PART 1

This is an interview by George Lewkowicz with Mr Ken Belchamber. The date today is 20th November 2007, the location is Mr Belchamber’s residence. The topic of today’s interview is industrial development in South Australia.

Ken, thanks very much for being happy to do this interview for the Don Dunstan Foundation Oral History Project. Can you just give us some background on yourself and how you got to the Premier’s Department?

Certainly, George. Well, I started my working life as a technician in the old PMG’s Department and realised I needed to do some additional study. So I first enrolled for a Diploma in Public Administration, got that, did quite well, so decided to go on for an Economics degree and that led me into the Commonwealth Department of Trade and Industry. And I was there, I finished up I was the Deputy Director of the State office, and I was scheduled to go to Tasmania as the Director and then to Canberra and a friend said, ‘Well, there’s a job that’s just come up in the State Government, in the Premier’s Department, on industrial development and promotion.’ So I, out of the blue, decided to apply; I applied and I got it. I thought I was quite fortunate.

When I went there, (laughs) Frank Walsh was the Premier and nothing had changed much from Playford’s time. I felt in one way I was back in the Dark Ages because you had a reception desk about six foot high and a gentleman with a uniform was behind it and he looked and queried people – he was very aged – but that was the office that Frank had until Don came. And Don changed it all: we had a nice office, polished whitewood, *Pinus radiata*, changed from was the Police Building where originally the Premier’s Office was into the State Administration Building, and Don changed that and brought in young receptionists so it had quite a modern tinge.

Can you remember who was there at the time, like who interviewed you, and your colleagues?

Yes, I can. On the interview was Dennis, who was Public Service Commissioner.

Right, Max Dennis.
Max Dennis, that’s right, Max Dennis; John White and someone else whom I don’t know. But they were the main two. And so when I went over in the Premier’s Department there was John White and myself, and there was – I can’t think.

**Hal Deane?**

No. No, see, Hal Deane, that was a separate organisation that had been set up under Tom Playford, and Hal Deane had a little unit in the old State Bank Building. It was the Industries Assistance Branch. Hal Deane’s main job was to encourage the brick industry and the building industry in South Australia, mainly the brick-making; and Hal was an engineer, a very good engineer, and Hal was also on the Co-operative Building – what did they call it?

**Society?**

Yes, and his engineering experience was on building the silos, in those days big silos. He was also on the Woods and Forests Board because that was also a different thing. But their organisation, they had about four or five engineers and they would go out advising industry, mainly, as I said, on the brick-making side, because South Australia was way behind on bricks, and that’s it.

**And can you remember what sort of questions you were asked and the sort of directions they were fishing for?**

(laughter) Yes! I found the questions were rather – well, I was going to say ‘shallow’ – in some ways, but they said did I know anything about South Australian industry and of course I said yes. I also said that I was on first-name terms with some of the leaders of the industry like Bob Ling of Hill’s Industries, Charles Rothauser and of Caroma and quite a few others. I think this must have impressed them a bit because they were the main questions. Then they said, ‘Well, now, if you transfer we can do it, we’ve done it before, transferred people from the Commonwealth to the State.’ I said, ‘Thank you very much’, went away and a few weeks later they said, ‘Yes. When can you start?’ Which was good. (laughs)

**Very good. So you started there as – what was the position actually called?**

I think they called it a position of Industries Promotion Officer and later on it became Industries Promotion and Decentralisation Officer, and at that stage that was the sole
Government industrial development division. However, the Housing Trust was really the de facto development organisation from Tom Playford’s time and it continued for quite a while after.

So what sort of relationships did you have with them? Did you have meetings and talk about State strategies for development?

Yes. It was quite interesting because I’d known Alec Ramsay before when I was with the Commonwealth, and also his number two, can’t think of his name at the moment. So they were quite friendly; in fact, I’d done work for the Housing Trust – Kevin Phillips was the name. Kevin was going overseas and he came to me and asked did I know where the gaps were in South Australian industry, and this was the first time this idea of ‘gaps’ came up. So I did some work and gave it to him, so when I went to the Premier’s Department, yes, I was quite familiar with them.

And they were really in the box seat because they could build factories and lease them to industry, and that was one thing we had above all the other States in Australia. Alec used to use the funds from the Commonwealth–State Housing Industry Agreement and he said we’d get them at the high interest rate end and so he could use those funds to build these factories and lease them to industry. So there was a changeover period there where I became involved in talking to new industry coming in and then going over to the Housing Trust we’d work together.

And the relationships with the Commonwealth at the time, was there much interaction?

No, there was very little interaction with the Commonwealth at that time. Later on, when Don came back for his second term, Max Scriven and myself set up some interstate interrelationships and that worked quite well.

So you were there firstly with the Frank Walsh regime and presumably Don was doing his Attorney-General’s and all that sort of thing –

He was.

– rather than focusing on this area.

That’s right, yes.

But what sort of things were done over that time under the Walsh period?
Very little. In fact, surprisingly – John White was head of the Department and I said to John, ‘Well, right: what are your riding instructions?’ He said, ‘Oh, well, wait till things come down to you.’ And I thought, ‘Oh, well, okay.’ But there were quite a few approaches from industry seeking out what was going to be the change in government direction with the new Labor ministry. There was also a lot of work to be done working in with not only Alec Ramsay at the Housing Trust but Gilbert Seaman from Treasury – Gilbert would be the one – and also we mentioned Hal Deane before, but working with Hal Deane and sounding him out and finding out what was being done.

Right. So you mentioned the gaps before and that issue that had come up. Were there some consultants brought in to look at that?

Not then, but consultants came in when Don came in as Premier.

That was still in that period but waited till he came in as Premier, right, first time.

Yes, that’s right.

So what happened when Don came in, what were the sort of changes that – – –?

Well, they were big changes when Don came in. I expect the first was the appointment of Donald Currie as Director of Industrial Development and a creation of a little branch of the Premier’s Department was then called the Industrial Development Branch of the Premier’s Department. Well, Donald was appointed, I think it would have been about 1967. I think it was a bad appointment; it was one of Don’s spontaneous appointments. He had been to the ICI Christmas dinner and Donald Currie was the CEO of the saltworks of ICI and he asked Don would he be interested in the job as Director of Industrial Development, and Donald said yes. Unfortunately, Donald was not accepted by a lot of the Establishment.

