

OPENING OF THE AUSTRALIAN GUARANTEE
CORPORATION BUILDING, SYDNEY, N.S.W.
ON 24TH APRIL, 1963.

Speech by the Prime Minister, the Rt. Hon. Sir Robert Menzies

I think I ought to make a personal explanation - we do that occasionally in Parliament - to explain why I am here. When I received an invitation signed in a somewhat truculent signature by Hector Clayton, my secretary, who looks after my interests with loving care, said to me, "This surely is one that you can refuse," (Laughter) and to her intense regret, I said, "No, this happens to be one I must accept," and for two reasons - one is that Hector Clayton is an old friend of mine, and I am a little bit frightened to say, "No." (Laughter). The other is that I am one of the few living old boys of a Legislative Council in Australia, having begun my political life in the Victorian Upper House. And therefore, you know, once a mortgage always a mortgage, (Laughter) and once a Legislative Councillor, always a Legislative Councillor, and so by the strict union rule that we apply among ourselves, I said, "That's the second reason I must be there."

It is very kind of the Chairman, in the course of his very interesting speech, in which he left me literally nothing to say, to refer to the honour that has been conferred on me. You haven't failed, I am sure, to notice that the motto of this Order, "Nemo me impune lacessit" was published in various newspapers and, for the benefit of those educated at the university, translated into English (Laughter), and one or two of my Cabinet colleagues were heard to say, rather unkindly, "Oh, we knew that was his motto fifteen years ago". (Laughter)

Well, now, you've been told a good deal today about the history of this Company and it is really a very remarkable one. It is tremendously interesting to people of my own vintage to realise that the whole development of this particular branch of industry has occurred in Australia during my own adult life, so that this is quite young. I'm younger than he is. (Interjection: "Not by much") He says, "Not by much" but I still don't need to have a special resolution (Laughter, applause), although I am bound to say I do occasionally need to survive a "No Confidence" Motion which is, roughly I suppose, the same thing.

But what I was saying when I was rudely interrupted was that this is something relatively new, and it is like most things in the world that we live in which are mostly new. I imagine that if anybody else in this room had had my experience of sitting down at the Prime Minister's table twenty-four years ago and comparing what came then to the table with what comes now, twenty-four years later, he would understand perfectly how immensely complicated have the affairs of the world become. They are so complicated that those who have to handle them feel constantly puzzled by the aspects of them and the only people who clearly understand them are the commentators who don't have to do anything about them at all. (Laughter)

Forty years ago when this particular company began - forty-five years ago, whenever it was - the use of credit was something that was understood in certain orthodox and limited channels. The complexity of the world's affairs, the enormous pressure of the rise of living standards, the enormous development in what we are now pleased to call "consumer durables", as the motor car became the commonplace, as household equipment became the commonplace and so on - all these events could hardly be carried on by the old normal routine methods that were available and so I haven't the slightest doubt that this expansion of the instruments of credit, which is represented by your Company and by many others was something that was quite inevitable, full of value and full of danger, like all credit facilities. A wonderful thing for people, wisely handled and wisely administered, and for some people perhaps a little tempting as meaning that they can get out of their depth and that the Lord will provide, the Lord for this purpose being mixed up with Mr. Clayton. (Laughter)

Like every other instrument that we have to our hands, it is capable of misuse. But I have no doubt whatever myself that the present face of the country, the present availability of private resources to private citizens, would be nothing like what it is today if it hadn't been for the facilities provided by the various credit bodies, including in particular the hire purchase authorities in Australia and therefore I acknowledge the service that this industry has done, and is doing and will continue to do, to the ordinary men and women of Australia.

Now there is another aspect of that and I hope you will allow me to refer to it. Every now and then there will appear to be a conflict between what the hire purchase companies are doing, what the trading banks are doing, what the Reserve Bank may wish to have done, what the Government desires to have done. There will appear to be - and there will be - problems of interest policy, for example, and how these problems are to be handled, and in Australia whenever we encounter problems of this kind we are terribly tempted, aren't we, to use the blunt instrument of compulsion. Funny thing about us, we are cheerful, light-hearted, on the whole rather happy-go-lucky sensible people, but we have got a great passion for compulsion. We even have compulsory voting, not that I am anybody to complain about it because it has worked out on the whole rather well (Laughter) from my point of view. But, you know, intrinsically, there is something rather fantastic about it, isn't there? We do think so rapidly of compulsion. I, myself, am a great believer in the handling of these problems in the instrument of co-operation, of consultation - consultation between the Reserve Bank and the Trading Bank - effective mutual understanding, consultation between them and the outside semi-banking - I suppose that's a permissible expression to use - instruments such as the hire purchase companies. We ought not all the time to be looking around to see whether we can invent a statute that will produce co-operation. No statute ever did. Every statute produces a crop of legal advisers whose business it is to explain how you can get out of the net of the statute. That's right. And as Mr. Justice Else Mitchell will recall, one wise man once said that in the classical conflict between the parliamentary draftsman and the conveyancer, the conveyancer always wins. Now, there is a good deal of truth in that. We mustn't run to compulsion as our first resort.

I believe, from my own experience, that consultations from time to time with people who have great responsibilities, particularly in this financial world we are discussing this afternoon, do nothing but good. After all, we are all Australians. We pride ourselves on being honest men, having some objectivity of view, not a lot of greedy, self-seeking people. We are good citizens, we trust. I believe we are. And we will get further sitting down together, so that if somebody says, "Well, the interest rates being offered by the hire purchase companies are inconsistent with the bank structure of interest rates. Let's sit down and talk about it, because in the long run, Sir, your Company and all other companies like it have, just as much as I have, just as much as any other person has, a vested interest in sound stability in the economy of Australia. Not stagnation. There is nothing stagnant about the industry that you carry on. Not at all. If it became stagnant, it would die. I don't talk about stagnation. I talk about stability in the sense of avoiding soaring levels of prices and costs so that the development of the country can proceed on a sound foundation, so that you have stability and growth. The two things are not inconsistent. They will be more and more consistent with each other if we take the opportunity from time to time, all of us, in Government or out of Government, to sit down together, talk about our problems and say, "Well, now, what do you think about that? What do you think can be done by your group to achieve this common result?"

And, therefore Sir, I am without any reservation at all, delighted to be here this afternoon, particularly delighted, of course, because you are an old friend, but delighted in any event because I think that you may look back with pride on the record of this company. I hadn't realised until you spoke this afternoon that you had been gathering the organisation together from a variety of places into one centre. A great contribution to the company, a great contribution to the city of Sydney, and I am perfectly certain as I declare this building open that the work it does, wisely administered, properly understood, will be a great contribution to the commercial and domestic life of Australia.
