

COMMONWEALTH BANKING CORPORATION GOLDEN JUBILEE  
DINNER HELD IN SYDNEY ON 16TH JULY, 1962

Speech by the Prime Minister, the Rt. Hon. R.G. Menzies

Mr. Chairman, Your Grace, My Lord Bishop, Parliamentary colleagues and Gentlemen :

You will be delighted to know that I am making a very short speech tonight because, for some reason or other, I haven't been too good today. I mean physically (Laughter) and I therefore found myself bringing myself here with a little bit of reluctance this evening. But, anyhow, Warren McDonald has agreed that I need not make one of those forty-minute talks which are supposed to come so easily from political lips.

As a matter of fact, I have had a very interesting weekend. I saw a Rugby League match on Saturday; (Laughter) I read the rules the night before, (Laughter) not being familiar with this strange game, and when I arrived at the Sydney Cricket Ground, I said to my hosts, "Well, I read the rules last night. There are some points in them I don't fully understand", and they at once offered to make me a referee. (Laughter) (Applause) Anyhow, we won. (Laughter) That gave me a great deal of pleasure.

Yesterday morning, just in case I had become a little elevated by the inspiring events of Saturday afternoon, I had to go and read the Lesson in the Presbyterian Kirk, and the Lesson included the Ten Commandments. No document could be more disturbing to a practising politician (Laughter) than the Ten Commandments; unless, Your Grace, it is the Sermon on the Mount. That, really, some of my colleagues find impossible.

Anyhow, all I wanted to say to you tonight was that I can remember in my youth the uproar that attended the establishment of the Commonwealth Bank. I think it is quite safe to say that of those who established it few, if any, could foresee its future. Few, if any, could have understood either the fact or the reasons why it would become some day, in one of its manifestations, the Federal Reserve Bank of Australia. Central banking was not very much talked about or very much understood fifty years ago. It is now talked about a great deal. (Laughter)

But, Sir, right through the history, this fifty years of very distinguished history, there has been from time to time controversy. First of all, the Bank itself established under a Governor whose picture you will see here on this golden programme - Look at him! He looks exactly like a staunch supporter of the Liberal Party (Laughter) And yet he was appointed by a Labor Prime Minister. It shows how broad-minded, Arthur, they were in those days. (Laughter) (Applause) This is something you must remember after the next election (Laughter) And then it went on for a long time. It went on through the First World War. It developed, perforce, a tremendous extent of activity and a variety of activity. It is a very curious thing that amid all the horrors they produce, these two Great Wars have produced other things and, in the case of Australia, brought us measurably nearer to central banking. Just as in the field of science, the developments under the pressures of war, both times, have been almost fabulous.

Then in 1924, a Board of Directors. That produced a great argument, and a great uproar. And then later on, that disappeared and then later on, my own Government re-established it; and on each occasion arguments broke out which were full of heat and occasionally had gleams of light. But, at any rate, they were full of heat. There were misunderstandings, there were threats, there were fears. Never, I suppose, has a great institution passed through such a chequered career in so relatively short a time. And I believe that today there is, in the banking world, a higher level of mutual understanding than we have known for a long, long time. I believe that there is, right through the banking world of Australia, a warm appreciation of the significance of the Central Bank, the Reserve Bank and, equally, a recognition of the skill with which the Commonwealth Trading Bank, the Development Bank, the Savings Bank are carried on.

All this, I believe, has brought about an era of good relations and good relations in the banking world are immensely important. Good relations between banker and customer, yes; but good relations between bank and bank. And this, of course, could not have happened in the middle of all the political disputes and the fiery eloquence at Canberra, unless these Banks had had men of singular talent engaged in directing and serving them.

I would like to take the opportunity, because at one stage he was regarded as a controversial figure, of paying a wholehearted tribute to Dr. Coombs as the Governor of the Bank. (Applause) Throughout the whole of my long association with him now, I have come to regard him as a man of immense ability and of the most impeccable integrity. (Hear, hear) (Applause) While, of course, on the trading side, subject to a little interruption occasionally by Warren McDonald, the show seems to me to be very well run. (Laughter) He has referred to Mr. Armstrong who is, by common consent, a very great trading banker. (Applause) And in the result, I believe that we have now a pattern of banking, arrived at after almost the whole of the fifty years have gone, which is calculated to serve the interests of the people of Australia.

Indeed, Sir, the one general observation that I wanted to make is this: We, in Australia, have developed, when you come to think of it, a habit of mind on certain matters which I believe has proved extraordinarily useful. We have not been doctrinaire and said, "That's something that the Government ought to run and that nobody else ought to run." Nor have we carried our views on the other extreme to a doctrinaire limit. The result is, in broadcasting we have a dual system. The Government stations and private enterprise. In television, we have the dual system, except at Canberra (Laughter) where the Government station has not yet arrived, but is understood to be on the way. But it's very interesting isn't it. Radio - the dual system; television - the dual system; banking - the dual system. And when we look back on it and know these things have been argued about and hammered out over many, many years, I think most of us, irrespective of political views, would be disposed to say that this kind of compromise has been a happy one, because it has given full scope for the authority of government and adequate scope to the ingenuity and enterprise of the private citizen. (Applause) And none of these things were in the minds of the founders of the Commonwealth Bank, I think; I don't think that many of them, although he was a man of ability, could have been in the mind of the first Governor.

I was sent by kind permission of Mr. Richardson an excerpt from a newspaper called the "Sydney Morning Herald". (Laughter) Not a recent number. That would have been an unkind thing to do; but quite an old one, fifty years ago in fact, and it contained an account of how Denison Miller was appointed. There it was. Very interesting piece of history in the bank; and on the left-hand column, there was a vivid description of a game of polo. Polo, That's a very aristocratic game, they tell me. And on the other column, a vivid description of some of the great cricketers at work - George Bonner and Charlie Macartney and the like. And I thought, "Well, now that must be a good newspaper - polo, an account of the foundations of the Commonwealth Bank, and a lovely account of a cricket match, and I will remember it in my prayers, in future." (Laughter)

But, Sir, the real reason I referred to it - I must not perpetuate these old reticences of mine, but the reason I referred to it was that here was the beginning of great events. After all, nobody could deny the massive size and quality and extent of the Banks we are celebrating tonight. Nobody. And yet here is the very beginning. A little letter from Andrew Fisher - "Dear Mr. Miller. I would like to know whether you would be interested to accept a post in the service of the Commonwealth of Australia, etc. etc." All done with true Andrew Fisher caution. Nothing committed, a little Scots reserve, very proper (Laughter), and the answer is there. It is of a similar character, and in the upshot, there is an Order in Council, and that man becomes the Governor of a Bank, non-existent up to that time, not a person on the staff, not a skerrick of furniture, not a building to work in. That is how the Bank began and in fifty years, we have seen its development, its ramifications, its authority and we have, if I may particularly refer to its Reserve Bank functions, seen it as one of the great and respected Central Banks of the world. (Applause)

Sir, you may have noticed that it is not uncommon for the Leader of the Opposition at Canberra, (I don't know what happens in Sydney) to disagree with the Prime Minister. I seem to remember doing it myself, when I was Leader of the Opposition (Laughter) but tonight, though he may express different reasons, I am happy to say that I am going to be supported in the presentation of this Toast by Arthur Calwell who is my devoted political enemy (Laughter) but, I don't mind admitting, my personal friend. Now, Arthur.

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