Those being, you mean, the private sector captains?

Yes, the private sector captains who had been accepted by Tom Playford and others and had been very instrumental in working with the Housing Trust industrial development. And Donald was slightly effeminate and also he was quite a deeply evangelical religious person, and whether that coloured his relationships I’m not sure. But Don came in –

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2 ICI – Imperial Chemical Industries, a multinational company based in the UK.
Donald Currie; I must distinguish between the two Dons here – but Donald Currie came in and one of his first things was to set up a South Australian Development Committee and that was the first of many that came, but it was a mammoth thing, about twenty-four members: every vice-chancellor, departmental heads, people from industry that would come. I was the secretary to the committee. We met about three times because gradually it was seen that the people were not interested in coming unless they could contribute, and it was coming the other way.

So what sort of things did they talk about?

Well, very general things. And Donald Currie gave his idea of what should be done and that was it. There was very little response from the members.

What were some of his ideas?

His idea was that he, interestingly, saw water as one of the big things in South Australia, but he was interested in the inflows of water in the northern areas of the State. Well, now, these were massive inflows into the great northern rivers coming down. And he was, I think, quite interested in drawing up a plan for the State, a plan for State development, gaps, and of course Don Dunstan was very interested in this. He’d got a lot of his ideas from a visit to Italy, where he was involved in following up things by the Italian Ministry of Economic Development, which used the old fascist corporation.

What was the drift of that, providing money or — —?  

It was to look for the gaps in the Italian industry, in the sectors, and how they might develop. Well, when the fascists went after the [Second World] War, the Italian ministry picked up a lot of these ideas and out of it came a series of corporations part-owned by the Italian Government. It was quite interesting: one of the developments was the Brida Corporation which then developed into Snamprogetti, which eventually built the Moomba–Adelaide Pipeline, and Snamprogetti was sixty per cent government-owned, which naturally interested Don.

It’s interesting, yes. At the time was there some debate as to the role of government and to the role of the private sector – that is, these days you’ve got ‘leave it to the market’ but in those days was there a sort of different attitude about the role of government?
I don’t think so because the Housing Trust, as I said, had been heavily involved. They were responsible for bringing in General Motors at Elizabeth. Just passing comment on this: that Elizabeth was initially set up as a dormitory suburb for Adelaide, but Alec Ramsay at an early stage said, ‘Well, this is a bit ridiculous. Why don’t we try to get industry here?’ And they went ahead and they bought up land for industry about fifteen, twenty years before it was used, so they had a good supply of industrial land.

So these captains of industry on this committee weren’t saying, ‘Well, look, leave it to us’ –

No.

– ‘you people haven’t got a role in development here.’

No.

Well, that’s interesting.

Which is quite, as you say, it’s quite different to today, isn’t it, the market.

Yes. So were there any achievements over the first Dunstan premiership?

Well, I expect the big thing was the initial gap study that was undertaken by W.D. Scott and Arthur D. Little. This was a scientific approach, as Don would say, that we will do this big map of the State and determine which industries could come here, could survive, could develop. But it was progressing mainly reasonably well, although there was a bit of antagonism to it from the Housing Trust, from Alec Ramsay, because Alec was more of a follow-up the leads, get them going and get development from them. But the gap study in the initial stages was going relatively well, a lot of statistical work was going on, but then there came the change of government and I’ve never seen consultants operate so quickly to get alongside the new government. And then the concept was to bring out specific industries. So instead of having the overall plan, right, they suggested, ‘I’ve got copies of this ...... ......, we’ll do one on shipbuilding, one on cosmetics’ and different things like that. So instead of doing the fundamental research, as they said, and the fundamental gaps, ‘We’ll pick out things.’ So really it was reverting back to, ‘Let’s try something and see if it works.’

So that was under Steele Hall as Premier.
That was under Steele Hall. And then Nap Barker came in as head of Steele Hall’s Development Committee, which consisted of Nap and Kevin Philips was seconded from the Housing Trust and they were full-time, which was quite interesting. Nap Barker – Sir Alwyn Barker, as he was known – for some reason I got on well with Nap. I’ve never worked out why, but we got on quite well. (laughs)

**What was the difference in mood under the Steele Hall Government and the way things operated?**

Well, once again we get Alec Ramsay coming into the position. Steele Hall appointed Alec as Director of Industrial Promotion and that was so it wouldn’t upset Donald Currie too much who was Director of Industrial Development. But Donald was shunted down to an office at the end of the corridor and eventually he was paid out. And Alec came in and set up the Industrial Development Branch or re-established it, and his first task or one of his first tasks was to bring in someone who would eventually replace him, and that occurred. Max Scriven eventually came in, and so there was that period when Steele Hall was there.

I must go back to that first, with Don. One thing I forgot to mention was that during that time we established the Industrial Design Council of South Australia. Now, this was not an initiative from Don; the Federal Government had set up the Australian Industrial Design Council and asked the States if they would set them up in their States. Well, this was right in Don’s area, he was intensely interested in industrial design, and so that was set up and I was appointed as the State Government rep on that board here, and that was set up and that worked quite well. And it also worked quite well during Steele Hall’s time.

**Who was a leading light in that area? Was it somebody called Mercer, a woman?**

No. No, she wasn’t in that. That’s interesting, that name comes up ——. No. Later on there was a Le Mercier–Hackett Report that was done by her, but that was mainly on craftwork. This was real design. I would say we had a very good board and we had Charles Rothauser, and he was one of the people in industry that was very favourably inclined to Don; in fact, he even went out doorknocking for Don in the Norwood district. Now, Charles set up Caroma Industries and Charles came out from Austria in about 1936, I think he was Jewish and came out because to get out of Germany, and they set up
Caroma and it was mainly interested in design. So he was one of the leading lights on that board. There was a full-time Director of the Design Council here with two or three different young designers.

That’s interesting. Just going back to the Steele Hall time, one thing Steele Hall has mentioned about Don – well, lots of activity in terms of social policy but a failure on economic development. We won’t get into that judgment at this stage, but I was just wondering what you thought about the Steele Hall time and whether -- --.

