

THE GENERAL MOTORS PROFIT.

Senator Ashley is entitled to his opinion that General Motors-Holden's should reduce the price of its vehicles, but investors in the various other car companies will be glad that G.M.H. has not done so.

Already, the demand for Holdens exceeds the company's ability to supply. If the cars were much cheaper, other motor distributors might be feeling the breeze pretty keenly.

An investor's second reaction to the great profit announced by G.M.H. last week may be one of regret that Australians do not hold some of the ordinary capital.

Even that complaint is back to front. The real pity is that so few companies in which Australians are interested can emulate the efficiency and success shown by G.M.H.

Senator Ashley's plight as a Labour publicist deserves sympathy. Something new and disconcerting has swum into his vision.

Here is an American company that has succeeded, where several others had previously failed, in the economical production of an Australian car.

Instead of denying its success, or hiding its profits, the company displays them candidly and with the usual American pride. It is a large employer of Australian labour and easily the biggest single contributor of taxation revenue to the Commonwealth (direct and indirect taxes amounting to £12,000,000). Every pound by which G.M.H. reduced its profit - on a non-essential commodity - would reduce Government revenue by more than a pound. Other taxpayers would have to make it up.

The company has sought no special favours, and indeed its success has stimulated several other American and British firms to enter into competition for its market, offering employment to Australian labour. The company's customers are more than satisfied that they are getting fair value for money. Most of its profits have been ploughed back for further investment in plant and equipment in Australia. The foreign currency that Australia has to find for the payment of dividends is a tiny fraction of what it would otherwise have paid for the importation of whole vehicles manufactured abroad.

And so the Senator, who is perfectly certain that he could bluff any local company from making such a preposterous display of profits, is still left searching for an argument that would intimidate General Motors from bringing to Australia this heathen unconsciousness of sin, this alien concept that a whole nation shares in an increased prosperity when there is a very profitable addition to its production.

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