

# **COMMONWEALTH BANK**

## **THE FACTS AND ITS CREATION**

**By KING O'MALLEY**

In a history of the Commonwealth Bank — Its Establishment and Development — a mere passing reference in a footnote (page 2) is paid to Mr. King O'Malley's share in its establishment. In this pamphlet I will endeavor to show, from documentary evidence, the real facts of the foundation of that great National Institution.

If my work for the creation of a Commonwealth Bank can be explained in a mere footnote, the work of the rest of the Government may be expressed in one word — AGAINST. Without my work there would be no Commonwealth Bank, colossal bank buildings in Sydney or Melbourne, or the nation would not have been saved a sum of £10,000,000 during the war in Commercial Brokerage for Flotation of Loans.

On the 20th of January, 1901, when speaking in Queenstown (Tas.), I announced my proposals for the establishment of a National Banking System, which evolved into the Commonwealth Bank that we know of today. From that date until 1910 there were no set speeches made in the Commonwealth Parliament in advocacy of the bank, except by me, with the exception of a reference occasionally by a Labor Man. Herewith is a copy of the prepared scheme on the subject, printed by command, April 15th 1908.

This scheme was accepted by the Brisbane Labor Conference on July 6th, 1908, as the basis for a Commonwealth Bank.



## Contents

COMMONWEALTH BANK .....	1
THE FACTS AND ITS CREATION .....	1
By KING O'MALLEY .....	1
FINANCIAL RELATIONS OF THE COMMONWEALTH AND THE STATES .....	4
THE NATIONAL POSTAL BANK .....	4
SINKING FUNDS .....	6
COMMONWEALTH LOANS .....	6
STATE BORROWING .....	7
REASONS FOR A COMMONWEALTH BANK. ....	7
MILLIONS TO LOAN .....	8
LABOR'S BIG CONFERENCE .....	9
OFFICIAL REPORT OF THE FOURTH .....	9
COMMONWEALTH POLITICAL LABOR CONFERENCE .....	9
FINANCE .....	9
LAST POLITICAL WORD .....	11
LATER DEVELOPMENTS .....	11
THE TRUTH .....	11
AUSTRALIAN POLITICS .....	12
CAUCUS ACTION .....	13
RURAL CREDITS .....	13
BEFORE PARLIAMENT .....	13
COMMONWEALTH BANK .....	14
SOME PERSONAL HISTORY .....	14
SOUTH AUSTRALIA .....	14
IN TASMANIA .....	14
IN FEDERAL PARLIAMENT AS PRIVATE MEMBER .....	15
OLD AGE PENSIONS INTRODUCED .....	15
FEDERAL CAPITAL SITE FOR EVER .....	15
TASMANIAN CABLE PURCHASE MOVED .....	15
LAND SETTLEMENT .....	16
EFFORT FOR AN AUSTRALIAN PACIFIC POLICY .....	16
THE TASMANIAN GRANT .....	16
AS MINISTER .....	16
ADEQUATE POST OFFICE SITE FOR PERTH SECURED .....	16
SITE FOR SYDNEY THWARTED .....	17
COMPULSORY ACQUISITION .....	17
SITE FOR HOBART .....	17
RAILWAY UNIFICATION .....	18
AUSTRALIA HOUSE IN LONDON .....	18
FEDERAL CAPITAL DESIGN .....	18
OLD PRESS SYSTEM .....	19
ELECTORAL UNIFICATION .....	19
LIFE AND UNEMPLOYMENT INSURANCE .....	19
FAIR DEALING IN ADMINISTRATION .....	20
THE SAVING WAGE .....	20
FEDERAL LABORATORY .....	20
STOREHOUSES FOR PRODUCE .....	21
LAND TAX .....	22
OPPOSED TO TITLES .....	22
PREFERENCE TO UNIONISTS .....	22
TRADES HALL .....	22
SOME SPEECHES .....	23
RAILWAYS .....	23
FEDERAL CAPITAL .....	25

**THE PROPOSED SCHEME.  
PARLIAMENT OF THE COMMONWEALTH**

**FINANCIAL RELATIONS OF THE COMMONWEALTH AND  
THE STATES**

**As Outlined and Prepared by KING O'MALLEY**

Presented to Parliament by Command, April 15, 1908,

And ordered to be printed.