The Steele Hall time was quite good. We got involved in many things, mainly again the Housing Trust re-emerged – naturally, because you had Alec Ramsay head of the Housing Trust, head of Industrial Promotion. So that was an area where the department built up and so when Don re-emerged – came back, I should say, not ‘re-emerged’ – when he came back there was a good little unit there, Max Scriven, myself and a few others there, going.

Now, I should go back now to the initial stages when Don came in. Don also brought in Milton Smith on the economic statistical side and Milton worked in quite well with the original gap study, on that, so that when Steele Hall was there we had Milton as well, myself, Max Scriven, and then we gradually built up a team.

That’s good. And can you remember any of the economic development achievements under the Steele Hall time or was it sort of in progress?

Well, it was mainly “in progress”. We had a few – you continually had people coming over and both Don in the original days and with Steele Hall then realised we were heavily dependent on the whitegoods industry and so the concept was to try to develop outside that. But both with Steele Hall and Don, if an opportunity came, whether it was in the whitegoods, automotive or not, we were expected to follow it up.

So when you're talking about industrial promotion, what were the main selling points about South Australia at the time?

Well, the main selling points of South Australia at that time were quite good because we could build factories for them and we also had fifty per cent of the migrant intake coming into the State, and we had twenty-five per cent of the migrants coming from the United Kingdom because we could also offer them housing. We were the first State to catch up on that huge delay in housing after World War II. So that was one of the big advantages that we had. And in those days we didn’t have water rationing – some of the other States
did – and if they came here they could deal with a unit, and that was our Development Unit, together with, I keep saying this, the Housing Trust was still interwoven with us.

Was industrial relations any factor at all, like low disputes?

Definitely. Definitely, yes. Low disputes was one of the big things, South Australia was the State with the least industrial disputes per year, yes.

And prices, we had price control for some time.

Well, price control – one thing, this gets back again to I expect the Playford times, that after World War II there were a tremendous amount of munition factories here. We had the one at Penfield, we had the one which finally Philips came into down at Hendon and at Finsbury, so we had these available; and we also had a workforce where the average – not so much the award rates, because the award rates were fairly common throughout Australia, but your over-award was the big thing. So when people were employing tradesmen they were looking at what they would have to pay them. Well, the over-award rates in South Australia were less than in Melbourne and in Sydney. That was a very attractive thing.

Right, well, if we can just move into the second period of Don Dunstan –

Yes.

– when he got back in early 1970, what happened then?

Well, one of the first things, as Don has said later on, he said, ‘When I got back I decided to have another gap study, and this time we thought we would make sure that the gap study was something we really wanted, and what we really wanted from the consultants was a list of firms who would be more than interested and saw they should establish in South Australia.’ We set up a controlling body and Don Laidlaw was Chairman, and at this stage it was interesting: there was more acceptance, I think, in industry of Don, and this continued. So we had set up with Don Laidlaw as Chairman and we had people from industry and academia on that board, and we said, ‘Right, we’re going to make sure we’re going to get a return.’ Well, it was given to – who finally got this one? (consults notes)

Was it Pak Poy?

No, PA.
Oh, PA Consultants.

PA Consultants, I’ve got a copy of that somewhere, and so in fact they tendered – not tendered but [we] invited people to get their proposals in. We accepted them and went ahead. And finally it came out that there was a list of firms. So the idea was what should we do with these firms?

Well, they were divided up, it was decided that the Agent General in London should look at the European firms, Max Scriven should go to Japan to look at the firms there and I should go to the United States. Now, the problem that occurred, Gough Whitlam had come into power and we had a twenty-five per cent tariff reduction so a lot of the basis that they’d been made on disappeared.

This was 1972.

Yes. And then when we got into looking at these firms we found in almost every case they were defence-orientated and they didn’t suit South Australia. They were state-of-the-art. I expect in one way we pressed, (claps for emphasis) ‘We want the leading edge, we want state-of-the-art.’ Well, they were state-of-the-art. And as a result we got nothing from that gap study, neither the Agent General, neither Max Scriven nor myself.

What sort of things were you picking up from the US people? ‘Where are you from and why should we go to South Australia?’

Yes.

‘Where is it?’

Yes. Well, it’s interesting you say that because some of them had no idea about South Australia. And once again – and this was one thing coming back to Don’s vision – at times he had an overall vision which may have been good for Australia but a small State, no.

While I was in America I also called in to see some of my contemporary departments, industrial development departments in various places there and in Canada, and I remember going in Denver to the Colorado development department and said I was over here, I was chasing up these leads from consultants. I can see him now: he said, ‘Consultants?’ He said, ‘Look,’ (laughter) he said, ‘I’ve got a whole row of reports from consultants gathering dust. We’ve got nothing from them.’ Very interesting.
So what happened then, what was the regrouping process?

Well, at the same time as well as that we were going on with the leads coming on here in South Australia and we did quite a few things because it was not only that going on, we had Monarto – I’ll go through these, come back to them –

Sure, yes.

– the Industries Assistance Corporation was set up, Industrial Design Council continued, then the Industrial Research Institute was set up and we had a revised Industrial Development Advisory Committee and then later on overseas trade commissioners and things like that. So there was a lot to do.

On the day-to-day people coming in, give you two examples which were contrary in many ways and I can come back to others which are quite – – –. One we had a visit from the Royal Dutch Cotton Mills, and they came and they wanted a place to establish a cotton mill in Australia and we said, ‘Look, no, we’ve got Actil.’ And Actil was established during Tom Playford’s time and we were paying them a huge amount to purify water for them and we didn’t want this again. So we said, ‘No. Look, go up to New South Wales where they grow the cotton, see the people there, plenty of water.’ Well, at that stage. And so we thought we’d done a good job, except someone raised in Parliament why they were referred to another State and not here. So that was – – –. Another interesting one – the Dutch seemed to come into it all the time – Don had [been] talking to Bob Hawke at one stage and he’d said to Bob that, ‘You know, if it comes to it, South Australia will establish their own shipping line.’

Really?

