COMPANY'S PURCHASING MEANS MUCH TO AUSTRALIA'S ECONOMY

GMH operations in Australia mean not only profitable employment for about 8600 people, and a yearly output and sale of from 25,000 to 35,000 vehicles to help meet Australia's urgent transport needs, but a tremendous annual buying by the Company of Australian materials—raw, semi-processed, or fully processed.

The total number of firms and industries from which GMH buys is 2000. This year we are buying from these firms a total of 27,369 different products—many of them reaching individual totals of hundreds of thousands of pounds. Our total buying expenditure last year approached £15 millions, of which about £9 millions was spent in Australia. The indirect effect of this big local buying is to provide employment for thousands of Australians in supplying industries, spread throughout all States.

In briefest form, the 1949 buying by GMH involves the purchase of 965 different items for our manufacture of Frigidaire refrigerators at Pagewood plant (Sydney), the purchase of 7000 different items for our body building and sheet metal working plant at Woodville (Adelaide), and the purchase of another 19,404 different items for manufacture of HOLDEN engines and mechanical components at Fishermen's Bend (Melbourne), and the assembly of GMH cars, trucks, utilities and buses at our assembly works at Melbourne, Pagewood, Birkenhead (Adelaide), Brisbane and Perth.

The volumes in which some of these items are purchased are impressive. Sheet steel buying alone will aggregate 18,000 tons this year, strip steel approximately 5000 tons, and bar steel 2566 tons—this bar steel in turn will be bought in the form of 1119 different items, all needed for our overall manufacturing or assembling operations.

Paint, and paint products, needed annually by GMH total 192,984 gallons. Of this 132,775 gallons will be used this year at Woodville.

Other main purchases for 1949 will include more than 10 acres of high quality glass—most of it armoured—from windscreen and body windows. About 300,000 square yards (61½ acres) of textiles will be needed, and 178,160 tyres and tubes manufactured by Australian factories.

For upholstery uses, we will buy 1,153,915 square feet of leather—the equivalent of 28,000 cattle, for an average hide is 42 sq. ft. During the year we will buy from Australian spring works 136,000 road springs, made from flats rolled in New South Wales steelworks.

Our purchases of body hardware will embrace 10,900,350 units (excluding standard parts), and we will buy 34,150 Australian-made radiators and 34,150 Australian-made batteries.

Our purchases this year of paper products will total 629 tons, and in upholstery and padding the purchase will total 408 tons.

From the Australian timber industry we will buy 3,106,000 cubic feet of wood, mainly for use in truck and bus bodies, plus 418,000 sq. ft. of Australian plywood.

Forgings will be another big item in our purchases, for we will need to buy 1,860,085 units from Australian forging works.

These broad classifications do not reveal all the trades and industries supported by our big annual buying. For example, buying of textiles will embrace woolen cloths and fabrics, calico, carpets, cotton cloths, while our purchases of paper products will include paper felts, kraft papers, various "board" products, chipboards, and 300 tons of busi- mised paper products.

Nor do our main purchasing classifications reveal the scope and extent of GMH's annual buying of "non-productive" materials. "Non- productive" materials embrace machine tools and equipment, jigs, fixtures and gauges; cutting tools; and a host of process and operating supplies.

Our Cover
Driven by Mr. J. H. Horn, Public Relations Director of GMH, a Holden established a novel record last month when it became the first Australian-built car to reach the summit of Mt. Kosciusko—the highest point in Australia. The Holden is seen against a background of the surrounding peaks of the Australian Alps.

See Page 12.
BUYING AHEAD IS MAIN
GMH SUPPLY

Theme song of Purchasing Division of GMH Supply Department might well be, "To market— to market to buy"...
...no, not a fat pig, but at least pig iron, or one of the other 27,368 different articles or materials that must be

THE Company's 33 purchase agents—operating throughout Australia—do not actually follow the rhyme and take their baskets down to the individual farm to shop, but they do shop in Australia's largest market. It extends from Perth to Cairns, Brisbane to Adelaide, Melbourne and Sydney to Tasmania, takes in great industrial centres like Mt. Isa, Broken Hill, Mt. Lyell, Port Pirie and Newcastle. From it our buyers must select the best quality on all of the many items from A (asbestos) to Z (zippers).

To such a far flung market the GMH buyer cannot always travel, so in a sense the market comes to him—by letter, by telephone, or by telegraph. An important means of contact with various supplying firms and industries is established through the visits of the salesmen and technical and management representatives of vendors. But the buyers also visit the plants of all suppliers, for buying to-day is less a question of price than one of availability and quality. So the main task of each GMH buyer is to have full and up-to-the-minute knowledge of the source of supply for any needed supply item, plus accurate knowledge of the ability of a source to supply the item needed, in the quality and quantity, and on the dates required.

Getting deliveries of materials on time—and into each GMH plant on a fixed time schedule—is vital. With casting, sheet-metal working, machining, assembly, and the host of other operations following in fixed sequence, any failure in arrival of needed materials or parts can result in a partial, or complete, shut-down of operations.

It is the job of Purchasing Division to guard against this by long term forward buying and their timing of material deliveries must be even better than railway timing. The delay in a train would cause inconvenience to passengers, but delays in receiving parts or materials can affect not only the entire GMH organisation, its employees, and our distributors, dealers and other suppliers, but our customers—the Australian public—as well.

Then, too, materials should not arrive at any plant, or part of any plant, in greater quantities than are needed. This is because storage space is carefully planned; extra large inventories are inadvisable; excess storages would impose difficulties in extra handling, and there would be the risk of possible deterioration of perishable items.

