

FUNDS FOR HOUSING

Statement by the Prime Minister, the Rt. Hon. R.G. Menzies

The Prime Minister, Mr. Menzies, said today that the Government had decided on further action, through the Commonwealth Savings Bank and through the War Service Homes Division, which would provide a prompt stimulus to home building. An increase in the rate of home building would produce useful consequential effects in the timber, textile and furnishing industries, as well as those producing other types of domestic equipment and supplies.

Earlier this year the Reserve Bank had asked the Savings Banks to increase their rate of lending for housing in the present quarter, and they were doing this. The Trading Banks were also currently lending for housing at a higher rate than in the March quarter. The two member banks of the Commonwealth Banking Corporation involved in these arrangements - the Commonwealth Trading Bank and the Commonwealth Savings Bank - were playing their full part. It had now been arranged as a special move for the Commonwealth Savings Bank to expand substantially its rate of lending for housing during the next few months. Part of the funds to be made available would be lent direct to individual borrowers from the Savings Bank, but a large proportion would be placed through building and housing societies. Assurances had been received from the building societies that they are in a position to make quick use of additional funds.

With regard to War Service Homes, the Government would in the existing circumstances make, for the time being, a special arrangement to eliminate waiting times for new homes. Details would be announced shortly by the Minister for National Development, Senator Spooner.

Prior to this decision, applicants for new houses were required to wait from three to eighteen months according to the way in which they arranged for their houses to be built. Under the new arrangement, finance would be promptly available over the coming months for the building of new War Service Homes with no waiting time at all.

Mr. Menzies said that the Government had, throughout its term of office, recognised in a practical way the importance of sustaining home building at a desirable level. Apart from action taken through the banking system, the total amount of finance provided through the Commonwealth Budget in 1960-61 for War Service Homes (£35 million), under the Housing Agreement with the States (£37 million), and in other ways was more than £80 million. Legislation had been passed in the latest Session of Parliament to enable a renewal of the Commonwealth/States Housing Agreement.

CANBERRA,

22nd May, 1961.