Well, Bob was talking to these people in Holland and the next thing two gentlemen arrived to us about the shipping line. And we said, ‘What shipping line?’ ‘Oh, well, Bob Hawke – – –.’ And we said, ‘Oh, look, not on.’ So, ‘Oh,’ they said, ‘that’s okay. Like a beer?’ So we went out, had a beer, they said cheerio and they went back.

Really?

Yes. (laughter) So there was a lot of movement going on and sometimes non-productive; others, it was quite productive.

Can you remember some of the achievements, then?
Yes, I can. And some of the achievements we brought out and some of these are now gone. There was Wilkins Service, they came and they went; Krommenie Flooring – and this again shows how fragile industrial development is. Krommenie Flooring did a research right through Australia, decided this was the place and they established here, were producing for two or three years linoleums and ..... and then they were taken over, their parent company in Holland was taken over by a German company that was not interested in Flooring and closed it down.

Closed it.

And we had that on a few occasions. We had Die Casters, with the Housing Trust we built a factory for them at Elizabeth, and unfortunately at that point die casting was being replaced in the automotive industry by plastic moulding. So built the factory and fortunately for the Housing Trust it was a leasing thing so if the company pulled out it reverted back to the Government. Well, Die Casters went out but then we got Hardy’s Iplex in and that worked out very well. So you had to be continually on the watch to see if there was any likelihood of the company being taken over and the resulting parent company disinvesting.

So how did you do your research? Like these days you’ve got the internet but in those days presumably there were reports and journals and all that sort of thing.

There were journals, reports. And in those days there were a lot of companies looking to invest in Australia. There was still a certain amount of tariff protection. Just a thing that went through my mind: we had quite a heavy tariff protection, but when you go back to Tom Playford’s time from 1951–61 Australia had import licensing, and that’s one thing that really helped South Australia during those times because you had to have a licence to import and economically it’s unsound but as long as the licensing remained, the same as with tariffs, as long as they remained industries, companies, could make a go in the State or in Australia.

So we’re talking about the early 1970s here –

We are.

– where things seemed to be bubbling along,
Bubbling along very well. Somehow we had quite a reputation and we had people from other States coming to South Australia to see what we were doing in this State.

Interesting.

It was great[?].

Did Don ever speak directly to you and Max?

Oh, yes. Yes, we did, we got involved directly with Don. Went over for cabinet briefings. In fact, I’ve got quite a few other things that he got involved in which I’ll go through. One of course was the dry land farming and we had quite a few luncheons in the cabinet room with people interested in dry land farming. Sometimes it’d be other companies coming over, and so we quite often had lunches in the cabinet room.

And what sort of things was Don talking about? Like was he visionary and saying, ‘This is the sort of State I want’? Or was he focused more on individual project-type activities?

He was quite visionary, and this led to him setting up the Industrial Research Institute. Now, he established this again with a board of top people, the top scientific people from the universities and research institutes, but his vision was based on the great research institutes, which South Australia did not have the funding to do that. And after three years he became very disappointed in it because he said they were not doing the job that they were set up to do, and you will find comments by some of the vice-chancellors and people like that who were disappointed and saying, ‘Well, look, that’s not the area where we can get involved in’ because really detailed research requires a lot of money and tremendous overheads, tremendous overheads.

What about industry, weren’t they doing it or were they too small?

Industry, they were putting in things to be helped by the Industrial Research Institute and so they would do one thing, but this was developed into more product improvement than industrial research and there’s a big difference between product improvement and industrial research. So that’s where Don thought industry wasn’t supporting it as much.

One of the, if you like, visionary things he got involved with was trying to get exports to Asia. That seemed to be an early, way ahead of his time thing. So how did that all work?
Right, I can go onto that. He decided to appoint two roving trade commissioners, one to cover South–East Asia, another Europe. He recruited one, an ex-trade commissioner, John McDonald, for the Asian side and the other chappie from the British High Commission – forget his name at the moment – and he was to do Europe. The problem here is that you are then going over territory that the Australian Trade Commission, which was a well-funded, well set-up organisation, and so Don was very disappointed in the results on that.

He also established agents in various countries, like there was a South Australian agent in Tokyo, one in Singapore, one in Kuala Lumpur, and we had much better returns from those than the roving ones because these were local people who were identified with the local industry and so an Australian company that wanted a hands-on thing could go to them. They could also go to – – –. (mobile phone rings)

**Sorry. (break in recording) You were just trying to, Ken, remember the name of the British chap: Timmy Timms – – –.**

Timmy Timms – Stanley Timms, Timmy Timms, yes. And Timmy worked out of the Agent General’s office in London and John really worked out of our office. But their results were unsatisfactory and Don later on in 1977 went through a lot of the failings of these ideas, or shortcomings or disappointments probably, he mentioned that and said how they’d – – –.

**And you were talking possibly it might have been the captains of industry weren’t too enamoured of these.**

No, they weren’t, they weren’t too enamoured, and also a lot of departmental heads saw it – it could have been seen as a duplication of what was being provided by the Australian Government.

**So what was the relationship with the Commonwealth like in the Whitlam time, then?**

Ah! Well, during the Whitlam time we set up interdepartmental – that’s development, trade promotion departments between the States. We initiated, South Australia initiated, and we got it going so we had reps from all the other States and also the Commonwealth, and it went very well but finally each State seemed to try to outdo each other. It was minimal at the start but then when we went to Queensland, Queensland wanted to show every other State that they were best by far and there was a tour all around Queensland
and so the initial idea of trying to relate and define problems between States and not just bidding against each other, well, finally it disappeared and the whole thing collapsed because of that.

But a few good things came. One thing, at one stage each State gave preference to industry for the government contracts, so if it was produced in the State you’d get a thirty per cent weighting in favour and if it was produced in Australia a certain amount. Well, finally in negotiations between the States at one stage we got down that that was abolished and people with an economic background that was great, but – – –.

And did the Commonwealth go out of their way to help South Australia at all or you were left on your own?

Mainly left on your own. See, you have this problem with the Federal–State relationship that in theory the Commonwealth can bring industries to Australia and can talk about tariff protection and things like that, but once it gets in the State it’s the State responsibility to establish those industries in the State. But we had good relationships with the Commonwealth, especially during the Whitlam times. Very good.