Assistant Supply Mgr., JAMES MULCAHY, qualified at College in Queensland for admission to Commonwealth Dept. of Trade & Customs. Ten years later resigned to join Queensland importers and distributors of Willys automotive products. When GM began operations in Australia in 1926 was appointed their Queensland Supply Manager. During later suspension of assembly operations in Brisbane was appointed Manager of Holden's Motor Body Bldg. Depot there. In 1936 was transferred to Melbourne as Supply Manager for Car Division, Australian activities. Seven years later when Supply functions of Car Division and Holdens' were amalgamated, became Assist. Supply Manager. Visited U.S.A. and Canada, 1943-4, in connection with GM's war projects. Again visited U.S.A., Canada and U.K. in 1947 for GMH. In World War I served five years with RAN. Served at start of last War as Lieutenant-Commander.
IN GMH the "go" signal for buying starts when the Forecasting Committee meet each month to establish the production and sales programme for the Company for the ensuing 12 months. By such overall planning it is possible to establish how many of each type of GMH vehicle, or other product, will come down the assembly line, in any plant, in any of the next 12 months.

Following this planning, the "go" signal is brought to readiness when Engineering Releases and Material Specifications give Supply details of each part or material that will be wanted. Then the signal is set at "go" when Material Control supplies the Purchasing Division with the basic facts and figures of the part or material wanted, the Model Year Estimate which details the quantities of that part needed in the next 12 months, and a schedule which nominates the initial delivery date required.

This is followed by a notification of the peak month's production requirement, and a schedule of requirements by months through the period, or model life, of the material or part to be purchased.

Supply then has to contact the supplier and negotiate the purchase embracing price, production proposals, tool costs and basis of amortisation, and delivery dates, boxing and freighting, also the dates for initial and ultimate output.

At this stage it is necessary to understand the overall Company organisation of the Purchasing Division of the Supply Department of GMH.

Overall direction is given by the Supply Manager (Mr. Arthur C. Wigan) and the Assistant Supply Manager (Mr. James Mulcahy).

Joe GODKIN and Miss M. O'Dea with Purchasing Department's Source Directories, which disclose all possible sources of supply for every type of Australian raw material or part or fully manufactured item.

Woodville senior purchasing officers. From left: T. WILSON, G. W. GRIFFITH, D. F. MARKWELL and their chief, L. E. BOLAND.

Purchasing Manager at Woodville is Mr. L. E. BOLAND, who controls Procurement and Traffic Department.

Purchase officer, HOWARD THOMAS, in charge of Central Office buying of finished parts, oils, greases, and construction materials.

The Central Office Purchasing Division is headed up by the Purchasing Manager (Mr. E. J. Carroll) and his Assistant Purchasing Managers, Mr. Eric Clark (Purchasing Operations) and Mr. Doug Jeffries (Technical Purchasing).

They are responsible for the identification and implementation of Purchasing policy, methods, technique and procedure, and the maintenance of buying ethics and Supplier relationships. They also negotiate and establish the all-Australian contractual purchasing contracts, under which all Plants operate, and the physical purchasing and progressing for all our Melbourne deliveries and the majority of requirements for all our Assembly plants.

THE Woodville body plant and the Frigidaire plant at Pagewood are responsible for their own Purchasing and progress (working under any overall all-State contracts which may apply and within the Purchasing policies and procedures established by the Central Purchasing Division, which is also called upon for assistance, advice and counsel).
BUYING BIG SUPPLY TASK (contd.)

At Pagewood the Frigidaire Supply Supervisor is Mr. Shelton St. Clair, and his assistant, Mr. J. Eric O’Callaghan.
At Woodville the Procurement and Traffic Department is headed by the Purchase Manager (Mr. L. E. Boland).
Responsibilities are divided into Sections and five different Sections operate—

Steel and Wire Products.—This Section is headed by Mr. T. (Jock) Wilson and is responsible for procurement of sheet, bar, wire, stainless, tool steels and other similar materials, both from Australian and overseas sources.

Purchased Parts, Processing and Operating Supplies, Standard Parts.—Responsibility for all phases of purchase and follow-up work rest with Mr. G. W. (Gee) Griffin. As is the case in each Section, the duties encompass the continual searching for new materials and potential new sources of supply, watching price trends, general availability against schedule, performance of established suppliers and suppliers’ goodwill.

Traffic, Fares, Timber—Mr. Douglas Markwell is responsible for procurement of all timber raw materials, cushion pads, adhesives, paint products and in addition the Timber Section, which not only buys, and does the follow-up, but also includes Material Control, stacking and storage, kiln drying and disbursement.

Traffic.—The Supervisor is Mr. R. T. (Rory) Jackson. This Section embraces Company Transport activities and maintenance of all Company vehicles, shipping, insurance and Customs work, in conjunction with the local Customs Agent. Personnel travel and accommodation arrangements also come under this Section.

Salvage and Reclamation—This is headed by Mr. J. T. Harper. Damaged and defective materials and offcuts, as received from Productive Departments, are sorted, segregated and reclaimed and disposed of to the best advantage. Preference is given to Company Employees, then our own suppliers and other regular customers.

IN Central Office Purchasing Division, Mr. Clark’s job entails selection of sources of supply, and the negotiation of prices, terms, and contracts. In these phases, the five chief Agents of Purchasing Operations start on their individual activities. They are:

Mr. Forrester Anderson, who is responsible for purchase of tools and equipment, and as has assistants, Messrs. J. Chapman and W. H. Sutton, also Mr. H. J. Grigsby as Records Officer.