**THE NATIONAL POSTAL BANK**

1. In order to facilitate and economize the carrying out of the financial transactions of the Commonwealth and the States, and especially those connected with the conversion, redemption, renewal, and issue of loans, it is proposed to establish a National Bank of Deposit, Issue, Exchange, and Reserve.

2. It is proposed:-

(i.) That this bank shall be conducted purely as a Government Department, absolutely free from political control.

(ii.) That it shall be so constituted as to possess all the powers and immunities requisite to its security, to the recovery of its debts, and to the disposal of its property.

(iii.) That its capital shall be represented by 12,000 shares, of £100 each, of which at least 6000 shall be in the hands of the Commonwealth Government and that of the balance no State Government, shall hold more than 1000 shares.

(iv.) That the shares of the bank shall be transferable only to the Governments of the Commonwealth and the States; that the failure of any or all of the States Governments to subscribe shall not prevent the bank from commencing operations; and that in the event of a State Government desiring to dispose of shares in the bank, the Commonwealth Government shall have the first option of purchasing.

(v.) That the Commonwealth and State Governments holding shares shall be jointly and severally liable in respect of all transactions of the bank.

(vi.) That the bank shall act as the agent for the Mint in the purchase of raw gold and silver and the issue of coin.

(vii) That the bank shall be empowered to issue notes which shall, throughout the Commonwealth, be legal tender at all places except the head office of the bank in each State; and that at such head offices payment of the value of

notes presented, may be made in gold or Commonwealth Consols, at the option of the Comptroller-General of the bank.

*(Consol (originally short for consolidated annuities, but can now be taken to mean consolidated stock) is a form of British government bond (gilt), dating originally from the 18th century. The first consols were originally issued in 1751. Consols are one of the rare examples of an actual perpetual bonds: although they may be redeemed by the British government, this is unlikely to happen in the foreseeable future)*

(viii) That the bank shall become the repository for the payments from time to time in respect of the Consolidated Revenue, Loan, and Trust Funds of the Commonwealth and State Governments, and the funds of municipal bodies, and shall pay interest on the daily balances thereof.

(ix) That the bank shall provide for temporary advances by way of overdraft to Commonwealth and State Governments and municipal bodies.

(x) That the bank shall, in other respects, carry on an ordinary banking business, receiving from the public moneys on current account or fixed deposit, and making advances on good security.

(xi) That the bank shall carry out the inscription of all Commonwealth and State Inscribed Stock, and make all arrangements necessary for the Conversion, redemption, renewal or issue of Commonwealth, State, and Municipal Loans.

(xii) That the Board of Management of the bank shall consist of a Comptroller-General, representing the Commonwealth, and one representative from each of the subscribing States.

(xiv) That the Treasurer of the Commonwealth shall be entitled to attend all meetings, and inspect all proceedings of the Board of Management.

(xv) That all payments, to be made in London by Commonwealth or State Governments shall be made through the medium of the bank.

(xvi) That the General Post Office in each capital shall be the head office of the bank in that State, and that any post-office within the Commonwealth carrying on the business of a money-order office may be constituted a branch of the bank.

(xvii) That the bank shall be a bank of reserve for the deposit of reserves of the banking companies operating in the Commonwealth.

(xviii) That the regulations requisite for controlling the bank reserves shall be drawn up by the Board of Management of the bank and the Council of the Associated Banks of Australia, and approved by the Governor-General in Council.

(xix) That a branch of the bank shall be established in London.

(xx) That at the London office, and at the head office of the bank in each State, Commonwealth Consols shall be obtainable in sums of £10 and upwards.

## **SINKING FUNDS**

1. It is proposed that in connection with all public Debt for which the Commonwealth assumes responsibility, whether by direct flotation or by assumption of liability on behalf of a State, there shall be established a sinking fund of  $\frac{1}{2}$  per cent.
2. A sinking fund of this amount would, if invested annually at 3 per cent., provide for the repayment of a loan in the sixty-sixth year.
3. A sinking fund of 1 per. cent., similarly invested, would liquidate a loan in the forty-seventh year; one of  $1\frac{1}{2}$  per cent. in the thirty-eighth year; and one of 2 per cent. in the thirty-first year.
4. It is further proposed:-
  - (i) That the Sinking Fund shall be placed under the control of a Board of Trustees, and shall not under any circumstances be available for any purposes other than those connected with the conversion, redemption, or renewal of Public Debt.
  - (ii) That the trustees constituting the Board shall be —Chairman —The Comptroller-General of the National Postal Bank.  
The Chief Justice of the Commonwealth, The President of the Senate.  
The Speaker of the House of Representatives. The Auditor-General.  
The Chairman of the Associated Banks.
  - (iii) That all moneys received for Commonwealth Consols sold over the counter by the National Postal Bank shall be placed to the credit of the Sinking Fund Trustees.
  - (iv) That, in so far as they are not required for the purposes of immediate redemption, conversion, or renewal, the sinking fund moneys shall be mainly invested in the purchase of such State securities as the Commonwealth has accepted the responsibility for, and as may from time to time come on the market.
  - (v) That temporary advances may be obtained by the Sinking Fund Trustees from the National Postal Bank for the purpose of facilitating the redemption, conversion, or renewal of loans.

