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Title:
General Motors-Holdens Pty. Limited Factory Notice (Press statement)

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FACTORY NOTICE

3454

No. 4/61

PRESS STATEMENT.

The following statement by the Managing Director will appear in the Press today: -

"General Motors-Holden's has been forced to reduce its production schedules because of the drastic drop in the sales of new and used motor vehicles which has affected the entire automotive industry since the Commonwealth Government introduced credit restrictions and increased the sales tax on passenger vehicles from 30% to 40%.

The Managing Director of GMH, Mr. H. W. Gage, in announcing this today said that this cut in production would have to be substantial and would affect the complete range of the company's vehicle products comprising Holden, Vauxhall, Chevrolet, Pontiac and Bedford.

Mr. Gage said this reduced output from its plants in all mainland States would mean a reduction of the company's labor force in excess of 2,600 employees over the next two weeks. While this figure is a substantial one, it must be remembered that GMH supplies nearly half of Australia's new vehicle requirements. This retrenchment is greatly regretted, he said, but with sales at present levels, there is no alternative. The Company has done everything it could to avoid such a situation and has delayed taking action as long as possible. This reduction in the labor force breaks the steady build-up that has taken place since the Holden was first introduced in 1948 when GMH employees totalled 8,500 compared with today's total of 21,500.

Mr. Gage stated that he hoped the conditions which had been created and which made this action necessary would be of short duration. When sales improve, production schedules will be revised and GMH is geared to increase its output at short notice. When this happens the required employees will be rehired from those retrenched wherever possible.

The curtailment of new car production will also have serious repercussions on the many hundreds of suppliers of parts, components and materials to the industry. Unfortunately, these repercussions, he said, are sure to involve substantial retrenchments by these companies who rely largely on the motor industry for their existence.

In spite of the current difficulties, Mr. Gage re-emphasised General Motors-Holden's confidence in the future of Australia, and as a proof of this, the Company does not envisage any important modifications in its recently announced expansion plans which involve an expenditure of £15,000,000."

J. K. STUART,
Manager.

February 10, 1961.