Mr. R. S. “Dick” Jones, purchase agent for steel, foundry, trim, processing and operating, and miscellaneous supplies.

Mr. Howard E. Thomas, purchase agent for finished parts, oil, grease, and construction materials. He has as assistant, Mr. J. Gochin.

Mr. Doug Jeffries, Technical Purchasing Assistant. His task on any needed part or material, includes assessment of a source’s ability to supply; its plant and equipment; and, as the degree of accuracy that can be expected must also be known, he must also plan the method of manufacture with the supplier, and ensure that they can deliver as needed.

Mr. F. T. Astill, in charge of progressing, assisted by Mr. M. Wunsche (Progress Officer for the New South Wales and Queensland suppliers) and Mr. E. F. Bensley (Progress Officer for the Melbourne, Adelaide and Perth suppliers).

The first operations of our purchasing agents are to contact the potential suppliers—there are 2000 firms and industries in Australia from whom GMH buys—get their supply proposals and price proposals, then consider the proposals.

A prime need of every buyer is to know values—in other words, to know what an article is worth and should cost before he starts to buy it. It is equally important for him to have the knowledge of supply sources, and be able accurately to assess the ability of a supplier so that the supplier will not fall down on the job, either in the volume or quality of his supplies. While always important, price is not all important.

 Buyers must possess in addition a thorough knowledge of business practice and terminology and a working knowledge of banking, insurance, shipping, accounting, cost accounting, commercial law and economics. Also a high degree of resourcefulness, initiative, keenness, enthusiasm, tact and integrity.

3: When technical difficulties exist or are likely to be encountered, the Purchasing Department Representative visits with representatives of GMH Technical Departments. Here, MILTON TRISLER (GMH Electrical and Carhurtion Engineer), at right, and ERIC CLARK visit Die Casters and confer with the Amt. Manager (Mr. Eric Vary), at left.
Obviously, the more knowledge a purchasing agent has of the product he is buying, the better. A "general purpose" buyer cannot possibly be expected to be a specialist in every article or commodity he has to buy, but a working knowledge of the product and its use by GMH is essential.

A buyer must also have a thorough knowledge of the operations and processes in his own organisation, so that he knows in what way, and for what purpose, the materials or articles he buys are to be used.

An oft-used definition of a man's responsibility is: "To have the right material at the right place, at the right time, at the right price."

There is, however, an equally important responsibility: "If for any reason it is not possible to get the right material at the right place at the right time, Supply must be so organised that it knows beforehand that it is going to fail, and can advise all other departments concerned—production, sales, etc.—that it is going to fail." This warning must, in turn, be given in time for other departments to have a reasonable chance to change, or modify, their plans and thus avoid, or minimise, disruption.

The whole of GMH Supply—scheduling, material control, purchasing, and progressing, and disbursement control—is therefore designed so that a looming shortage can almost always be anticipated.

The November, 1948, tunnel strike in New South Wales which resulted in a stoppage of coal supplies provides a typical illustration of this necessary ability to anticipate a hold-up of supplies.

At that time one big steelworks was down on its supplies to GMH. In particular, it was making spring steel flats from which National

6: Accurate and accessible records of all purchasing activities are maintained. HARRY GRIGSBY (below) is reviewing machine tool and equipment purchasing records.

Springs Ltd., Sydney, was making springs for GMH. Due to the strike, November rolling of the flats did not occur.

GMH conferred with the steelworks in an effort to assess timing, and it was found that if the strike ended in two weeks it would be six weeks before the works could roll any flats, but if it lasted longer than two weeks, one blast furnace would have to be taken down and, due to the need for again warming up that furnace, it would take nine weeks before flats could be rolled.

GMH Supply planned that if it used all the flat National springs it had in stock, including reserves, exhausted other stocks, re-worked some springs, and re-arranged vehicle schedules to fit in with the emergency, it would be possible to keep going throughout February. Then there would be a complete breakdown unless the steelworks was able to re-start rolling on January 20th.

Supply had next to plan that when it did start rolling, would roll the right sizes and in the sequences that the flats would be needed by National Springs. And also to plan with National Springs to be ready for the flats, and then make our springs in the right sizes and sequences we required. Finally it had to arrange for distribution of the springs to all our Australian plants before February 20, on which day our March schedule began to operate.

This intricate planning to overcome an industrial emergency succeeded, and the March schedule became GMH's biggest post-war and one of the biggest individual months in the history of the Company.

By this accuracy and precision in planning Supply was able, in November, to advise the Managing Director and other Departments on the strike and on its effects four months later. Yet when such a plan succeeds nobody is surprised, for Supply works on the basis that nothing is impossible.

5: Above, DON MACGREGOR checking on delivery schedule with a supplier.
ONE OF OUR FIRST MIGRANTS WAS THE GRAPE. IT ARRIVED ON JANUARY 26, 1788, WITH THE FIRST FLEET. TODAY IT IS AUSTRALIA'S MOST IMPORTANT HORTICULTURAL PRODUCT. FAR MORE GRAPES ARE GROWN THAN ANY OTHER FRUIT. FOUR TIMES MORE THAN APPLES. OUR NEXT LARGEST FRUIT CROP. TODAY, SOUTH AUSTRALIA IS THE MAIN WINE STATE OF THE NATION.

SO old is the industry, in fact, that the earliest South Australian wine districts have a century-old mellowness and charm which most Australians have never seen in their own country. To them it is a different world of ten-acre fields with fat hay-stocks, squares of from 10 to 100 acres green with vines, and little towns a mile apart, gay with the cool, salad green of English trees. Carts and trucks, piled high with purple, green and white grapes, rumble along roads lined with hedgerows instead of wire fences. Only the blue hills in the background, and the big red gums along the creeks, are Australian.