## **COMMONWEALTH LOANS**

1. In order to enable the Commonwealth to convert, renew, or redeem loans taken over by it from the States, it is proposed: -
  - (i) That the Commonwealth shall, from time to time, issue through the medium of the National Postal Bank, inscribed stock, to be known as Commonwealth Consols.

(ii) That such stock shall be redeemable during the first thirty years from date of issue, but shall be redeemable at par at any date thereafter on six calendar months' notice given by the Commonwealth Government.

(iii) That such stock shall bear interest at the rate of 3 per cent. per annum, payable half-yearly.

(iv) That the price payable for Commonwealth Consols sold over the counter by the National Postal Bank shall be fixed from time to time by the Governor-General in Council on the advice of the Comptroller-General of the Bank.

## **STATE BORROWING**

1. Under the present scheme it is not proposed to interfere in any way with the freedom of the States to borrow either locally or on the London market.

2. It is proposed that arrangements shall be made between the Commonwealth Treasurer and the several State Treasurers to avoid clashing in the applications for loans. Now the State Treasurers, at the instigation of Dr. Page, have inaugurated this system in borrowing.

## **REASONS FOR A COMMONWEALTH BANK.**

The present banking system was founded on the idea that the many were created for the few to prey on.

Debts are contracted for land, labor, products, and other commodities. When interest rises Government Bonds depreciate; holders sell to secure ready money to benefit by rise in interest.

High rates of interest rapidly increase the indebtedness of the people. Their wealth is soon transferred to the few privileged capitalists who are enabled to control the rate of interest, and consequently the market value of Government Bonds and property.

As long as money may be obtained on good security at a reasonable rate of interest per annum Government Bonds will command at least their par value.

The present banking system is operated to enrich bankers and a few capitalists, instead of operating for the benefit of the producers.

The interest collected on the endorsed promissory notes of the producers maintains the banks and pays all their extravagant expenditure in superb buildings and Directorial salaries and dividends to shareholders.

The banks, under Parliamentary sanction, make the people furnish the capital, and then pay interest on this capital. Although the industry of the producers supports the whole, they have no voice in the management. All the gains of the banks by the rise of interest is a special tax on the industry of the producers for the benefit of financiers.

If the banks were established on a Christian basis they could loan credit to assist the productive industry of the Commonwealth at low rates of interest, instead of making loans which, are in turn re-loaned at high rates of interest. No financial crises in the monetary affairs of the country could then be possible.

Our banking system rests on a false basis — promising to redeem in gold, which is impossible.

Therefore, the money mongers can create a financial crisis whenever it suits their business by demanding and forcing the banks to suspend specie payments; and in order to prevent this, the banks earmark credit for them at the expense of the producers.

Frenzied financiers work in each other's interests, and secure the last farthing from the producers of the wealth of the Commonwealth under the pretence that the money or the bullion is the real wealth, and, they keep the producers permanently toiling for gold without possessing it, while they live in luxury on what the workers produce.

A small amount of money is always capable of paying a large amount of promissory notes, bonds, debts, or mortgages; also buying every description of property. The money which pays for one farm may also pay for a second, a third, and a fourth on the same day.

Banks gain as much by the deposits left with them as they would by the circulation of interest equal amount of bank notes. As a rule, they pay no interest on current deposits, and they lend their deposits to traders and producers and others and charge interest on them.

## **MILLIONS TO LOAN**

The banks may make money very plentiful or very scarce. The banks may make good endorsed security notes sell at a big discount.

When banks are extending their credits they encourage producers and traders to open accounts with them, being glad to expand overdrafts to any reasonable amount.