That was in Canberra and in Adelaide.

In Canberra and Adelaide. We always had extremely good relationships here in Adelaide with the Commonwealth, yes.

So we were just talking earlier about how Don got his ideas across to you, that is he’d need and he’d probably get reports and you’d explain progress or lack of progress.

That’s right. Always.

Were there any other features about Don’s interest and the way he handled this area that you’d want to talk about?

Yes, there’s quite a few. I expect you may have covered some of these. Of course, it was the dry land farming where we worked in with the Department of Agriculture trying to introduce dry land farming techniques in Libya and Algeria. We set up farms there. And also there was we got the Industrial Development Advisory Committees going and we had industry really working in well on that. We had people like Bob Ling, we had John Uhrig who later on became one of the top industrialists of the world, he headed up Rio Tinto at one stage. And Noel Roscrow from Sola – Noel Roscrow, quite a few. Yes.
The other big thing Don set up was the Industries Assistance Corporation and this was to give assistance to budding firms, new firms, that could not get funding from the banks or needed injection. Now, the first one was set up, Malcolm Kinnaird was Chairman and I was a board member of this corporation. And I think under Malcolm Kinnaird’s chairmanship it went quite well. Later on Dick Cavell was appointed and it developed into propping up existing industries – you know, the Horwood Bagshaws, the canneries and things like that – so it lost its punch. And of course when David Tonkin came in that was disbanded. But for a while it did quite well and I think if you looked around South Australia today you would still see some firms that were helped quite a bit by them; in fact, (consults notes) and it’s quite strange, you have firms like Murray River Queen and Malcolm Kinnaird being an engineer took an intense personal interest in that one. That was quite interesting because they could not get funding from the banks and they could not get it from the insurance companies without a government guarantee, and so it became involved in that.

And what was the sort of research background going on? Like I think I can remember – I think in this period somebody had got a profile of a lot of the industries, whether it was Milton Smith’s group or not I’m not sure.

Well, this gets back to the third gap study.

Right, the third one.

To the Max (Scriven) gap study, which was internal, and that was got out by Lew Owens. Lew Owens got that out. And this again was one of the last gasps of the gap study and Don in ’77–78 decided – I expect he decided to want a real overhaul of the department, ‘Let’s follow up these things we haven’t before, let’s follow up the gaps.’ Also he decided there should be a review of the co-operatives legislation, that was finally reviewed, I was chairman of the committee of that. It was a long time after Don had gone that it came through, but he started that and that was badly needed.

What was that about?

Well, co-operatives were working under a thing called the Provident Society Act and they were not constrained to the Companies Act. So the directors didn’t even have to sign the financial reports, so there was no.

This was after the scare about one of them nearly going bust?
There were two that really fleeced the public on it. One was a travel company that got going and that was brought to Don’s attention and he said, ‘Oh, well, something’s got to be done about that.’ So finally that was done.

The other thing Don got really involved with was the concept of statute, of a community directors’ statute.

The concept was that where we gave loans or guarantees we should put in a community director, and that in those occasions where we had put in a director that director was not looking after the interests of the Government or the community. Now, this got quite involved – I did a lot of work; I was called Director of Community Directors – and trying to get something like this through when you had the *Corporations Act* being transferred to the Commonwealth, and when you looked at it a director of any corporation is responsible to the shareholders, and I did a lot of work on this and worked with John Sulan who’s now a judge on that, and the legal advice was, ‘Look, you cannot do this unless you change the *Companies Act*,’ and that was very hard to get through to Don because he had known that it was done in other countries – and it was. Germany, for instance, you had two levels of directors: one was partially appointed by the shareholders; the other was appointed by the employees. But that was a national approach and so – – –.

This takes us into the area of State infrastructure and its linkages with industry, like Don set up I think the State Government Insurance Commission –

He did, yes.

– and invested heavily in one of the gas companies, SAGasCo I think –

He did.

– or backed it up. What were the observations you had about those sort of relationships? Like you could say it’s a corporatist state, if you like, and maybe that’s something the captains of industry did or didn’t like.

Well, the captains of industry were quite interesting because they often wore two hats and you had some of the big firms would also come to the Government in times of emergency – well, even Hill’s Industries at one stage came, Faulding Australia came, and these were big – Horwood Bagshaw’s again, and it was the ever-running thing of trying to keep David Shearer at Mannum afloat and governments of all persuasions, there were hundreds and hundreds of thousands of dollars wasted trying to keep them at Mannum.
So yes, the captains of industry, I think they accepted Don – in the end, I think they did. I think they saw through somewhat I thought were his shortcomings, that he often wanted to implement a plan for South Australia that could only be implemented nationwide. But I think some of them were impressed by the work that he had done in West Lakes, for instance. He’s not given enough credit for that, and when Don worked with industry, like at West Lakes, things seemed to work quite well.

And were organisations like the Insurance Commission important, was that a direct thing or more of a climate-type thing, that is there’s something happening in this area, a bit of activity?

Well, I think it was a climate-type thing. I expect you remember the Elton Mayo School of [Management] was set up then and these things were accepted very well. Of course, we had the Monarto thing coming right through there and that was quite, quite visionary. I was on the board of that and Alec Ramsay, Bob Bakewell was Chairman. There was quite a digression. I think Alec and myself would have preferred to have seen Murray Bridge taken as such and expanded, as they did Albury–Wodonga. But the concept that finally won out was a green-fields one, and of course it started and there was a lot of industrial research done on that. But of course when Gough went the money dried up.

And the population didn’t come through anyway, so – – –.

No, but the population now would have come through because you had this thing that’s occurring right through Australia at the moment that bigger houses are being built for only smaller families, so yes.

Yes, the ‘McMansions’ we call them.

That’s right, the ‘McMansions’, that’s right, yes.

We’ve been talking about Don a lot; what about his other ministers, do they feature at all?