The first European stocks from which wines were grown were introduced to Australia in 1788, and growers soon found that our mild Mediterranean-type climate was suitable for grapes of any variety.

TODAY the rich district just north of Adelaide produces three-quarters of the Australian pre-war average of 16 million gallons, but there are millions of acres just as suitable, in every mainland State.

Australia could thus easily become a far more important factor in the world production of wine, which in 1936 totalled 4500 million gallons. In that year, which was a normal pre-war average, world grape consumption was 2 million tons as table grapes, a slightly smaller quantity dried, and 26 million tons made into wine. In Australia, in a comparable year, the figures are: table grapes, 13,769 tons; dried, 332,500 tons; used for wine, 128,731 tons.

The explanation of this contrast lies in most Australians preferring beer as a beverage.

Wines fall into two great classes, the light, dry table wines, consumed in huge quantities to quench the thirst of most nations which use wine at all; and the dessert wines, sweet and of higher alcoholic content, which Australian consumers prefer. Vintners here produce five times as much of this type.

The difference between the two types lies in method of production. The first is entirely natural—simply the fermented juice of the grape. During fermentation, all the grape sugar is converted, but the amount of spirit produced is comparatively small.

Sweet wines are produced by checking fermentation before all the sugar is converted. Fermentation will not continue after a certain spirit content has been produced, irrespective of how much sugar remains, and the trick in making sweet wines is to add spirit (fortify) the wine while the desired sweetness still remains.

Picking is hard work (left, above), but John Traeger, his son and two daughters clear their own 64 acres. John, like most in the Valley, is a descendant of the original settlers.

Spirit is distilled from the wine in this 2000-gallon pot still, one of two in a Barossa winery. Spirit is used for fortifying sweet wines.
BACCHUS IN WINE STATE

Australian preference for the sweet types has localised the vineyards mainly in warmer districts, where most sugar is developed in the grapes. But there is a growing demand for beverage types, and this may render necessary increased plantings in the cooler areas. In any case, Australia could produce gallons of wine where pints are now made.

ALTHOUGH Australian wines approximate closely to the European types from which they take their names, they are not identical. This is not to say that they are inferior; but merely that they have their own characteristics, just as different French clarets or champagnes have their individual characters. The fact is that the differences between the parent European types, and the Australian of comparable quality, are such that they will be distinguished by few people other than professional wine tasters. For the types of grapes used are the same; the variations come only from differences in soil and climate.

As in the Old World, Australian wines vary with the districts in which they are produced, although, here again, the differences are often so as to be detected only by the connoisseur. Rutherglen (Vic.), and Corowa and Mudgee (N.S.W.) are famous for their full-bodied, fruity sweet wines. Hunter River (N.S.W.) produces magnificent clarets, burgundies and other table wines; Minchinbury (N.S.W.) is famous for its champagne—made originally by experts from the Champagne District of France, on the traditional lines of fermentation in the bottle, which are still followed.

Sherry, port and muscat come largely from Eden Valley, McLaren Vale and Nuriootpa (S.A.), where climate and soil closely resemble those of Spain and Portugal. Nuriootpa also claims to have the largest pot still in the world for distilling brandy. Australian brandy is of the Armagnac rather than the Cognac type.

CORRECT service of wines with meals is a matter of arranging the flavours of food and drink to their best mutual advantage. Here is a good guide—Appetiser, soup: dry sherry. Oysters, fish, shellfish: any dry white wine. Roasts, grills, pork, pasties: any dry red wine. Wild duck or game: burgundies. Cheese, before dessert: port. Dessert: sparkling wine or any sweet wine, a rich sherry, or sweet sauternes. With coffee: brandy. For afternoons or evenings: any wine, but sweet wines are preferable with biscuits and cake.

WHITE and sparkling wines should be served ice-cold. Red wines and dessert wines at room temperature, or very slightly above if the weather is cold, and the room inadequately heated. Glass being a poor conductor of heat, several hours should be allowed for either the chilling or warming of a bottle.

The light table wines generally do not keep when opened, and should then be used at once. If such wines are bought in bulk, they should be bottled immediately, and well corked.

As to the quality of Australian wines there is no doubt. They have largely displaced imported wines locally, even with the most discriminating people. Government supervision ensures that the cheapest grades are wholesome and pure.

Export trade is developing, and a further international recognition of quality is seen in the fact that several famous European firms now operate branches in Australia which sell Australian vermouths and other wines and spirit products under their own names, marked, of course, as being of Australian origin.

Barbecue preparations take 30 hours, with the spits turning so the beef will be done to a turn. Good food deserves good wine, and Barossa Valley provides both at Vintage Festival.

Vintage Pageant in Barossa Valley is two-day culmination of two months’ race against weather as pickers strive to bring in the grapes at their best. Music and wine for all make a festival like those of the Rhine Valley, from which founders of the community came 100 years ago, as Lutheran refugees.

Coronation of “Daughter of Bacchus” at annual Vintage Ball which is start of pageant. Photo shows 1948 “Daughter.”
REPORT TO EMPLOYEES
ON OUR 1948 OPERATIONS

This is an attempt to explain in simple, easily understood form the results of the operations of GMH during 1948. It is based on, and substantiated by, the Balance Sheet and Directors’ Report which were presented to shareholders at the annual meeting held this month.

It has been prepared so that employees, all of whom have a vital interest in the continued success of the Company, may obtain a fuller insight into its operations.

