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Handwritten radio script on petrol stations.

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Doc Ref: 3424 (1)

ALP 01/6/59

Good evening, I am going to interrupt my talks on health & hospitals this evening to deal with a topic which is drawing a great deal of public interest at the moment – and with some cause.

The average person in Adelaide cannot get about much at all without noticing the extraordinary, mushroom-like growth of petrol stations in the city and suburbs.

The increase in number of these is quite out of proportion to the growth of other types of business – they are springing up on almost every corner. What is it all about – what is going to be the result, who is going to pay in the long run?

Let's go back to the beginning of this business. A few years ago now, the oil companies, that is the oil wholesalers, started to set-up one-brand petrol stations.

They sought & bit by bit succeeded in getting the service station owners, that is the petrol resellers, signed up on these one-brand agreements.

[END PAGE]

Once a man was signed in on one-brand agreement this did not protect him, however. Not only did other oil companies build company-brand stations selling their brand of petrol in the immediate vicinity, but in a number of instances the very company to which was tied to a one-brand agreement built its own station selling its same brand close by. Next time you pass the corner of Unley road & Cross road, just look at the stations on diagonally opposite corners of the intersection. One is a privately owned, & the other an oil company owned station, each selling the identical brand of petrol.

Ah but – you might say – if a company did that to a service station owner – why didn't he go elsewhere - & get petrol from some other company. He could try to go elsewhere – but he wouldn't get other petrol – because the oil companies have an agreement among themselves to see that he – one who is on a one-brand agreement can't leave it & get any other brand.

We might all ask – what's this all for – surely all these stations can't pay? Of course they can't – people who go into the company-built stations have a very tough time to make ends meet

[END PAGE]

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and it is no wonder that so many of them have found it broke them. The small business man who owns his own service station is having his business cut and his returns fall.

The reason for it all was made clear by the managing direction of Shell at the outset of the campaign – One brand petrol stations won't mean more service stations – he said they'll mean less.

The whole campaign is to allow the oil companies, the wholesalers, to get complete and direct control of retail business of petrol reselling in Australia. To do this, they are providing their own outlets and steadily and relentlessly squeezing the small business man owning his own business, out of petrol reselling altogether. Then the companies will have the public completely by the short hair, and may exert all the extortion upon the public which their effective cartel will allow – and that's a great deal. The recent attempt to raise prices of petrol in N.S.W. is one example of the course they intend to pursue.

The whole matter came to a head in this State in 1954. At that time the oil wholesalers were going in for wholesale demolition of good standard.

[END PAGE]

homes to make way for service stations in numbers beyond the public's need for service.

At this time I introduced into the House of Assembly a bill designed to cope with the situation. It was called the Motor Spirits Distribution Bill and was modelled on an Act recently passed in New Zealand by the national (i.e. anti-Labor) Government though with the support of the Labor party there.

The Bill provided that an independent commission should be set up, with power to license service stations. No service station could after a certain date continue to operate without a license and the commission was to have regard, in granting licenses, to the maintenance of fair competition, to ensuring that the petrol of all wholesalers was available in the area, to providing a reasonable return in the business licensed, and to the volume of the site & the maintenance of good working conditions. But the licensing commission was not to grant or renew a license if an oil wholesaler had any direct or indirect interest in it.

This proposal would have ensured fair trade practices and protected

[END PAGE]

the community. It would have ensured that small and family businesses could continue to exist, stopped the oil companies from extending their control, ensured fair competition, and stopped the building of unnecessary petrol stations

But the influence of the oil companies in the LCL and particularly on the premier was made evident during the course of the debate.

Previously, when questioned about the matter, the Premier said in the House

“The Govt. is just as much concerned as honourable members & the public about this mad policy of building large numbers of petrol stations in excess of public demand & at great waste of materials & manpower at a time when these could be used for housing & other matters.’

In reply to my introduction of the bill he said it was unnecessary because he had an understanding from the oil companies that they would not increase the no. of stations in the metropolitan area for two years & that no premises not in operation at the time of the undertaking would be started in the metropolitan area in that time. That statement was not correct.

