

SPEECH BY THE PRIME MINISTER,
THE HON. E.G. WHITLAM, Q.C., M.P.,
AT THE OPENING OF THE NEW PRINCIPAL OFFICE IN VICTORIA
OF THE COMMONWEALTH BANKING CORPORATION,
MELBOURNE, 8 JULY 1975

IT IS A VERY GREAT HONOUR TO BE OPENING THIS SPLENDID NEW BUILDING OF THE COMMONWEALTH BANKS IN VICTORIA. I HAVE ALWAYS KNOWN THAT MELBOURNE WAS THE GREAT FINANCIAL AND BANKING CAPITAL OF AUSTRALIA. AT LEAST THAT'S WHAT THEY SAY IN MELBOURNE, AND AS YOU KNOW, IN ANY SORT OF FINANCIAL TRANSACTION I LIKE TO GET WITH THE STRENGTH. OF COURSE MELBOURNE DOESN'T HAVE EVERYTHING HER OWN WAY BECAUSE THREE OF THE GREAT BANKS OF AUSTRALIA - INCLUDING THE BIGGEST AND THE OLDEST - HAVE THEIR HEADQUARTERS IN SYDNEY. NEVERTHELESS THERE ARE THREE OTHER BANKS WITH THEIR HEADQUARTERS IN MELBOURNE.

SO THE SCORE IS PRACTICALLY EVEN. CERTAINLY THIS EXCELLENT EDIFICE, THIS MOST IMPOSING AND GRACEFUL STRUCTURE, WILL MARK A NEW CHAPTER IN THE LONG AND SUCCESSFUL HISTORY OF THE COMMONWEALTH BANKS OF AUSTRALIA.

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IT WAS HERE IN COLLINS STREET, NOT FAR FROM THIS SITE, THAT THE COMMONWEALTH BANK OPENED ITS FIRST OFFICE IN 1912. THAT WAS THE BEGINNING OF A MAGNIFICENT VENTURE, A SUPERB EXAMPLE OF COMPETITIVE PUBLIC ENTERPRISE THAT HAS BROUGHT ENORMOUS BENEFITS TO THE AUSTRALIAN PEOPLE. A LABOR GOVERNMENT - THE GOVERNMENT LED BY ANDREW FISHER - INTRODUCED THE COMMONWEALTH BANK BILL IN NOVEMBER 1911. LET ME QUOTE SOME WORDS FROM FISHER'S SPEECH:

"A NATIONAL BANK IS A NECESSITY. IT WILL DO THE GOVERNMENT'S BUSINESS HERE AND IN LONDON BETTER THAN ANY OTHER BANK COULD DO IT. TIME AND EXPERIENCE WILL SHOW HOW ITS FUNCTIONS MAY BE EXTENDED. WE CAN REST ASSURED THAT IF THIS PROPOSAL, WHICH IS NEW IN MANY IMPORTANT FEATURES, IS A SUCCESS, ALL PARTIES WILL ULTIMATELY LAY CLAIM TO A SHARE OF THE HONOUR OF HAVING BROUGHT IT INTO EXISTENCE."

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FISHER SPOKE WITH GREAT FORESIGHT OF THE WAY THE BANKS' FUNCTIONS COULD BE EXTENDED. CERTAINLY, WITH OR WITHOUT THE ASSISTANCE OF GOVERNMENTS, THE BANKS' ACTIVITIES HAVE EXPANDED. IN 1949 THERE WERE 18 PRIVATE TRADING BANKS IN AUSTRALIA ; TODAY THERE ARE 13, INCLUDING THE 7 MAJOR ONES. WHEN THE LIBERALS CAME TO OFFICE THE COMMONWEALTH BANKS' TRADING BUSINESS WAS ONE OF THE SMALLEST OF THE AUSTRALIAN BANKS; WHEN THEY LEFT OFFICE IT WAS THE SECOND LARGEST. THE SAVINGS BANK IS AUSTRALIA'S BIGGEST INSTITUTIONAL LENDER FOR HOUSING. SINCE 1964 IT HAS ADVANCED MORE THAN \$2000 MILLION TO FINANCE HOMES FOR MORE THAN 300,000 AUSTRALIAN FAMILIES. LAST YEAR IT HAD MORE THAN 7 MILLION ACTIVE ACCOUNTS WITH A TURNOVER IN TRANSACTIONS OF MORE THAN \$16,000 MILLION. THERE IS NO NEED FOR ME TO WEARY YOU WITH LARGE FIGURES. YOU WILL HEAR ENOUGH OF THEM TOMORROW. THE POINT IS SIMPLY THAT THE COMMONWEALTH BANK HAS BECOME THE MOST POPULAR, THE MOST TRUSTED, THE MOST GENEROUS OF ALL FINANCIAL INSTITUTIONS IN AUSTRALIA.

