

## **GREEN LIGHT FOR HOLDEN 50 YEARS AGO - IN DETAIL**

50 years ago Australia's post war Labor government planned to repeal the "1940 Motor Vehicles Agreement Act" and the "Motor Vehicle Engine Bounty Act" of 1939 to open the way for the manufacturer of the first Australian built car.

The Engine Bounty act passed by the Menzies government on the 15th December 1939, was an incentive for Australian companies to manufacture engines and chassis with a payment of a bounty at varying rates on engine units.

The Motor Vehicle act of 3rd June 1940 was essentially an agreement between Australian Consolidated Industries and the Menzies government to manufacture motor vehicles.

This caused a furore in parliament at the time because ACI had no experience in automobile manufacture and never took up the option.

Following an inquiry by the Secondary Industries Commission on 20th September 1944, Prime Minister, John Curtin indicated at a press conference that his Labor Government would agree to repeal both Motor vehicle acts to encourage a complete vehicle building operation.

Curtin was worried about the unemployment rate among returned servicemen. Australia needed a new and larger manufacturing base to promote wider employment and as the Americans had demonstrated, building motor cars was a very good solution.

On that September day the government policy on car manufacture was announced in the Senate. The Prime Minister invited interested manufacturers to submit proposals to build Australia's own car and in collaboration with the former Secondary Industry Commission chairman, Mr J.K. Jensen, Holden was first to submit a plan to build Australia's own car.

Keeping their promise the Curtin Government passed the bill through the House of Representatives. It was then tabled in the Senate and debated.

"I am delighted that the government has introduced this bill," said ALP Senator Alexander Finlay from South Australia. "By repealing the two acts mentioned, it will enable manufacturers to submit plans for the building of the complete motor car in Australia."

"I sincerely hope that the people will be given the opportunity to obtain cheap cars in the future," asked Queensland Liberal Senator Hattil Foll.

Minister for Trade and Customs, Senator Richard Keane replied to Senator Foll's remark by saying the price of motor cars in Australia was too high and, "I remind the honourable Senator that one of the advantages of producing vehicles in Australia is there will be no duty to pay."

Senator Foll continued the debate saying: "Everything should be done to enable as many people as possible to own a motor car. I do not regard a motor car as a luxury. Indeed it is almost as essential in Australia today as a suit of clothes," he remarked. "Probably, in no other country can the motor car play a greater part in national development."

"In a country of vast distances like Australia, modern transport is essential. I hope that the Government is alive to the needs of the people in the outback."

Senator Keane, in answer to Liberal Senator Foll's speech, agreed that Australia would need to build its own cars to ensure post-war growth.

"I agree with Senator Foll that there is nothing more essential to the man on the land and the city worker than a motor car," Keane said. "Whilst in America it was a revelation to see the motor car looked upon as an absolute necessity and I believe that the production of a cheaper motor car here will be of great benefit to this country."

The Hansard report showed the question resolved in the affirmative, the bill read a second time and passed through its remaining stages without amendment or debate.

Legislation Repeal Bill - 8th March 1945.

The Prime Minister, the Hon. John Curtin presented details to the press on 22nd March 1945 outlining the acceptance of a proposal from GMH to locally produce an Australian car.

The government had cleared the way for the manufacture of Australia's first car and dozens of "clay" models were produced by Holden before the famous "humpy" design was chosen.

Prime Minister Ben Chifley welcomed the first 48-215 Holden off the production line in November, 1948.

#### Parliamentary details:

Senator Richard Keane, 1882-1946. Victorian ALP. Minister for trade and Customs, 1941-1946. leader of the Government in the Senate, 1943-1946.

Senator Alexander Finlay, 1887-1963. South Australian ALP 1944-1953.

Senator Hattil Spencer Foll, 1890-unknown. Queensland Australia Party(Precursor of Liberal Party). Menzies UAP Government, 1939-1941.