Yes, they do. I expect that the one – well, there were some very good ministers. Des Corcoran had the carriage of West Lakes and he did that very well, and we as a department were involved in that, we were the liaison department in that. Also, Don Hopgood for a short time, Don was good. Probably the most inspiring moment was when Hugh Hudson was Minister for Department of Economic Development, Department of
Mines and Department of Tourism, and for one brief moment it all seemed to come together and we liaised together; and then I forget what changed it, but no.

So, apart from that potential for co-ordination, what was Hugh Hudson like as a minister?

Very good.

Very good.

Very good. As a department we had a lot of – oh, what shall we call them? – characters who’d come in with crazy ideas. Some of them were crazy inventions, others were the government had done them wrong in a certain way. And there’s one thing you knew with Hugh: he’d listen to them and then say, more or less, ‘You’re a bloody fool.’

Yes.

Yes. And so that would be it. Yes, he was very good, Hugh, very good.

He had an economics background.

Yes.

Was that an advantage?

Well, it was, and in fact he was one of my lecturers when I did Economics. Oh, it was an advantage. And I think Hugh could see some of the economic shortcomings of some of Don’s approach. Yes, that’s it.

Had more of an economic insight into the State and what was happening?

Yes, that’s the overall thing, yes, and what could be done. And I’m sure that some of his advice, some of Don’s sound advice, came from Hugh. I don’t know, but you know the railways going to the Commonwealth, that would have been the type of thing I think that Hugh would have said, ‘If you can get rid of this – – –.’

Yes, right.

And that was so, too.

And were you ever in any situations where Don was being told, ‘Look, this doesn’t make sense’ but he kept insisting on something?
No; except we were in other situations, as I said, like in the automotive industry, we had a sniff that Fiat was thinking of establishing in Australia. Well, Don immediately said, ‘Got to go see if we can get them’, which was contra to this overall dependence on the automotive and whitegoods industry. But no, I don’t think – – –. When Monarto was going, once again Hugh Hudson was in charge of that so he handled that extremely well. We got a zoo out of it.

Right, a zoo, yes.

But the interesting thing: when you look at it, I still believe it would have been a goer because since then we’ve had the elongation of the suburban sprawl down to Seaford, down to Aldinga and that. And now it’s much quicker to get to Monarto than it is down the South.

Yes. And did you ever see Don angry with anybody, like he couldn’t get through to them about something?

Well, we go back to those initial days of when Don first came in, I didn’t see him angry in times when he should have been angry. When Jerry Crease[?] came over and Jerry was almost like a court jester for Don and I think Don needed this at times, but Jerry would go down the passageway with the coat stand over his shoulder doing the stations of the cross, (laughter) and on another occasion I saw Jerry in Don’s office lying back on the floor having a sleep, you know, and people coming in. So I think that there was a bit of laxity allowed. But those were those early days.

Those early days were very interesting. Both Frank Walsh and Don had one thing in common – they had so many differences, but the thing that was in common, at times they would be spontaneous. Now, we had some Japanese came in with Frank Walsh, took them in, introduced them, we bowed, and as the Japanese went out bowing backwards as they did in those days, the leader handed Frank a present and Frank looked at it and he couldn’t stop, he said, ‘Oh, thanks, midget.’ (laughter) ‘Midget.’ Yeah. And I don’t think he understood, and I almost fell through the floor. Well, Don, in those early days, we had a delegation from Transfield, the big construction firm, and they were looking at the possibility of putting a rolling mill in Australia, steel-rolling mill, and done a bit of work before and I’d identified land at Outer Harbour where the Submarine Corporation is and went there with Don, talking away and saying about this, and Don right at the
beginning blurted out, ‘We’ll give you the land, we’ve got it there.’ (laughter) And, see, that’s not the way –

No.

– to do business.

Yes. I’ll just stop – – –.

END OF PART 1: PART 2

This is a continuation of the interview with Ken Belchamber on 20th November. Ken, thanks very much for that insight into some of the interesting things happening with Don. The other area I just wanted to ask you about as far as Don and his knowledge of economics was sometimes there’d be quite complicated briefs or briefings as well; was he quick to pick up the economic arguments or was it something he was interested in but that took a while to grasp?

He was very good, he was very perceptive in picking up a point, you know, an argument, an economic argument. And it was the same like in speeches: you could write a speech for Don, didn’t matter what you said it would come out like liquid gold and he’d be able to get the points across very, very well and he could perceive points. No, he was very, very good. In fact, I think he was as good as Alec Ramsay at that and Alec was great, a great chairman, he could pick up points. And Don – no, Don was quite perceptive.

You mentioned there was Milton Smith and his group but Don also had an economic adviser, Barry Hughes, for some time.

Ah! Yes.

So how did all that link up as well?

Well, see, Milton was mainly a statistical person. Milton did not like making forecasts as such. Barry Hughes, I remember Barry quite well, got on quite well, my son has quite a bit to do with Barry now, and Barry would be able to give Don top economic advice, yes. I would say that any advice that Barry gave Don would be really top.

And how did that feed back to what you people were doing? One area I’d just like to explore a bit now is earlier, we’re mainly talking about the early ’70s, things were bubbling along, lots of Commonwealth money and whatever.

That’s right.
You mentioned reduction in the tariff rates, but after 1975 with the Whitlam Government falling, if you like –

That’s right, yes.

– and the Loans Affair and inflation and you name it, the economy seemed to go into a big dip.

It did.

And there were all these activities and more of a rescue operation, it seemed, like saving the car industry and Milton Smith, for example, working with you people to put submissions to the Commonwealth.

Yes, I can – – –.

So is there a noticeable shift as far as you people were concerned in the latter half of the ’70s?

Well, there was a bit of a shift and we did have problems that we got into the habit of tendering submissions to most of the tariff inquiries, which really were a waste of time because knowing the tariff people there on the board they would go through with a much bigger staff all the statistical information that we had. So I thought at times that we wasted some of our efforts in some of these submissions.

I think with the motor industry and trying to get on top of that was more of a political thing, and that’s where I think people like Barry Hughes came into their own because, if I recall, Don would take Barry along to quite a few of these things. The – what do they call them? – not the ministers’ meetings, they didn’t call them COAG\(^3\) meetings then, did they?

Not then, no.

No. Maybe it was the Loans Council.