THE GOVERNMENT BELIEVES IT IS TIME TO DO NOW WHAT ANDREW FISHER ENVISAGED AND EXTEND THE BANK'S FUNCTIONS TO NEW FIELDS. IT HAS ALWAYS BEEN THE GOVERNMENT'S POLICY TO INCREASE THE COMPETITIVENESS OF THE COMMONWEALTH BANKING CORPORATION. THROUGHOUT ITS HISTORY THE BANK HAS NOT BEEN PERMITTED TO ENTER THE HIRE PURCHASE OR FINANCE FIELD. ITS COMPETITORS HAVE BEEN UNDER NO SUCH RESTRAINT. MANY OF THEM ESTABLISHED HIRE PURCHASE INTERESTS IN THE 1950'S. WE SHALL ALLOW THE COMMONWEALTH BANK TO JOIN THE PRIVATE TRADING BANKS IN AFFORDING HIRE PURCHASE SERVICES. THIS MATTER HAS BEEN UNDER STUDY BY THE CORPORATION AND THE GOVERNMENT FOR SOME TIME. THE GOVERNMENT AND THE BOARD OF THE CORPORATION HAVE NOW AGREED THAT COMMONWEALTH BANKS SHOULD ESTABLISH A FINANCE COMPANY SUBSIDIARY TO BE OWNED JOINTLY BY THE COMMONWEALTH SAVINGS BANK AND THE COMMONWEALTH TRADING BANK. THE COMPANY WILL BE IN OPERATION BEFORE THE END OF THE YEAR.

THE COMPANY WILL BE PROVIDING SERVICES SIMILAR TO THOSE NORMALLY AVAILABLE FROM FINANCE COMPANIES, INCLUDING HIRE PURCHASE, PERSONAL LOANS, LEASE FINANCING AND COMMERCIAL LENDING. IT WILL ENABLE THE COMMONWEALTH BANKS TO MATCH SERVICES PROVIDED BY OTHER BANKS THROUGH THEIR AFFILIATED FINANCE COMPANIES AND PROMOTE FURTHER COMPETITION IN THE BANKING AND FINANCE SECTORS. I SHOULD ADD THAT THE PROPOSED FINANCE COMPANY WILL HAVE NO ADVANTAGES IN RESPECT TO TAXATION AND OPERATIONAL ASPECTS COMPARED WITH OTHER BANK-AFFILIATED FINANCE COMPANIES. IT WILL COMPETE ON AN EQUAL BASIS. THE ESTABLISHMENT OF THE COMPANY SHOWS THE GOVERNMENT'S DETERMINATION THAT THE COMMONWEALTH BANKS SHOULD NOT BE AT A DISADVANTAGE COMPARED WITH THE OTHER BANKS AND SHOULD MATCH THE SERVICES OF OTHER BANKS. IT IS THE GOVERNMENT'S INTENTION THAT ALL BANK CUSTOMERS SHOULD RECEIVE ADEQUATE AND COMPREHENSIVE SERVICES AT REASONABLE COST. THE COMMONWEALTH BANKS PLAY AN IMPORTANT ROLE IN THE PROCESS. IN THIS CONTEXT, I REMIND YOU OF THE COMMONWEALTH BANKING CORPORATION'S ANNOUNCEMENT IN MAY THAT IT COULD ENTER THE TRAVEL BUSINESS, ACQUIRE TRAVEL AGENCIES, AND PROVIDE FULL TRAVEL SERVICES TO CUSTOMERS.