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Title:

Statement: State owned banks

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STATEMENT

from the Premier

Date..... August 12, 1976.
 Embargo.....

State Administration Centre,
 Victoria Square, Adelaide,
 South Australia 5001
 227 2688

STATE OWNED BANKS.

The Government has absolutely no intention of altering the statutory charter and the protections in the present legislation affecting the State Bank and the Savings Bank. We have no policy to do so - we have made it perfectly clear that all the statutory protections which are in those Acts will be maintained. We have never had a plan to do anything else.

The Government does not intend to set up a State run finance company. There can be no evidence whatever that we intend to do so. The depositors funds in the Savings Bank and the State Bank are not going to be used for anything other than the authorised purposes which the statutes provide and the attack which Dr. Tonkin has made, on the basis of his own fantasy, is simply designed to harm the competitive position of the State owned banks as compared with the private banking system.

The money deposited with the State owned banks stays in South Australia and works for all South Australians.

The only thing that Dr. Tonkin can point to that ^{the} Government has done is we increased the services given to customers of the Savings Bank and the State Bank. We have provided an additional service for home-loan borrowers from the State Bank by making bridging finance available through the State Government Insurance Corporation in competition with the private finance companies. The extension of that service has advantages the customers and the depositors.

I have always understood that there was a long running advertisement supported by the Liberal Party that said that everybody gained from competition between banks. Dr. Tonkin obviously does not believe that our revered State owned institutions which have given such tremendous service should be allowed to be in a competitive position.

The organisations will remain separate and in accordance with their statutes. But as in the case of the Commonwealth banks it is vital that the Trading bank and Savings Bank co-operate in giving a full range of services and that is all that is happening.



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