

*[Spine]*

1/28

**E.J. BUNTING**

(Committee Notes, 6/12/51 to 24/7/52)

**PERSONAL (No. 4)**

*[Cover of notebook]*

**E.J. Bunting**

**Committees**

E.J. Bunting

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Conditions of Defence Forces.

6/12/51

McBride

Francis

McMahon

Newman

Townley

Bunting

CDF. 51/2    Rental.

Francis : Says ~~G~~servicemen should pay a full but fair rental – should not be based on cost of housing today – servicemen are itinerant – no prospect of buying their houses – not comparable with civil servants – 10% is reasonable.

McMahon : Endorses Francis.

Newman : Qu. is whether Govt. will face up to subsidy as additional compensation to servicemen in form of cheap rents. There would be some subsidy even on a 15% rent charge & a considerable subsidy on 10%.

- McMahon : Won't accept Newman's comparison of servicemen with Canberra junior<sup>1</sup> civil servant or labourer.
- Francis : I think 10% formula should be adopted – it has been the accepted ~~am~~ % for many yrs – let it be by all means 10% on total pay – but preserve 10%.
- Newman : Under C/w – State Housg. Agmnt., 20% of income is a standard %. Servicemen have tax free allowances. etc. etc. They are on excellent wicket.
- Francis : If 10% can't be accepted, we shld. talk about somethg. less than 15%.
- McMahon : I support 10% strongly. It will be disincentive to put up to 15% at this time when we are trying

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to expand services.

- McBride – well on that argument, we should charge merely nominal rent. The question is to find a fair figure – objective consideration
- Francis – I agree with McMahon about disincentive – houses are in any case not comparable with metropolitan.
- McMahon – Present time is inopportune – stay on 10% at least for time being.
- Francis – or at least 12½% compromise.
- McBride – even 15% not a high rental – the disincentive would come if an economic rent were charged.
- Francis – 15% might be right enough if houses were good and village<sup>2</sup> amenities around – but this not so.
- McMahon : Servicemen are required to move from house to house. Cheap rental is due to them.
- Francis : Could Treasury look at 12½%.

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<sup>1</sup> 'junior' is inserted above the line.

<sup>2</sup> 'village' is inserted above the line.

- McM : I don't think we should move an inch from 10%. It's been 10% since Federation – why raise it at this very point – it's 10% on pay – ie it's a growg. amt.
- McB : Apparently Francis & McMahan want 10%.
- McM : Yes – I do.
- Francis : It's new to me that blinds & kitchen coverings are provided. But I insist on 10%.
- McB : Well, we have to see Treasurer.
- Townley : I hesitate, but agree with McM. & F. that now is very bad time to change a 50 yrs. precedent. Type & location of house requires some concession to servicemen – 15% is 5% concession in C/w. – State Housing charge. We are only talking therefore about 10% or 15% & for the extra 5%, I wouldn't change.
- McBride : If we don't change now, we won't change at all. I think 15% is fair – it means about a £2 rent. The fear of the servicemen is that his rent is going up

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to £3 or £4.

- McBride : Can't agree – McM, Francis, Townley say 10%. I will speak to the Treasurer.

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Glen Davis 6-12-51

Spooner – (Gray)

Holt – (Bland)

McLeay

Nette Goodes Vautin

Beale

Joyce

Bunting

Two issues

(a) Method of selling

(b) Compensation

Want to get policy on selling. We have offer from Sydney firm – they only ones on horizon for in situ sale, but their offer not attractive in my view. But first qu. is whether we sell before we call tenders. My instinct is against such sale, even tho' NSW Govt. will support practically anything wh. continues the town of Glen Davis intact. I have base this on discussion with McGirr & Dickson.

My suggestion is that we must reply to this offer & say “we can't accept, we propose to call tenders & invite them to tender.” We must decide this question. If we agree with my suggestion, NSW. Govt. will be critical. But this syndicate offers £100.000 for part of assets. We might get £100.000 for the rest. Total £200.000. But we think the plant is worth £400.000 – ∴ we can't sell for £200.000. Further, the syndicate is only talking about lease, not purchase.

Does anyone disagree with my suggestion.

Beale : Any agreement which gets NSW. on side is valuable, politically & in terms of speed of getting out. Therefore, subject to details, I am disposed towards the McMahon offer. It keeps the refinery of the a for Bell Bay, & ~~makes~~ involves cement making. If McMahon can be talked into a revised offer we can accept, we should do it. – immeasurable

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advantages with NSW Govt.

~~Nette~~ McLeay : The case for tenders is beyond question.

Nette : This is syndicate wh. so far has no money. Capital Issues consent far from certain – cement works take some yrs. to produce – probably 3 yrs & need >£2mil capital.

Spooner : We don't want to discuss details – what about the principle.

Nette : I would advise against sale in this fashion.

Spooner : What if the offer were a good one.

Nette : Hard to conceive, but still against it.

McLeay : Disposing of public assets require tenders – too much trouble politically otherwise – call tenders & let McMahon tender.

