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**Title:**

ALP broadcast regarding 'LCL leaflet' which claims 'that the average wage-earner now has many more material benefits than he had in 1949'.

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A.L.P. BROADCAST - 12/9/60

DON DUSTAN - MEMBER FOR NORWOOD

Good Evening,

I was diverted to receive in my letter box a little while ago an L.C.L. leaflet which told its readers that life is better with the Liberals and that the average wage<sup>r</sup>-earner now has many more material benefits than he had in 1949. There were also figures concerning wage-earners schemes in the national income and the inference which the whole thing sought to establish was that working people have had a marvellous deal from the present Government.

Now when claims of this kind are made it is only fair to examine them, and to give credit where credit is due. It is also necessary to expose falsehoods.

Recent investigations have shown that whereas the total share of wages and salaries in the national income was 56% in 1938-39 it had risen to 62% in 1957-1958. But the work force had grown enormously - to have had an adequate share in the expansion of national income which has taken place through advantageous world trade conditions, wages and salary earners ought to have had far more than 62% of the national income in 1957-58.

In contrast to these percentage figures I have given you - let us look at the following facts:-

Wages and salaries per employee have risen less than the national ~~total personal~~ income per head of population

Wages and salaries per employee have risen less than total personal income per head of population.

Wages and salaries per employee have risen less than that of the average farmer or business man.

In short employees have received less than a proportionate amount of the increase in the national income occurring since 1949.

Where has the difference gone? It is estimated that

the transference from wage and salary earners to property and status income groups of a rightful worker's share in the national income now amounts to £450 million per year.

Let me give you a few contrasts to illustrate this.

An investment of £2,800 in B.H.P. shares in 1939 bought 1,000 shares. If all new issues were taken up this investment is now worth £20,193. Dividends earned during the period would have paid for all additional shares excepting the 1958 issue. There has been a capital appreciation of approximately 8 times the original investment. On the capital gain as distinct from income no tax is payable. The net profit of this company in 1953 was £2,300,000 odd, or 9.5 per cent of capital. In 1958 it was £5,800,000 odd or 19.5% of capital. It has since increased this figure.

Let us take another company. Ralph Symonds Ltd. with an authorised capital in 1953 of £500,000 of which £400,000 was issued and fully paid, without any variation in capital increased a net 1953 profit of £25,000 to a net 1958 profit of £108,000 in addition erected a new 14½ acre factory in 1958 valued at £900,000 from capital within the company and without making any further share issue.

The position in General Motors Holdens is too notorious for me to canvass.

Now let us take the position of the wage earner and salary earner.

In order to get a figure which will show what a certain salary or wage in 1938-39 should be now in order to give comparable purchasing power, we have to make an allowance for an equal share of increased personal spending and an adjustment in real values. On this score a 1938-39 wage of £200 should have been increased 4.13 times to £826. But the average on this figure increased only 3.2. A man on a salary of £1,250 in 1938-39 should have increased 5.17 times to £6,500. In fact he increased 2.5 times to £3,066.

In other words, although with a developing technology and with good overseas markets, our material income has naturally expanded and is continuing to expand the fruits of this expansion have not <sup>been</sup> ~~be~~ equitably distributed. Through tax avoidance and through the fact that there is no capital gains tax in Australia, there are inequalities in spending for personal consumption in Australia which are grossly wrong.

There is another side to this picture. The way in which re-distribution took place under Labor was three-fold - through combining price-control with a stable wage structure it was impossible for excess profits to lead to inequalities of the kind I have mentioned. Under Federal price control subsidies were paid to cushion overseas price rises to our domestic market. Social services were at a <sup>reasonable</sup> ~~reasonable~~ and steadily increasing boil.

Now what is the position. Price control in Australia only exists in pockets and has little over-all effect. No subsidies of the kind I have mentioned are paid. There is no effective control on the level of profit or the rates of interest for credit. Social services have been scaled down.

Take the position of <sup>the</sup> working man today in misfortune as compared with 1949. Then if he was ill, he could get treated in a public hospital and he paid nothing. Today if ~~but~~ he's lucky enough to get a bed in a public hospital he will pay £3/-/- per day. Then if he was unemployed he got an unemployment relief and assistance for his dependants which still allowed him to keep body and soul together. Today, if he is unemployed the payment for himself and dependants is at less than starvation rates - I am constantly having to give personal financial aid to people in this plight in my district.

Then he got reasonable child endowment. He only gets an extra 5/- for the first child now in addition to what he got then, though inflation has meant that child

endowment is worth less than half what it was in 1949.

So <sup>remember</sup> ~~remember~~ when these little pamphlets from the L.C.L. come out to ask the question - do these figures that they quote represent the real position? In fact any analysis shows that wage-earners have received and continued to receive less than their fair share of the increase in the national income and many salary earners <sup>are</sup> ~~and~~ even worse off. No wonder those big firms which support the Liberal Party are happy to cough up and the L.C.L. can afford its present television sessions at a cost of £70 a minute. They're making a killing - and they're making it out of you and me.

Goodnight.