NO manufacturing firm can continue in business to-day unless it can sell its products. From those sales it must make enough profit both to pay some dividend to its shareholders, and to maintain effective and progressive operations. For these reasons, the most vital figure in the 1948 Balance Sheet is the one representing the total value of our sales.

In 1948 GMH sales returned the Company £17,508,303. To achieve that, and provide for the expansion of operations represented by the introduction—with the HOLDEN—of manufacture of complete cars in Australia, the total funds used in the business had to be increased by 29 per cent. The total funds employed represent an investment of more than £116,300 to provide a job for each GMH employee, and provide the necessary equipment and tools to enable him to work.

The 1948 profit, before providing for Company Income Taxes, represents a 7.5 per cent. return on the funds employed in the business, as compared with a 7.4 per cent. return in 1947.

The main cause of this was the sharp increases during 1948 in our manufacturing and operating costs. These were enforced largely by increased costs of materials, reductions in the number of hours worked weekly, and basic wage and cost-of-living increases.

In 1948 we expended £1,780,000 on the manufacturing programme in new plant, equipment and tooling. This year in the same way we will incur an additional expenditure of about £1,400,000.

IN our efforts as individuals to keep up with rising living costs, we are inclined to forget that the “cost of industrial living” has also rocketed for employers. To understand this, let us see where GMH’s sales return of £17,508,303 went in 1948.

The briefest answer is given in the following table:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>MATERIALS (including Customs Duties on chassis and parts imported, and our buying of everything used—</td>
<td>£10,006,321</td>
</tr>
<tr>
<td>from the smallest tack to the largest truck chassis—</td>
<td></td>
</tr>
<tr>
<td>in the products we sold)</td>
<td></td>
</tr>
<tr>
<td>WAGES, SALARIES, AND PAYROLL, AND OTHER TAXES</td>
<td>£3,915,387</td>
</tr>
<tr>
<td>MANUFACTURING, ENGINEERING, AND TRADING EXPENSES, FIXED CHARGES AND</td>
<td>2,012,489</td>
</tr>
<tr>
<td>UTILITY SERVICES, FREIGHT, ETC., ON BODIES IN AUSTRALIA</td>
<td></td>
</tr>
<tr>
<td>EMPLOYEES’ INSURANCES, COMPENSATION</td>
<td>91,425</td>
</tr>
<tr>
<td>NET PROFIT</td>
<td>680,678</td>
</tr>
</tbody>
</table>

£17,508,303

Stated in another way, each pound we gained from sales of our products was split up into out-payments as follows:

- Customs Duties: 5.09%
- Manufacturing Expenses: 3.55%
- Wages and Salaries: 21.44%
- Trading Expenses: 2.30%
- Payroll Tax: 5.66%
- Superannuation Group Assurance Compensation, etc.: 5.2%
- Freight, etc. in Australia: 1.79%
- Fixed Charges: 3.86%
- Profit Before Income Tax and Payment of Dividends: 4.25%

BRITISH 15.09%  AUSTRALIAN 19.01%  U.S.A. 8.42%  CANADIAN 13.41%
The diagram (Page 8) stresses these figures in another manner: by translating the percentages of the above table into the actual proportions they absorbed of each pound returned from sales.

**Wages and Salaries**
- Wages and Salaries: 21.44%
- Materials: Australian: 19.01%
- English: 13.69%
- Canadian: 13.41%
- U.S.A.: 8.42%
- Custom Duty: Chassis Parts and Materials: 5.80%
- Other Manufacturing and Engineering Expenses: 3.55%
- Fixed Charges—Depreciation, Rates, Rent, Land Tax: 3.49%
- Other Trading Expenses—Administration, Selling, Service Warranty, Advertising, Warehousing: 2.30%
- Freight and Insurance on Bodies in Australia: 1.79%
- Payroll Tax: 0.56%
- Group Insurance, Compensation, etc.: 0.32%
- Utility Services—Gas, Electricity, Water: 0.37%
- Leasing Profit before Taxation: 0.25%

**TOTAL:** 100.00%

COMPARED with 1947, our net sales increased by £3,463,265. However, the sales total was only part of what it could have been had we been able to achieve sufficient production to meet the full demand for our products.

Our production was reduced by various causes, two being outstanding. Dollar restrictions eliminated imports of Buicks and drastically reduced our imports of Chevrolet, Oldsmobile and Pontiac car chassis, and Chevrolet and GMC truck chassis.

Vauxhall was not available in the quantities we required due to steel shortages in the U.K. and production problems similar to those now restricting production in Australia and all other countries.

The demand for General Motors' products, however, had never been so great. It was, and still is, far in excess of the demand for competitive products.

THE number of people on our payrolls at December 31, 1948, was 8357. This compared with the total of 6796 on December 31, 1947.

A survey of our 1948 payrolls also reveals that we have many long-service employees. Of these:

1359 have been with us from 5 to 10 years.
1037 have been with us from 11 to 15 years.
414 have been with us from 16 to 20 years.
373 have been with us for more than 20 years.

**Into Plant Cost of Materials Used Showed Sharp Increase**

1947 MATERIALS COST £9,999.112
1948 MATERIALS COST £11,121.712

**Freight & Insurance on the Transport of Bodies Within Australia Cost G.M.H. £313,388 in 1948**

**Wages and salaries now represent a considerably increased part of each sales pound earned by the Company.**

**This Year** transport costs will increase markedly as HOLDEN engines, mechanical components, and bodies are sent in greater numbers to each State assembly plant.