- Bland : Rather than send back blunt refusal (as suggested by Spooner) we say that offer unacceptable for this reason & that, & they may like to reconsider but in any case, we are callg. tenders & they are of course able to tender.
- Beale : I'd like a confer. with Dickson, Spooner & a representative of the Coy. and work out some firm agreement, which binds NSW. Govt to support.
- ~~Joyce : Ten~~
- Spooner : But even if offer good, we are still obliged to call tenders.
- Joyce : We can probably call tenders, but n/less. ~~can~~ finally make private sale.
- Spooner : Don't see any point in conference – can see advantage in Bland's suggestion for letter, but it hardly keeps our hands clean. We must be on the record (w/o qualification)<sup>3</sup> ~~accdg.~~ that public tender is our method.
- Bland . You will be judged by the final outcome – believe necy. to call for tenders, but concurrently, we could

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be encouraging McMahan to reconsider

- Nette : I can't see justification for buying in with McMahan now.
- Spooner : Numbers against you Howard – we will reject the offer – Gray & Bland to confer on terms of letter.
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- Spooner – When will we be able to call tenders.
- Joyce – Striking lot of difficulties in preparations – survey etc. printing, Christmas holidays – probably towards the end of January.
- Spooner – This is serious – a months delay means £25.000 production loss anyway. Other factors – industrial trouble – this Ctee. of firm view that tenders have to be out by end of December.
- Joyce – No possible chance by end of December – possibly by middle January.

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<sup>3</sup> '(w/o qualification)' is inserted above the line.

Spooner – Well, we must press on Mr Joyce need for earliest possible tenders.

Joyce – O.K.

Spooner – My view is that C/w. has to call tenders for the whole plant – there shld. be no suggestion on the tender papers that the refinery is going to Bell Bay. Govt. policy will be put into effect after tenders close & it will be our business whether or not the refinery is sold. Tenders to be called for the whole or for part of the plant.

Agreed.

Spooner – Could we begin to close down now. This means that we would need compensation terms worked out. Personally, I don't think we are ready & must go on working.

Bland – Especially if we are puttg. this up as a going concern.

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[Bland] : Anyway, we cannot work out compensation until we know disposal plan – sale to McMahon may not involve compensn. at all.

Spooner : Right. Next qu. is whether Joyce can keep operating till tenders close.

Joyce : Planning to keep tenders open 3 mns.

Spooner : Too long – that means £75.000 loss. – why not 1 month.

Joyce : OK.

Spooner : Can you keep going till one month after tenders open – ie till early Feb. we hope.

Joyce : Unless something unforeseen, yes. – tho. some risks.

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Joyce : It is clear that we put the refinery up for tender without qualification.

Spooner : Yes – everything, includg. the coke.

Beale : Not the coke – 1700 tons.

Nette : C/w. wants the coke.

Spooner : Well, we must sell it at fair price to Alum. C.<sup>4</sup> to avoid NSW. criticism.

Beale : I'll arrange for APC. to buy it.

~~Spooner~~ Joyce<sup>5</sup>: On one section of the land there is a war hostel – is it to be included. It is an Interior hostel, leased privately – ~~it will~~ not owned by the National Oil, but on their land, but it will go unless we except it.

Spooner : We might be able to shift it to coalfields.

Bland : Not worth it.

Spooner : Right – ~~set~~ put it with the other assets.

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#### Submission 43

Certain items to be queried. Sandbags. Timber. Cement. Refrigerators Bld  
McBride Menzies.<sup>6</sup> Materials Medical Supplies. Anti tank. Anti personnel.  
?What is for use in Australia & what is for use overseas.

All items to be justified.

#### Submission 45

To be done in conjunction with P.S.B.  
?Can you have statistics registered as part of defence.  
Employed against vacancies in army establishment.

#### Submission 47

Deferred for comments of air force.

#### Submission 48

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<sup>4</sup> 'to Alum. C.' is inserted above the line.

<sup>5</sup> 'Joyce' is written above ~~Spooner~~.

<sup>6</sup> 'McBride Menzies' is circled.

Approved.

Submission 50

Noted.

Submission 34 –

Appendix A.

Operational. 548. Korea. 443. Malaya. 150. HQ. [? – unable to transcribe] Units. 857<sup>7</sup>

Broad picture looked at by new CAS.

Continue enlistment in Technical trade groupings – allow to go on beyond ceilings<sup>8</sup> where real need exists – all this by way of interim provision.

McMahon wants some authority re (e) & (f) – Agree if 80% are on civilian staff & not uniformed. –

ie. a. b. c. g & e & f. with proviso re 80%.

CAS. can bring new suggestions forward. – Add. Treasury memo about financial approval.

Submission 51

Approved in terms of appendix C. Def Ctee.

Submission 44.

Heads of service departments should be full members of the Board & appointing them as accounting officers responsible for the ----- . Agreed.

Should line up with the practice in the U.K.

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Submission 44 (contd)-

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<sup>7</sup> Tick marks appear above each number in this line.

<sup>8</sup> 'beyond ceilings.' is inserted above the line.

Agreed that a business member should be added to the Service Boards. Ministers concerned to submit panel of names. – (preferably Melbourne)

? Any body set up to give special attention to the Army needs.