There were the Premiers’ Conferences, I think.

Premiers’ Conference, yes, and I think Barry would go along to those. I had great respect for Barry.

\(^3\) COAG – Council of Australian Governments.
And things like I was just recalling one of these, I think it was the Whitlam Government, they wanted to put some sort of tax on the wine industry. Did you get involved in the submission on that, arguing against it?

Yes. (laughter) Don was very – what shall we say? – very familiar with the wine industry, or he thought he was. And we did get involved in a submission for the wine industry, as I said, before – I think the submission we gave, the influence would have to be more political than the information that we gave up. But you mention the wine industry and I recall one thing with Don: Don became very concerned at the small wine growers, the wine industries being taken over and so he asked us if we would do a study of this. And we did, and we found the small vigneron did not mind being taken over because that gave them more money to further their own ideas, and maybe that was one occasion that Don wasn’t too happy with a report because he thought he could be the saviour. But I can tell you of one instance: a firm, Redman, had a winery down Coonawarra, I think it was –

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Yes.

– Coonawarra, and I believe that it was about four members of the family owned it and it was a winery held together with bits of plastic and this and everything and producing a marvellous red, and when one of the big firms approached them they said, ‘Yes.’ And of course most of them went away, took their money and said, ‘Good ….’ I forget which one of them said, ‘Oh, that’s okay.’ So he then set up his own winery again with his bits of plastic and you can buy Rouge Homme, ‘Red Man’, same.

Right, Rouge Homme, yes.

(laughter) So at times we did get involved in things that didn’t need saving.

Just at the other end of the scale, it sometimes might look as though people were also looking for a ‘big bang’ solution like Redcliffs, the petrochemical idea.

Oh, Redcliffs, Redcliffs.

So how did that feed into the economic strategy?

Redcliffs was an incredible development in one way and it left a legacy, a good legacy, which I’ll tell you in a moment. But Redcliffs, they were going to use the liquids from the Moomba Pipeline to build the big refinery at Redcliffs, and I forget the name of the companies – Mitsubishi I think ….; it was three companies in the lot – and they set up
their offices here, they spent millions. The story we got came back finally that all the time they knew they would not build the refinery here and they were making sure that there was no competitor to the refinery they were building in Saudi Arabia.

**Oh, really? That’s interesting.**

And that happens a bit – no, I’m digressing here. Maybe I should go to the legacy of Redcliffs first and come back.

**All right.**

Right. The legacy of Redcliffs was that Port Augusta had a town clerk – Harry Richards, I think his name was – and he used Redcliffs to develop Port Augusta as you’ll see today. He got grants from the State Government, from the Commonwealth Government, from everyone else. He set up – and this might be the time of the Whitlam Government – to set up a native nursery and all of these things. So the input to Port Augusta from Redcliffs is long-lasting, it’s still there, even though Redcliffs never developed.

Getting back onto what companies can do, Mobil were putting in a lube refinery, or contemplating, at Port Stanvac alongside the petrol refinery, and we had discussions and discussions with them and they said, ‘Yeah, well, it’s a toss-up between here or Singapore. Now, if you can give us this, if you can give us that, in the indenture – – –.’ And I got involved in the indenture, it went on and on. And then they said, ‘Well, unless we get this free’ or something else ‘it’s got to go to Singapore.’ Fortunately, we had Don Laidlaw alongside and Don said, ‘Look, they’re already putting orders for the steelworks down at Port Stanvac.’

**So you had some good inside info. (laughs)**

Got inside information – and often that was the thing, because the international firms, yes, they’re very good at pitting one country or one state against another.

**So that takes us to an area which we call ‘networking’ these days: there was the branch then that developed into a big – well, I don’t know how big a department.**

Yes, ..... ..... ..... One stage the Department of Economic Development.

**Under Bob Bakewell, was that – – –?**

Yes. That was another thing with Bob and Bill Davies. We had two Director-Generals and that took some explaining to people. (laughs)
And Bill was from the television industry.

He was from television and it was chaos.  (laughter)

But how did people get their intelligence about what was happening in the private sector?  Was it lunches and research or was it by importing or a mixture of this by importing people from the private sector?

Not so much importing from the private sector, although – I think it was mainly when Don got the Industrial Development Advisory Committee really going when he got the Noel Roscrow on-side and when he got the John Uhrigs on-side and people like that, that’s when a lot of information would come through.

Right, so you’re getting that straight through.

It was networking.  The networking in the middle to latter stages of Don, it was quite good with industry.  The fall-back there was suspicion, things like that, you know.  Specially that initial stage, that was bad.

We haven’t talked about another initiative, that’s the various ‘triangles’.  Were they of any use?

Yes.  Well, now, once again I seemed to be involved with all these.  We had the Green Triangle and the Iron Triangle, which included lead, so it’s a bit of a misnomer.  And the Copper Triangle, which was mainly tourism – – –.  Were they any use?  I think they were, in that they did develop and add to a sense of cohesion in those areas.  I don’t think economically we added too much on those or on development-wise, but you tended to bring together the areas, because many country districts, they’d vie with each other and people at Millicent, you’d say, ‘Well, you’re going to Mount Gamber?’  ‘Oh, no, we’d rather go to Adelaide.’  Naracoorte – – –.  It was this, there’s a lot of rivalry between them.  So I think the concept of, you know, the Green Triangle and the Iron Triangle at least got them working much more together.

And some of that gave Ray Taylor, ex-Monarto Development Commission, something to do but I’m not sure how successful he was.

Well, he didn’t have anything to do with that, really.

I remember him chairing a committee that I was on to do with the Iron Triangle.
Ah, well, he might have done that. No, again you might ask on shortcomings of Don: well, Ray was one of the shortcomings. Ray was another one. He came from Mobil and Don appointed him out of the dark as Agent General and that was a fiasco. He had to come back because he went to – what would they have called them? Fancy dress balls? But he went dressed as an Arab and he upset all protocol and he came back. Yes, Ray.

