

COMMONWEALTH BANKING CORPORATION

Statement in the House of Representatives by the Acting Prime Minister, The Rt. Hon. J. McEwen, M.P.

While the Commonwealth Banking Corporation will not be formally established until the legislation has been proclaimed, which will not be until about the end of the year, it is necessary to proceed at once with the appointment of the Board of the Corporation, so that the re-organization necessary to give effect to the legislation and to constitute the Banking Corporation can be carried through. This action will include planning of such things as staffing and accommodation, arrangements for the commencement of business by the Commonwealth Development Bank and the integration of the Commonwealth Trading Bank, the Commonwealth Savings Bank, and the Commonwealth Development Bank into the framework of the Commonwealth Banking Corporation.

Cabinet has decided to appoint Mr. Warren D. McDonald, C.B.E., to be Chairman of the Board of the Commonwealth Banking Corporation, which is being set up under the Banking Legislation recently passed by the Parliament.

Mr. McDonald is Chairman of the Australian National Airlines Commission which operates T.A.A. He will in due course retire from that position, but, because of the various problems confronting T.A.A. during the coming months by reason of the introduction of its new fleet of Fokker Friendship and Electra aircraft and associated matters, he has consented to carry on his work with T.A.A. at least until these particular problems have been dealt with.

Cabinet has also decided to appoint Mr. E.B. Richardson, C.B.E., as Managing Director of the Commonwealth Banking Corporation and Mr. A.N. Armstrong as Deputy Managing Director of the Corporation. Mr. Richardson is at present Deputy Governor of the Commonwealth Bank and Mr. Armstrong is General Manager of the Commonwealth Trading Bank.

I should add that under the legislation, the Board of the Commonwealth Banking Corporation will comprise eleven members, of whom it is required that eight shall be neither directors nor officers of the Bank nor members of the Commonwealth Public Service. The legislation provides that the other three members shall be the Secretary to the Treasury, the Managing Director of the Commonwealth Banking Corporation and the Deputy Managing Director of the Corporation.

With the appointment of the Chairman, therefore, seven other members of the Board have still to be appointed. The Government intends to make these appointments at an early date.

CANBERRA, A.C.T.

6th May, 1959.