? Should you leave out all things that are covered in equipment tables.

There is the question of reclassification – what you want in Australia and what is required overseas. Beavis is looking into this and it will be ready by the end of the year.

Note McBrides view that there should be a quick dissection with the object of giving approval to all matters that are not controversial – eg. aircraft.

Unit equipment tables that are based on British tables are to be accepted. ~~and concentrate on~~ Start with non controversial items –

who is the full time Chairman/Executive Officer?

What about Richardson. or Harold Green. – Beavis suggests Colonel Law.

#### Submission 31.

Cabinet etc re-affirmed the present program.

~~Canberra bombers—80.~~ 42 Canberra bombers.

~~Sabre fighters—160.~~ 72 Sabre fighters.

62 CA. 22 trainers

~~CA. 22 trainers—162.~~

~~Vampire “ 29. ————— by June ’55.~~

Look at it again in the light of what emerges from Jan’y cfce.

#### Submission 35.

This is to wait until after January cfce.

#### Submission 39.

Approved. – Check with Dept of Works & Housing. that it is possible to do both jobs.

#### Submission 52

Approved.

Submission 53.

Approved.

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Submission 54

This to be related to decisions 31 & 35.

Submission 55

Approved.

Re-engagement bonus.

Newman to advise me. <sup>9</sup>

Copper [?]

P.M. to make decision.

Rents of service houses.

P.M. to discuss with McBride.

Uranium. – Spooner, Kent Hughes, McBride, Harrison & P.M.

If UK. is easy – I wld agree to sale –

Enquire in London –.

School of Oriental Studies

Approved.

Rental of Married Quarters

15% agreed.

Disabled Japanese Vessel

Agreed.

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<sup>9</sup> Tick mark at the end of the line.

Credit Restrictions—

No reason why monthly figures of bank advances should not be published – P.M. to get figures ~~over~~ from Treasurer.

**Note:** the rest of the notes contained in this notebook concerned Cabinet meetings that took place in 1952. They will be released in January 2003.

## Persons mentioned

Surname	Given names	Position
Basten	Henry Bolton	Former Chairman and Managing Director, Singapore and Penang Harbour Boards (invited to Australia to report on turnaround of ships in Australian ports)
Beale	Oliver Howard	Minister for Supply
Beavis	Leslie Ellis	Major-General, Deputy Chairman, Joint War Production Committee
Bland	Henry Armand	Secretary, Department of Labour and National Service
Bunting	Edward John	Assistant Secretary, Prime Minister's Department
?Dickson	William Edward	President of the Legislative Council, New South Wales, from 1952 Minister for Secondary Industries and Building Materials (re: Glen Davis)
Francis	Josiah	Minister for the Army
Goodes	Herbert John	Assistant Secretary, Treasury
Gray	Colin Vectis	Assistant Director, Department of National Development
?Green	Harold Charles	Director and General Manager, Sidney Cooke Ltd, former Assistant Secretary, Departments of Supply and Munitions
Harrison	Eric John	Vice-President of the Executive Council, Minister for Defence Production
Holt	Harold Edward	Minister for Labour and National Service <i>and</i> Minister for Immigration
Joyce	Albert Charles	Auditor-General
Kent Hughes	Wilfred Selwyn	Minister for the Interior <i>and</i> Minister for Works and Housing
?Law		Colonel
McBride	Philip Albert Martin	Minister for Defence
McGirr	James	Premier, New South Wales
McLeay	George	Senator, Minister for Shipping and Transport
McMahon	William	Minister for the Navy <i>and</i> Minister for Air
Nette	Percy William	First Assistant Secretary, Treasury
Newman	Harold Clive	Assistant Secretary, Treasury
?Richardson	Frank	Sir, Chairman and Managing Director, Cox Brothers Ltd, former Chairman, Business Board, Department of Defence
Spooner	William Henry	Senator, Minister for National Development
Townley	Athol Gordon	Minister for Social Services <i>and</i> Minister in Charge of War Service Homes
Vautin	Douglas Maynard	Chief Finance Officer, Treasury

## Abbreviations and symbols

&	and
%	per cent
∴	therefore
[...]	unintelligible
{...}	crossed out text unintelligible
[K...?] or [?]	best guess
accdg	according
agmnt	agreement?
Alum C	aluminium company
amt	amount
APC	
bld	building?
C/w or c/w	Commonwealth
callg	calling
CAS	
CDF	
cfce	conference
compensn	compensation
coy/s	company/s
ctee	committee
def	defence
dept/s	department/s
diffce	difference
eg	for example
etc	et cetera
F	Fadden
Feb	February
govt	government
growg	growing
housg	housing
ie	that is
includg	including
Jany or Jan'y	January
m or mil	million
McB	McBride
McM	McMahon
mns	months
NSW	New South Wales

n/less	nevertheless
necy	necessary
PM	Prime Minister
PSB	Public Service Board
puttg	putting
qu	question
re	with reference to ?
shld	should
somethg	something
tho	though
w/o	without
wh	which ?
yr/yrs	year/s