The undertaking by the oil companies was not in those terms & in fact the number of stations was increased in the metropolitan area in that period & the premier did

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nothing whatever about it. Moreover, since the oil companies have very powerful business & political connections, the Premier forgot the concern he originally expressed in the house & has allowed the cartelisation of the industry to proceed, has done nothing to stop small business man from being ruined, or to stop the mad waste of houses men and materials he originally so roundly condemned.

When it was pointed out that my bill would not stifle but maintain competition, he would have none of it. It was interference with business, he said. It became quite apparent that the motto of the premier and his followers concerning business was ‘Each for himself & God for us all as the elephant said when he danced among the chickens.’ The LCL is always on the side of the elephant, while the Labor Party has a real concern for the chickens.

The bill was defeated, & today we have the fantastic prospect, which houses remain in dire and short supply – I have families in my district paying £4/- & £5/- a week out

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of a small wage for houses so hovel-like that they constantly fall through the ant- & worm-eaten floors – whilst not a stone's throw away at the corner of George Street and the Parade an oil company has demolished not only a row of shops but five solid houses in good condition to make way for one service station in a district already overcrowded with them.

The demands of the public, the demands of reason & fair play, the prevention of monopolies, the protection of the small & family business – all these are ignored by the minority LCL Govt. of S.A. when big business talks - & that's why houses will go on being unnecessarily demolished when the needy are homeless. Mammon must be served.

RECORDED

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tells on health & hospitals, this evening to deal
with a topic which is ~~drawing~~ drawing a great deal
of public interest at the moment - and
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The average person in Adelaide cannot get
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 no-one who is on a one-board agreement
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We might all ask - what's this all
 for - surely all these station cars
 pay? Of course they do - people who
 go into the company-built stations have
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and it is no wonder that so many of them have found it broke them. The small business man who owns his own service station is having his business cut & his returns fall.

The reason for it all was made clear by the warring director of Shell at the outset of the campaign - One hundred petrol stations would mean more service stations - he said - they'll wear less.

The whole campaign is to allow the oil companies, the wholesalers, to get complete & direct control of retail business of petrol selling in Australia. To do this, they are providing their own outlets & steadily & relentlessly squeezing the small business man, running his own business, out of petrol selling altogether. Then the companies will have the public completely by the short end, and may exert all the extortion upon the public which their effective cartel will allow - and this is a great deal. ^{of petrol} The recent attempt to raise prices in N. S. W. is one example of the course they intend to pursue.

The whole matter came to a head in this State in 1954. At that time the oil wholesalers were going in for a wholesale revolution of ^{high standard}

to make way for service stations ^{in the interests of} beyond the public's need for service.

At that time I introduced into the House of Assembly a bill designed to cope with the situation. It was called the Motor Spirit Distribution Bill and was modelled on an Act recently passed in New Zealand by the National (i.e. anti-labor) Government though with the support of the Labor party, ^{independently.}

The Bill provided that a Commission should be set up, with power to license service stations. No service station could after a certain date continue to operate without a license and the Commission was to have regard, in granting licenses, to the maintenance of fair competition, to ensuring that the petrol of all wholesalers was available in the area, to providing a reasonable return in the licenses licensed, and to the nature of the site & the maintenance of good working conditions. But the licensing commission was not to grant or renew a license if an oil wholesaler had any direct or indirect interest in it.

This ~~bill would~~ ^{proposal would} have ^{been} ^{enacted} ^{for} ^{the} ^{purpose} ^{of} ^{providing} ^{for} ^{the} ^{provision} ^{of} ^{petrol} ^{and}

the community. It would have allowed the small & family businesses could continue to exist, stopped the oil companies from extending their control, allowed fair competition & ~~stopped~~ the building of unnecessary petrol stations.

But the influence of the oil companies on the L.C.C. and particularly on the Premier was made evident during the course of the debate. Previously, when questioned about the matter, the Premier said in the House

"The Govt. is just as much concerned as ~~the~~ honorable members & the public about this woad policy of building large numbers of petrol stations in excess of public demand & at great waste of materials & man power at a time when there could be used for housing & other uses."

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