**Utility Services - Electricity, Water and Gas - Cost 58.92% More in 1948**

1947 £40,776
1948 £64,801
G.M.H. VEHICLE SALES INCREASED BY 24.1%
A MESSAGE TO ALL GMH PEOPLE

The continued success of a business as widespread as General Motors-Holden’s Ltd. is not merely the concern of those directly associated with its operations. It is also of vital importance to the Community which it serves.

Success of any business is measured outwardly by the financial strength revealed in its balance sheet. Possession of such strength is important, for it guarantees to employees an assurance of income through employment and to shareholders, security for their investment.

But, beyond the facts and figures disclosed in any balance sheet, there is another asset—intangible, yet of incalculable value—on which the Community at large also assesses the success, or otherwise, of a company’s operations. That asset is “goodwill,” and GMH is fortunate for its possesses a goodwill that is vast and impressive.

It has been built up by the Company’s long record in making available to the Community—of which it is a part—products that are needed, are planned to meet exact needs, are built right, give maximum service, and are priced right.

Stated in another way, goodwill means that a firm enjoys the confidence of the general public. Our balance sheet shows we have that confidence and that it is deserved.

For this reason I would like every employee to study the main facts disclosed in the balance sheet. They show that while last year we completed our recovery from the losses we sustained in the immediate post-war years, the physical task of carrying on our operations was both more difficult and costly than in 1947.

Apart from sharp increases in costs—increases in wages, reductions in working hours, price increases for essential services and raw and other materials—we were hampered by inadequate quantities of essential or critical materials, and a shortage of trained labour.

Our operations were restricted also by sharp reductions—under dollar restrictions—of imports of certain types of chassis and other items.

The full effect was that our earnings were only 3.89 per cent. on net sales, despite the fact that last year we increased by £2,254,478 the total funds used in the business. The total funds employed at the end of the year were £9,903,875, on which a return of 7.5 per cent. was realised.

By utilisation of these funds we were able to pioneer Australian manufacture of complete cars, and with the HOLDEN now in volume production, I feel confident that the future success of this organisation has been further ensured.

During 1948 our staff, particularly in Melbourne and Adelaide, expanded tremendously. Through the efforts we were able to get the HOLDEN into production under most difficult circumstances, and to them the management offers its thanks.

However, our 1948 operations were affected by the high rate of labour turnover and a high degree of irresponsible absenteeism. This is a matter which should be of great concern to every employee in this Company, because an experienced team of workers, employed effectively and continuously, is essential to the efficient operation of any business and to the well being of its employees.

H. E. BETTLE, 
Managing Director.

MEDICAL FACILITIES

Doctors regularly attend at each Plant and may be interviewed by appointment by all employees. Medical Departments are fully equipped on most modern lines and are staffed by trained helpers during all working hours.

SPORTS CLUBS

Management has a favourable attitude toward Social, Sporting and Welfare activities of employees at each Plant. The Company is pleased to see signs of revival in most of these activities, all of which are organised solely by the employees themselves. Where sufficient enthusiasm has been shown and the number of employees warrants it, a secretary is provided at the Company’s expense. Certain activities have also been financially supported by the Company.

OPEN HOUSE

“Open House” functions were held at each GMH plant in November and December to give employees and their immediate families an insight into GMH operations, and into the working conditions at each Plant. These functions were outstandingly successful, and were attended by 26,367 people. They were an innovation in industry in Australia, and have since been copied by many other firms and industries, particularly in Melbourne and Sydney.

PLANT INSPECTIONS

Plant inspection tours for visitors are held at Woodville each week-day starting at 2 p.m. At Fishermen’s Bend, regular afternoon plant tours are held each Monday, Tuesday and Friday, the average tour party being 25 persons. From January 3 to April 30 this year regular tour visitors to Fishermen’s Bend exceeded 2000. Plant visitors are shown all manufacturing and production operations, particularly those covering HOLDEN manufacture.
FIRST HOLDEN ON THE ROOF OF AUSTRALIA

From the Valley of the Murray River the Polish Explorer, PAUL EDMUND STRZELECKI,
Ascended these Australian Alps on 15th February, 1840.
A “pinnacle, rocky and naked, predominant over several others,” was chosen by Strzelecki for a point of trigonometrical survey. “The particular configuration of this eminence,” he recorded, “struck me so forcibly by the similarity it bears to a tumulus elevated in Krakow over the tomb of the Patriot Kosciusko, that, although in a foreign country, on foreign ground, but amongst a free people, who appreciate freedom and its votaries, I could not refrain from giving it the name of Mount Kosciusko.”

THRUSTING its summit 7324 feet above sea level, Kosciusko, Australia’s highest peak, is unimpressive in height compared with the mountains of other lands. But it is the climax of a system of mountain ranges and plateaux so vast that the Australian Alps carry more snow each winter than Switzerland.

In many ways the Kosciusko region is superior to higher alpine areas for skiing. Cars can reach the modern Hotel Kosciusko throughout the year, and it is also accessible by rail and a 50-mile service-car drive.

As to the sport itself, the vast expanse of snow-covered ranges affords unhampered sport on long slopes tricky enough for the most advanced ski-runners, while there are many easy slopes for beginners. In addition to the Hotel, there is a miniature modern hotel, the Chalet, at Charlotte Pass (6000 feet). Both are of Swiss chalet design. The Chalet, especially, is a centre for skiers in winter, and in summer for trout fishermen exploring the upper waters of the Snowy, soon to be harnessed for power and irrigation in Australia’s equivalent of the Tennessee Valley Scheme.

Geologists find on the Kosciusko Range traces left by a far colder regime—the Pleistocene glaciation. Traces left by the Snowy River Glacier show it to have been three miles long and 400 feet thick.

