

OPENING OF THE HEAD OFFICE OF THE NATIONAL MUTUAL
LIFE ASSOCIATION, COLLINS STREET, MELBOURNE.

1ST MARCH, 1965

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

Sir Robert :

It gives me very great pleasure indeed to be here and to be here under the chairmanship of such an old and valued friend as yourself.

I was provided with these brochures myself and, unlike most of you, I read them closely. (Laughter) Otherwise I would, this afternoon, be entirely bereft of facts. But it was in August of 1869 that this Society began, the first mutual life assurance society in Victoria, and it was established at the corner, so I'm given to believe, of Collins and Market Street better known later on as the corner of the old Western Market, and I'm bound to admit - and I have to be very careful about what I admit - I'm bound to admit that these things have changed.

I look across the road and expect vainly to see Scotts Hotel where, I will have all you Sassenachs know, they made the best haggis in the world. (Laughter) Instead of that there is a rather melancholy sort of.....(Laughter) not at all reminiscent of the old roistering days. And as I came in this afternoon, I sniffed to see whether some of the lovely rich odours of the old wine cellars might have survived but nothing survives the modern builder. Gone are the wine cellars; gone is all the mess that used to be down below in the Western Markets and up comes a magnificent building.

And, really, one can't complain because whatever else might have been said about the old Western Market, I don't think it added very much to the beauty of Melbourne although it was situated in one of the most historic localities in this city. And so here we are watching change, development, particularly this end of Melbourne - a beautiful development in what, in spite of the critics, I will always maintain is a beautiful city, and will continue to be one so long as the architects permit it to be. (Laughter)

Now, Sir, the growth since 1869, the growth beginning before that in Sydney, the growth in life assurance has been one of the most remarkable features of modern life. In the last ten years, the total assets of life companies in Australia has increased two and a half times over in ten years. Personal savings - you will forgive me, won't you, for a few of these figures but I got them from the Treasury and I must use them - personal savings through premiums on life policies and so on represent twenty-five per cent. of the total personal savings of the people of Australia, and ten years ago, they represented fifteen per cent. This is a phenomenal growth and I will say a few words in a moment to indicate why I think it is not only phenomenal but valuable beyond words. The excess of premiums over claims and expenses, so I'm told now, runs at the rate of about £100M per annum.

Now, I must say I'm a great believer in life assurance. It is the only form of saving that was ever effective with me (Laughter) because it was compulsory. You know, you had to say to yourself, "Well, whatever happens, I must keep up my life assurance premiums" and so we do. Then with the good management of those responsible for looking after our little savings, they begin to increase. They have bonus additions. You find yourself sitting down and saying, "What am I insured for now?" and although it is not enough, it's a lot more than occasionally I've been expecting to know. Compulsory saving is a wonderful exercise in self-discipline and that's tremendously important, ladies and gentlemen, in a country which needs more and more capital if its growth over the next ten years is to match the growth that I've hinted at over the last ten.

There's a chronic problem - all Prime Ministers have to encounter it, all Treasurers have to encounter it, a chronic problem of reconciling growth with monetary stability; growth without an undue flush of inflation; growth under circumstances which will encourage people to save knowing that their savings will not be eroded, and at the same time enables the country to press on with all the development that it needs with a rising population and rising responsibilities in the world. This is a chronic problem, and, Sir, all I want to say is that it is one towards the solution of which I believe that the great life offices are making a contribution, a remarkable contribution, and I think they are making their contribution - I don't want to be tedious about this matter - I think they are making it in three ways.

Somebody told me only the other day that as I made three points, I must be a Presbyterian. I pleaded guilty. (Laughter) In the first place, I think that the great life offices are doing this by encouraging savings for long-term purposes. They also encourage a consciousness of the dangers of inflation. There are some people who believe in inflation. There are some people who have a vested interest in inflation. There are some who hear about it as a word without completely understanding what it may mean, but in the long run, we can't afford to have the value of savings cut away by serious depreciation in the purchasing power of money. And with all the hundreds and hundreds and hundreds of thousands of policy-holders we have in Australia, we have a great body of people who understand this matter and whose vested interest, if they have one, is a vested interest in favour of monetary stability. That, I think, has been a very great contribution to the solution of this problem.

Then in the second place, as Sir Robert indicated very briefly, by their investment policies they encourage and help private and national investment and growth. It is not so many years now since I appeared in a case in court - it can't be more than fifteen or twenty - to appear for the National Mutual for a modest fee (Laughter), to get approval under a new statute which had come into existence for an alteration in their Memorandum of Association in order that they might widen the field of their investment. This is going back some time.

And we all know today, don't we, how varied the field of investment is - primary industry, secondary industry, developmental schemes, housing - a great range of investment, some in the public sector because public demands for investable

funds are great and growing; some in the private sector - an immense variety, a variety of investments which I imagine the founder of this society would have regarded as lax and dangerous in 1869, and in effect have been tremendous. The effects have been that the funds brought in from policy-holders have served as a fertilising force all round Australia, and have, I think, made a tremendous contribution both to private investment, private success and to public investment and to national growth.

Then there is a third aspect of the Society's which I hope I might be allowed to mention. They are strong. You take this one we are particularly concerned with today. The mere quotation of figures that Sir Robert has given us indicates its tremendous strength and solidity. And because the life offices have exhibited strength and solidity, they have encouraged in all of our minds the feeling of confidence in the future. There is nothing that engenders confidence half so much as strength, solidity, security. Nothing that destroys confidence so quickly as a feeling that the building is shaking and may collapse. And the strength of the life offices today, their solidity, their absolutely invulnerable solvency, this has been a powerful contributor to confidence, and that is a very very great factor which perhaps deserves another minute or two before I conclude.

It is a very great factor because if capital and enterprise and people are to be attracted to Australia, then they must have confidence in us. This is something that we need to have in our minds much more than we do. The inflow of people, the inflow of money, the inflow of skills and enterprise, these are not accidental. They wouldn't happen if we were a community without confidence in ourselves, if we were a community that gave every symptom of being a shaky community, insecure, not trusting ourselves and therefore not to be trusted. These great movements will not happen if we lack confidence in ourselves and that is why the contribution of the life offices to the building up of confidence in the way that I have described is one..... It's an invisible item, if you like. It's an invisible item but a very real one, a very great factor in the development of our country.

And therefore, Sir, to conclude, I just want to say this, in declaring this centre open, I just want to say that we are celebrating for the reasons that I mentioned, a mutuality of interests in the service of the nation and therefore the name National Mutual, embracing as it does both of those ideas, is a very happy one and well befits a very happy occasion.

I have great pleasure in declaring the centre open.