Suddenly the speculators produce an apparent scarcity of money by earmarking all the available credit; consequently the banks must cease extending overdrafts to the small producers and traders.

The banks assure customers that money is tight, while in reality there has been no diminution in the amount of money, nor have the amounts of discounts been increased.

The financiers keep in their own hands the power to make the money market tighter that they may re-loan to the producers and traders at higher rates of interest.

If for only one day the bank's loan only one-half of the usual amounts it is felt in the money Market. All unsupplied producers and traders must secure money elsewhere, no matter how high the rate of interest.

They are driven to the money mongers to be skinned, while the money mongers secure from the banks at low interest. The paper they had discounted when

money was plentiful is maturing and must be redeemed. The money mongers charge them 12 to 20 per cent., and discount their paper at the banks for current rates.

The small producers and traders have no option but to pay whatever interest the money mongers demand. The inevitable result — bankruptcy.

Directors in banks and financial institutions (use) the power to paralyze their weaker opponents, through their ability to borrow.

The value of all kinds of State securities shrink; Capitalists call in their loans at low rates of interest and invest in these securities at greatly reduced prices.

If money were plentiful and the rate of interest uniform there would be no inducement to sacrifice one class of investment in order to secure another. The apparent scarcity of money soon speaks throughout the Commonwealth and the money mongers take advantage of the borrowers.

### **LABOR'S BIG CONFERENCE.**

At the Brisbane Labor Conference on July 6th, 1908, on Finance, Mr. King O'Malley moved his financial proposals for the Establishment of a Commonwealth Bank of Deposit, Issue, Exchange and Reserve. The report of the conference is as follows:-

### **OFFICIAL REPORT OF THE FOURTH COMMONWEALTH POLITICAL LABOR CONFERENCE**

Opened at Trades Hall, Brisbane, Monday, July 6, 1908.

### **FINANCE**

Mr. KING O'MALLEY moved: "That no financial scheme between the Commonwealth and States can be satisfactorily adjusted without the establishment of a national, postal banking system. He wanted a banking system included in any financial arrangement which Conference might approve for the Commonwealth and States. On this subject he had prepared a paper, and he felt that he was competent to deal with it, having devoted the greater part of his life to finance. In order to facilitate and economize the carrying out of financial transactions of the Commonwealth and the States, and especially those connected with the conversion, redemption, renewal and issue of loans; he proposed to establish a National Bank of Deposit, Issue, Exchange and Reserve. The capital would be represented by 12,000 shares of £100 each, of which at least 6,000 should be in the hands of the Commonwealth Government and that of the balance each State should hold 1000 shares, but no more. He further suggested that the shares

of the bank should be transferable only to the Governments of the Commonwealth and the States and that the failure of any of the States to subscribe should not prevent the bank from starting operations. In the event of a State desiring to dispose of shares, the Commonwealth should have the first option of purchase. Under his system the enormous expenses of brokerage, underwriting, exchange, etc., attached to loan flotation would disappear, for the national bank asked the States and Commonwealth to step in and do business amongst themselves.

As the loans to be taken under his scheme were those maturing early, they would include a considerable proportion at the higher rates of interest, so that the nominal amount of debt taken over would be somewhat less than £174,000,000. The amount of interest payable on loans to be taken over would be about £6,100,000, and the annual sinking fund payment about £70,000, to be paid off in 66 years.

In the event of the National Postal Bank requiring repayment of the overdraft of the Commonwealth or any State, the Federal Treasurer would issue consols to the value of repayment as required, and utilize the proceeds in liquidating the liability to the bank.

The repayments subsequently made by the borrowing Governments would be paid to the sinking fund trustees for investment in Commonwealth and State securities.

The General Post Office in each capital would be the head office of the bank in that State, and any post office within the Commonwealth carrying on the business of a money order office could be constituted a branch of the bank.

If every man, woman and child in Australia kept an account with this bank the whole of the business could be transacted, and not a penny need be used in exchange.

If Queensland wanted a million to build railways, Tasmania half a million, or Western Australia or any other State, they would, under his system, be at once given a credit for the amount required in the national ledger, for they had their national credit to depend upon. The great question was, to his mind, whether the Commonwealth should establish its own National Postal Banking system and manages its own finances through the regulation of its own money scheme, or continue under the benevolent guardianship of capitalists lambs in the keeping of the wolves.

It was the duty of the Labor Party to grapple with the question; toward the solution of which he would promise his best energies and knowledge.