Kosciusko owes its discovery and its name to the Polish explorer, Count Strzelecki, who named it in honour of a famous Polish patriot. Other mountains in Victoria commemorate Strzelecki’s own name.*

Kosciusko is a year-round resort. The snow season usually starts in May and lasts till October. During the months between, there is golf and tennis in pleasant temperatures, 100 miles of well-stocked trout streams, and trail riding to the five alpine lakes.

The main approaches are: From the Prince’s Highway, at Bega, thence through Cooma. From the Hume Highway, either through Lower Tarcutta and Tumut, or through Goulburn, thence through Canberra and Cooma.

*He was actually the first discoverer of gold in Australia (1839) but news of his find was suppressed.

The Holden about to leave the Chalet, at Charlotte Pass, to tackle the last steep section to the summit.
GM OVERSEAS INDUSTRIAL AND MECHANICAL ENGINEERING

CO-OPERATIVE SCHOLARSHIP

To help prepare young men for technical and executive leadership within the Company, a Scholarship Plan has been developed whereby suitable applicants with ability and high potential will be selected to continue their studies in specialised courses of Industrial and Mechanical Engineering at the General Motors Institute, Flint, Michigan, for a period of two years.

To be eligible for selection, an applicant must—

1. Have a sound educational background, and have passed in the following Engineering subjects at a recognised Technical College, or the equivalent in a University.
   - Mathematics: IA (Algebra), IB (Trigonometry), IIA (Pure Maths) or IIC (Differential and Integral Calculus).
   - Physics: IA (Mechanics and Heat), IIC (Electricity and Magnetism).
   - Chemistry: I Theory (Inorganic).
   - Metallurgy: IA (Ferro Alloy Metallurgy).
   - English: Intermediate.

2. Be prepared to go overseas for a period of two years, and leave Australia by the end of July, 1949.

3. Be physically fit and willing to undergo a thorough diagnostic physical examination.

4. Have the ability and capacity to acquire the necessary knowledge, and have a good all-round record.

5. At the completion of the course, be prepared to take up duties with the Company in any State in the Commonwealth.

Applications must be in writing, specify all qualifications, and be submitted to your Department Head, who will supply further details on request.

During the two years abroad a successful applicant will be required to specialise in any one of the following subjects as agreed to before leaving Australia:


All these specialised courses are designed to provide training closely related to the requirements of this Company, and are of two years' duration. Each calendar year will be split into two semesters of 24 weeks each (12 weeks' Institute instruction and 12 weeks' practical work). The student will thus alternate every four or eight weeks between periods of instruction at the Institute and directed practical work experience at a specified plant of GM.

A significant feature is that the student throughout his entire course will be recognised as an employee of GMH, and as being trained for future work with GMH.

During the co-operative period, when the student is working in the plant of one of the Divisions, he will be paid at the same rate as a third-year domestic student of General Motors Institute which—at present $4.36 an hour—will be recognised as an employee of that Division. In addition, a living allowance of $55 a month is paid by the Company, and experience has shown that income received by the students from domestic Divisions plus $55 monthly living allowance is adequate to cover all their normal expenses whilst abroad.

Accommodation is available for the student while at the Institute, at a cost of approximately $75 a month. Provision will be made for travelling expenses between the applicant's home and the U.S.A. and return, in addition to all expenses incurred in railway travel and hotel bills on arrival and departure.

PAGEWOOD GOLFERS

Members of the newly formed Pagewood Golf Club during an outing at Bay View Country Club, Mona Vale.

595 YEARS SERVICE WITH GMH

People recently published the long service—314 years—record of 20 employees at Perth Plant. Below, 20 members of Trim Assembly (Cushions and Squabs), Woodville, list their record of 595 years' service with GMH, and challenge any one department in the motor body industry to beat it. The employees and their years of service are:—

A. Embrodt ... 47 years H. Stevens ... 28 years
B. Winkler ... 37 ... P. Tietmey ... 28
F. Townley ... 34 ... C. Steele ... 27
W. Messenger ... 32 ... C. Bonnett ... 27
W. Stewart ... 32 ... W. Mates ... 26
J. Conlon ... 32 ... W. Kelly ... 26
J. Fisher ... 31 ... A. Stott ... 25
H. McAdam ... 31 ... S. Elliott ... 25
W. Gregor ... 30 ... J. Robinson ... 25
H. Becker ... 29 ... F. Lahiff ... 23

SAFETY FIRST

IF YOUR PRESS IS DEFECTIVE, REPORT IT!!

DON'T JUST GET BORED ..........
MORE GMH BRIDES

Joyce LAUB, of NASCO non-vehicle supply department, photographed after her recent wedding to NEAL GUNDY, of NASCO stockroom. Ceremony was at Holy Advent Church, Armadale.

Shirley MACHAREY, of NASCO Operating Department, who was married on April 30 to WILLIAM BROMLOW, of Newport, at St. George's Church, East St. Kilda.

Married recently at St. Stephen's, Richmond, to Norvin Russell Kelly, of Ormond, SHIRLEY ANDERSON (of Melbourne Industrial Officer's staff) is shown above with her bridesmaids JUNE HOWELL, of Ormond, and BETTY BECKETT, of Production Engineering, Melbourne.

A YOUNG BRICKLAYER...

Anne, 18 months old daughter of TOM BOND, of Woodville Schedules Department, does some bricklaying on a house extension job while Dad takes time off for afternoon tea. Tom has been in Production Control and Schedules Department for 11 years.

