In the last few weeks, the Government's major defence project at St. Marys has been vividly brought under public notice. A new impetus was given to the critics of the St. Marys filling factory when Major-General Legge brought forward charges. The first was that the new St. Marys was an extravagance and that it was unnecessary for effective defence. The second was that its construction was contrary to the advice and recommendations of the Chiefs of Staff.

Very briefly, I want to give the full story of St. Marys because I believe that from the facts as they have been brought forward the project has been soundly undertaken and is most certainly in the national interest.

Early in its term of office the Government decided to examine the defence needs of the country. Amongst these things was the requirement to have filling capacity available inside Australia, that is, the capacity to fill bombs, shells, bullets and torpedo heads with explosives without which these things would be useless in times of emergency. It came to the conclusion that a filling capacity five times that of the old St. Marys factory would be required. The question then was how this need to be best fulfilled in the national interest.

Shortly after the war, the filling factory at Salisbury had been made available to the long range weapons establishment and it could not be re-occupied. The old St. Marys had been made available to private industry. Over 90 firms had become tenants of the Commonwealth at a time when the Labour Party was in Government and 3,000 people were employed by these firms and clearly if they were going to be turned out there would be considerable social and economic disturbance.

Furthermore, the old St. Marys factory had a very small capacity when taken in the light of modern needs of the Armed Services. For economic reasons as well as for reasons of defence
therefore the Government decided to build a new filling factory at St. Marys. The cost was estimated in the beginning to be just over £23M. The Chiefs of Staff had pointed out the urgency of the proposal. One of their recommendations, it is true, did reluctantly come to the conclusion that unless a new filling factory could be built by the end of 1957, the old St. Marys plant should be re-occupied for filling purposes. For reasons that I have already stated, the Government decided not to re-occupy the old St. Marys but to build a new one and they decided to have it completed by the end of 1957. It will be completed in that time.

One of Major-General Legge's charges was that St. Marys was an extravagance and that it was unnecessary for effective defence, a charge which seemed to imply that it would have been better to refurbish the old St. Marys. This is not a military judgment but a social one which the Government must take on its own. Because of the social implications involved to the tenants of the old St. Marys and to the people employed in the factories, the decision was made to build a new factory and not refurbish the old one.

Concerning the question of extravagance, it is true that the cost is going to be £3MI. more than was originally estimated. There are three specific reasons for this increased cost. Firstly, there were considerable floods during last year which had been estimated to cost an increase of over £1M. because of the delays and difficulties that they incurred. Secondly, there was a New South Wales special site award made by Mr. Justice Taylor, an award which was specifically for the people employed on the St. Marys project and which raised the cost of the wages and salaries bill again by £1M. or more. Thirdly, the electrification of the railway by the N.S.W. Government to St. Marys involved an increased expenditure by the Commonwealth Government of a further £1M. These three things are outside the control of the Commonwealth.
Major-General Legge's second charge was that the construction of St. Marys was contrary to the advice and recommendations of the Chiefs of Staff.

The Prime Minister in the House quoted a letter from the Chairman of the Chiefs of Staff Committee, Admiral Sir Roy Dowling, one paragraph of which says this: "The Chief of Staff strongly deplores the action taken by Major-General Legge, retired. His public statements regarding St. Marys are both unethical and inaccurate. I reiterate my statement that the Chiefs of Staff unanimously supported the decision to build a new filling factory at St. Marys." Other documents were also given by the Prime Minister in further evidence of this.

There is one further point I want to make. The Prime Minister quoted in the Parliament a Minute for Minister which was signed by Major-General Legge as Major-General of the Ordnance. That Minute quite clearly approved the location of St. Marys and the proposal to build the new factory saying that even with the project it would be some time before the filling capacity in Australia comes within reach of the needs of the Defence Forces.

In his criticism it is difficult to see how Major-General Legge could have forgotten that he had signed this Minute approving of the St. Marys project at a time, incidentally, when its original cost was already known.

If anyone is particularly interested in the most important debate that took place on St. Marys I would willingly send them copies of Hansard, but I want to say finally, the project has been essential for Australia's defence. It was essential that it be completed by the end of this year and that the charges brought against the Government on this issue have no real substance when the whole case is examined.