Mr. HOLMAN recognized the great work put in by Mr. King O'Malley on this subject, and his services generally to the Labor Party in this connection. He believed that a bank jointly owned by the Commonwealth and States, as set out by Mr. King O'Malley, might form a happy solution of the financial difficulty. The scheme was put on the fighting platforms.

Mr. WATSON (ex-Leader of Labor Party) stated that he was in agreement with the principle of Mr. King O'Malley's scheme for a Commonwealth National Bank. The banking scheme evolved by Mr. O'Malley entitled him to every commendation.

Mr. McGOWEN (Leader of Labor Party, and ex-Premier of New South Wales) felt that the Labor movement was under a lasting debt of gratitude to Mr. King O'Malley for the great trouble he had taken in this matter. For 30 years he had been advocating a National Bank, and Mr. O'Malley had put the machinery and operations of it in a concrete form.

## **LAST POLITICAL WORD**

At the Brisbane Labor Conference, Brothers Ben Watkins, then Member of Tasmanian Parliament, Jim Hurst, now Member, Jensen, then and now Member, J. H. Catts and Frank Foster; then M.Ps., did valiant work in placing the Commonwealth Bank on the fighting platform.

The scheme for the establishment of the Commonwealth Bank was presented to Parliament by me in 1909, in a speech extending over five hours and a half in the House of Representatives.

## **LATER DEVELOPMENTS**

Immediately after the formation of the Labor Government in 1910, a bankers' conference was held in Melbourne, which was attended by the then Prime Minister and Attorney-General, Messrs. Fisher and Hughes. Neither possessed any technical financial banking knowledge and were easily convinced that there was no profit in banking, so the Treasurer informed us that the Note issue would be withdrawn from the trading banks and placed in the Commonwealth Treasury.

As the Note Issue is the fundamental capital of a national bank, this meant the death of the bank.

On 26th July, 1910, the Note Issue was put in the Commonwealth Treasury. The banking scheme was dead but not buried, because I was still a Minister. In fact, my continued demand for the bank became a Cabinet joke.

So, finally, with the assistance of Dr. Maloney, I commenced as Minister secretly to organise a section of the rank and file of the Labor Party by showing them the ruin awaiting in case of a financial crisis.

## **THE TRUTH**

Fisher and Hughes dominated the Cabinet, and as Fisher was the Treasurer, the oracle of finance and the final analysis, and Hughes his expert legal adviser, such authorities ended all debate, and when the word passed; "No bank," it was final.

After the 26th of July, 1910, as Minister for Home Affairs, I had the loyal assistance of the "Torpedo Brigade" composed of the following Christian brothers: Dr- Maloney (arch fighter), Chanter, George Cann, Catts, De Largie, Ready, H. Beard. (until his death), Tom Brown, Finlayson, Frank Foster, Bill Johnson, Anstey, Ozanne, J. K. McDougall, Spence, Webster, Jim Page, and Higgs. We discussed the creation of a Commonwealth Bank personally. I assured the "Torpedoes" that when 28 Christians promised, we would appeal to the Caucus.

## **AUSTRALIAN POLITICS**

Unfortunately, in Australian politics the position or office is everything, the man nothing; consequently, it is the office that counts with the people, though the man in the office may be without any intelligent technical knowledge on any question.

Owing to this, governments are the only institutions in the nation operated by unskilled labor, but the splendid Public Service is the Commonwealth's salvation. For all private business it requires technical skill. The intelligence of a party is always in the rank and file.

I was informed that if I dared to appeal to the Party I would be gazetted out of the Ministry. I interviewed a high Government House official, who assured me that a Minister could only be gazetted out by the Governor General if guilty of maladministration.

So I continued, with Dr. Maloney, secretly to organize the Commonwealth Bank fight.

The Federal members who promised the "Torpedo Brigade" to vote for the establishment of the Commonwealth Bank, if taken to the Caucus, were: - Dr. Wm. Maloney, Harry Beard, J. K. McDougall, George Cann, W. E. Spence, Senator Barker, T. Brown, J H. Catts, A. T. Ozanne, Wm. Webster, J. M. Chanter, Frank Foster, T. Howe. Frank Anstey, W. G. Higgs, James Mathews, Wm. Johnson; F. Bamford, W. Finlayson, Frank Brennan, Senator A. Rae, Senator Alan McDougall, Parker Moloney, Hugh Mahon, E.. S. Carr, Senator R. Ready, John West, J. H. Scullin, Senator J. H. Needham, A. Jensen, D. J. O'Keefe, Laird Smith, M. Charlton, Fowler, Riley, Buzacott, Long, and Senators Stewart, Gardiner and Givens.