AND SOME CASTLE BUILDERS

BEACH castle contest prize-winners at recent Large Bay picnic of Woodville Guilmorve Club. From right: PAM DOUGLAS (First), ROSALIE YOUNG (Second) and MARLENE DOUGLAS (Third). With the winners is HARRY UNDERWOOD, secretary of the Club. He has been with GMH for 26 years. Was formerly a well-known amateur boxer.
Sheet metal worker at Perth Plant for past 43 years, BILL SMITH served during the war with the A.I.F. Is proud father of nine children.

Bonnet fitter at Brisbane Plant, where he has worked since 1926, is leading hand HERBERT RIX, an enthusiast on deep sea fishing. Herb fishes at Flinders Reef, nine miles off the coast. Fish there are mainly Parrot, Squire, Rainbow and Cod.

Lunch hour relaxation at Pagewood Plant. Nearest the camera are C. COULTON, KEN PROUDLOCK, RAY SCOTT and HERB MCDONALD.

Oldest employee at Birkenhead, BILL CARTER (66) joined when the plant first opened in 1926. He trained the plant's football team in the days when its best goalkicker was Ed. Carrie, now General Manager of NASCO. Bill now manages Birkenhead cafeteria.

Panel beater at Brisbane Plant, ERIC RANKIN (left), was previously an R.A.A.F. aircrew attached to the R.A.F. Eric trained in Canada, served as a Flight Lieut. wireless airgunner with the U.K. Coastal Command, and with Air-Sea Rescue. At right is LEIGH WILLIAMS, panel beater, who served in the islands with the second A.I.F. Before joining Brisbane plant two years ago he worked with CMH at Fishermen's Bend.
HINTS AND TIPS FOR HOME HANDYMEN

TAKE two parts of coal dust to one of sawdust. Dissolve a little glue in boiling water, and mix into the coal dust and sawdust. Form into shapes, and leave to dry thoroughly before using. These bricks throw off a great heat and are sure coal savers.

Keep your gardening boots soft and pliable by rubbing in a little castor oil.

Should a cake be burnt, scrape the outside, brush over with beaten white of egg and dust with castor sugar. Put cake back in oven for five minutes, and all signs of burning will disappear.

Put a tablespoonful of vinegar into a burnt saucepan, fill with cold water and boil for five minutes. The burnt pieces come off, and the saucepan will not burn so easily again.

Fine sandpaper is excellent for cleaning light-coloured felt hats. Use very lightly.

If the fire is low put a cork in the hot cinders and set a match to it. It will revive quickly.

To remove dirt from white paint work, boil a couple of onions in a pint of water and use the solution.

You can poach eggs in cups. Butter inside of cup, break egg into it, and stand in a pan of boiling water till egg is done. Slip a knife round inside of cup and egg will come out intact.

NASCO spark plugs are available, at a specially reduced price, to GMH employees. The price is 2/6 a plug, including sales tax and postage. Applications should be made to Mr. A. Burke, NASCO, enclosing a postal note or cheque and stating the make and model of car for which the plugs are needed.

Trout fishing at Elden Weir is hobby of BILL ROBERTSON, foreman, Final Assembly Line, Fishermen's Bend. He is pictured with a catch of rainbow and brown trout, average weight 5 lb. His fishing companion, Fred Tyers, is at right.

One of the most unique hobbies is followed by BILL BAILEY, of Birkenhead plant, pictured above with part of his extensive collection of military and police badges. Formerly a sign-painter at Woodville and wartime O.C. artillery at Large Fort, Bill started on his hobby about 10 years ago, when he received his father's collection of military badges. Bill now has 400 of these badges—British, Allied and some Italian and German, but is concentrating on a collection of badges of the world’s police forces. Almost every nail brings him new badges, some of them particularly lovely as examples of design and craftsmanship. His badges already cover the police forces of England, Scotland, Ireland, East, South and West Africa, Brazil, Mauritius, Aden, Spain, Canada, U.S.A., Australia and Austria. Austrian badges cover all ranks from policeman to police general, are unique as examples of enamelling on metal and use of gold thread. Equally unique for revealing how historic Austrian eagle now is featured with tiny Soviet sickle and hammer in its claws.

A Caravanner for nearly 10 years, W. (Bill) BEAL, process engineer, Woodville Tooling Dept., started to build his own caravan 18 months ago, and is shown above cutting the wheelchair clearance, watched by his youngest daughter. Caravan is of 4-berth type, aluminium lined and fitted.
NASCO SPORTS AT BACCHUS MARSH HAD POPULAR APPEAL

.. AND BIG ATTENDANCE

Prizewinners. Front row, from left: J. TREWARTHIA, VIC DREW, ERIC HOGBEN, PEARL DEVEON, BEVERLY WILLIAMS, BETTY LILLA
THORNE, MRS. HARTIDGE, BON HARTIDGE, BILL SPERRING.
At rear: ROB MACHIN, DICK MACE, ARTHUR TUCKER, TONY
ALLEN, and "Mailee" WATTS.

Final of main event, the Men's Gift. A. ALLEN wins by a narrow margin
from E. HOGBEN.

Picnic group in Yarshill Clothes. From left: STAN COLE, VIN CAL-
LANAN, BILL BROMILLOW, ADE WILLIAMS, SHIRLEY MACHARLEY,
and LORNA MCDONALD.

General Manager of NASCO (MR. E. M. CURRIE), third from left, with
visitors from Queensland. From left, Messrs. E. V. ROEBUCK (Eager &
Son Pty. Ltd., Townsville), A. H. SMOUT (Managing Editor, "Garage &
Motor Trader"), and R. C. VICKERS (Eager & Son, Brisbane).

Kiddies line up for the "Bite the Apple" event.
Below: A critical moment in the Ladies' Jumble Shoe Race.