**When we were talking informally you mentioned the Area Improvement Programs. Was that an overlap with the Commonwealth Government?**

Yes. Yes. This was the Gough Whitlam idea of the Area Improvement Programs. It was an initiative from DURD, the Commonwealth department, and the concept was to (a) make direct grants to local councils, which was the big no-no and of course the then Liberal Government opposed it. ‘Direct grants? No, you can’t do that.’ But the concept was once again to make local government stronger so that they could do things in cohesion instead of pulling against each other and if you got them working together they’d be financially stronger. It was interesting, the only two councils that did not consider going into these I believe were Burnside – could have been Walkerville – but the other one was Port Pirie City. Now, at that stage you had an anomaly, it doesn’t exist any more, but you had town councils and, surrounding them, district councils, and so you had a Port Pirie Town Council and surrounding it was the District Council, and the same at Mount Gambier. And again, getting the concept of working together with the Iron Triangle helped to overcome – – –. There was rivalry between them. Mount Gambier wanted to expand because they’d used up all the residential land. What do they do? ‘No.’

**Yes, amazing.**

Amazing, amazing.

**Don resigned in early ’79 and then Des Corcoran came in. I sort of want to jump that, and then David Tonkin, the LCL – I think it was LCL at the time, getting a bit mixed up with my Liberal Movement changes.**

(laughter) Yeah, that’s right, I’m just trying to think again.

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4 DURD – Department of Urban and Regional Development.

5 LCL – Liberal Country League.
Was there any noticeable shift in thinking and strategy when the Liberal Government came in? I know they brought in some new people, Matt Tiddy and Lincoln Rowe.

Yes, they brought in Matt and I know they were very suspicious of me because I’d been there right from the beginning with Don and Max Scriven had come in during Alec Ramsay’s time and Steele Hall’s time. But there was not a noticeable change in development strategy, no. I would say changes occurred before that, I think, when – I’m just trying to get things right – when Max went as Agent General and – – –.

Ah, yes, there was one thing that you may be interested in, and whether you erase it or not I don’t know. But Max went over as Agent General, Bob was head of the Premier’s Department and Matt Tiddy was brought in as adviser to David Tonkin. Max came back from being Agent General and what’s the name, David Tonkin said to him, ‘Well, Max, we’ll make you head of the Premier’s Department.’ And Max said, ‘Oh! Yes.’ And Max said, ‘What about Bob Bakewell?’ And David said, ‘Oh, we’ll make him Ombudsman.’

Interesting, yes.

Yes. And then Max was head of the Premier’s Department and he hated it in many ways because Matt Tiddy would see David every day; Max might see him once a week, and Matt Tiddy was the *de facto* head, he was getting paid more, everything else. But Max didn’t want to go as Agent General, either.

Interesting. And Matt Tiddy and Lincoln Rowe were from the private sector so presumably all the relationships were going to improve and everything was going to happen.

That’s right, yes.

But how did it turn out?

Well, Lincoln was a very nice chap and Matt Tiddy certainly had his interest, his links with the private sector, so his network in the private sector. But to us it didn’t make much difference, recalling that. No, no, no. By that stage we had developed quite a large organisation and I expect, in retrospect, you kept thinking, ‘Am I getting the equivalent return, the justified return?’ as the department increased, and I think that’s with any organisation.

That’s notwithstanding all the reviews.
That’s right, notwithstanding all the reviews and (laughter) reassessments, yes.

Well, we’ve covered a lot of territory.

I’ve rambled a bit – – –.

I just wanted to end up with a couple of very broad questions: what do you think Don’s legacy or major achievements were in the area of industrial development, economic development?

Well, I think – yes, economic development, let’s call it: I think West Lakes was good. Once again, getting alongside industry was very, very good. What other things? His legacy, as I said, I think Monarto could have worked. I think even though he derided it and said it was only small, his establishment of the Industrial Design Council here in South Australia, that really helped. It helped industry, it gave the designers in South Australia a recognition and that got through to industry. So he certainly got that through. There are still some firms out there you’d find were helped considerably by him in the industries. South Australian Development Corporation, definitely I think that was a good move at the beginning.

His legacy now? I find it so hard because when he came in we were a whitegoods industry. We’re no longer a whitegoods industry but it wasn’t due to Don.

Just big forces happening all the time.

Forces happening all the time – like the same as China today. China, incredible force.

All right. Well, Ken, thanks very much for this extended interview.

Oh, good.

It’s been most rich with information, thank you.

END OF PART 2:  PART 3

This is George Lewcowicz continuing the interview with Ken Belchamber. We just wanted to add something about Don Dunstan’s alternative lifestyle initiative. Ken, can you just talk about that a little bit?

Yes. Don decided in those latter days that we should get involved in helping alternative lifestyles and so there were a number of committees on this and we finished up going visiting some strange organisations where we held hands together. I remember Bruce Guerin, myself there, around in a circle, listening, coming back totally confused. We were
even more confused one day when Don said, ‘Well, I’ve got a surprise for you. I’ve got Jim Cairns, he’s going to join.’ We said, ‘Yes’, we went along.

Fortunately, it just seemed to disappear over the years. But at the same time, Don instituted what they called ‘democratic get-togethers’ where each department would send representatives to what we would now call a ‘staff meeting’, but they were a meeting where there was no chairman and nobody took any notes. Well, this again at first meeting we would have had about twenty or thirty there, last meeting I think three turned up.

Three.

Do you remember those, George?

The meetings I remember are ‘joint consultative councils’ but they were a bit different. But the totally open-ended ones I don’t recall. (laughter) Did Don ever explain why he went into this alternative lifestyles project or initiative?

I think it was part of that – part of him, he would have liked to have been involved in it himself. I think Don was a very complex person. I remember at times feeling that he was a loner. I also feel that he feared growing old, he was reluctant, and he did tend to surround himself with younger people, younger advisers, or people that could really get down and be like that. But yes, it’s a strange thing because he was a person you could go along – and I’ve seen this – he was going along to launch these ambulances that were going overseas. Prepared a wonderful big speech for him. We went down to the factory and there were four people there, but quick as a flash Don changed it all to a personal type of encounter, and he did have that ability of changing to suit the situation.

Yes, interesting. Very complex, as you say.

Very, very complex. Very complex person.

Well, thanks for that insight, Ken.

END OF INTERVIEW.