Reserve Bank of Australia. Moreover, there is the possibility of two Building Assurance Companies matching the funds made available by the Malta Government. The Government of Malta would appoint the Commonwealth Savings Bank as agent and remit loan monies by instalments. The relations between the Malta Government and the Society would be regulated by an agreement. The Australian Government guarantees repayment of the total loan and the Bank undertakes to pay the Malta Government interest at the current rate, about 5½ per cent.

The proposal is to provide in all a total of £550,000 spread over a period of five years as follows:-

First year	-	£50,000
Second year	-	£50,000
Third year	-	£100,000
Fourth year	-	£150,000
Fifth year	-	£200,000.

The amount for the first year matched by another £100,000 from the State Government and the Reserve Bank of Australia would be enough at present day market prices to provide three-bedroomed homes for about 40 to 50 families. If the amount is further matched by another £100,000 from the two Building Societies it would be possible to provide homes for some 30 additional families. The whole programme would thus provide for about 900 houses in five years at that would certainly relieve any housing shortage signs are experiencing. Having regard to the relatively large number of emigrants who would be eligible to assistance under the scheme, and in order to provide sufficient

incentives, it is proposed that the Malta Government would not take back the loan as it is repaid to the Bank nor withdraw the interest which will accrue annually on the capital, but would leave the money with the Commonwealth Saving Bank and create a revolving fund.

The scheme would surely stimulate emigration to Australia as it would not only help migrants with their accommodation problem but it would provide the opportunity for the migrants to get value for their money. As matters stand at present the Maltese emigrants who are living under depressed conditions cannot improve their lot unless they accept the high terms imposed by the Building Societies which they can ill-afford.

There is another aspect to the Scheme which should not be ignored. Malta Drydocks can manufacture pre-fabricated houses in Malta to specifications approved by the Australian Authorities. This might reduce the cost of the houses and would certainly give direct employment to local craftsmen as also indirect employment to other workers, and the capital outlay on part of it at least, would be spent in Malta if the Scheme is made a Maltese/Australian venture.

The original scheme to provide houses for Maltese emigrants in Australia was not proceeded with for lack of funds. At first an application for a Colonial Development and Welfare grant was made but this was turned down by the British Government. Next on the list was the money accruing to the National Insurance Fund, but the Crown Advocate-General advised that it would not be lawful to apply monies belonging to the National Insurance Fund to invest in a loan. The possibility of getting a loan from the Council of Europe Resettlement Fund was also studied but having regard to the high interest which emigrants would have to pay, it was not thought that recourse to the Resettlement Fund was an economic proposition.

It is not within the competence of the Ministry of Labour, Employment and Welfare to find ways and means of financing the scheme but the suggestion is made that excessive monies available in the Note Security Fund might be used to invest in this loan which according to everybody amounts to a gilt-edged security.

Honourable Ministers are requested to approve that the housing scheme in Australia be started immediately on the lines proposed in the memo.

24.10.66.