After 15 months of private whispering and spiritual touting, near the end of September, 1911, I notified the Cabinet that I was appealing to the Caucus on the Commonwealth Bank issue. You can imagine the consternation and the Christian replies received from these Christian men.

## **CAUCUS ACTION**

Early in October, 1911, a very lengthy and strenuous Caucus sitting was held, in which the urgency of the immediate establishment of a Commonwealth Bank was stressed from all points of view by most of the Party present. Many members felt and spoke under the keenest feelings, realizing that the opportunity of the Party for giving birth to a great Australian banking scheme depended on their votes that day.

Mr. Fisher was in the chair when it was decided to take a vote on this momentous subject.

He declared that as the consensus of opinion was so absolutely in favor of this great scheme, it was unnecessary to count members, and that the Government would accept it as an instruction and would bring down as soon as possible a Bill that would give effect to the Party's wishes. The bank was then put in the Government's programme and was duly established without the Note Issue, Rural Credits, the States as partners, or a Board of Directors. Among Opposition members who were friendly to the Bill were Hon. Agar Wynne and S. Sampson.

## **RURAL CREDITS**

On March 8, 1917, on Supply, Mr. King O'Malley (page 11,095) moved in Parliament for the establishment of Rural Credits.

## **BEFORE PARLIAMENT**

My proposal was submitted to the Parliament on the 7th March, 1917, as follows: - The creation of Rural Credits Loan Department of the Commonwealth Bank.

(1) That a Rural Credits Loan Department of the Commonwealth Bank be created and a qualified business director and an assistant director be appointed. That the assistant director shall perform the duties of the director of departments in case of the death, resignation, or removal from office of the director, and shall also perform such other duties as may be assigned to him by the Governor of the Commonwealth Bank, by the directors or by law.

According to Dr. Page, the Commonwealth Treasurer, the Commonwealth Bank accumulated £4,500,000 surplus in less than 12 years, or close to £400,000 per annum, without capital. I persuaded Sir Denison Miller not to accept the £1,000,000 voted by the Government.

## **COMMONWEALTH BANK**

To-day the Commonwealth Bank possesses and operates £150,000,000 of the people's money. The bank was ably managed by the late Sir Denison Miller, and his good work is being continued by the Acting Governor (Brother Kell) the Deputy Governor (Brother Hull), the Sydney manager (Brother Armytage), and the Melbourne manager (Brother Scott), supported by an able, efficient and loyal staff.

This stupendous financial organization was constructed without capital, and possesses £4,500,000 made out of net profits and £8,400,000 out of the national note issue, a total of about £12,500,000. Yet only twenty years have passed since I was called a fool by all the financiers because I was advocating a Commonwealth Bank without capital, except in name.

Sir George Knibbs was the Statistician, ably assisted by Mr. Wickens and Mr. Stoneham. Mr. Wickens is now the Statistician, and Sir George is now the head of the Laboratory. Mr. Oldham was the head of the Electoral Department ably assisted by Mr. Farar. Mr. Oldham has now retired.

## **SOME PERSONAL HISTORY**

In order to afford citizens of to-day a little knowledge of the part I took in shaping Australia's political destiny, herewith is presented a few facts.

## **SOUTH AUSTRALIA**

In three years with the South Australian Parliament, I forced modern conveniences on railway trains; secured passage of a Bill for the legitimation of all children born out of wedlock where the parents subsequently marry; tried to pass Bill for the Testamentary Disposition of Property, enabling wives, when left unprovided for to claim support from the state after death of husbands and made an effort to put over State Bank, and many other essential modern reforms.

## **IN TASMANIA**

I arrived at Queenstown, February, 1900, and was second on the poll for the State Parliament in March, 1900. A Bill submitted to divide Tasmania into five Commonwealth electorates was shelved by the State Assembly to keep me out of the first Commonwealth Parliament. The then political leaders declared that I could not win in a fight over the State as one electorate. I put 4000, new voters on the roll, stumped the whole State, and was only defeated by Sir Edward Braddon for top of the poll, securing over 300 more votes than Senator Keating,

who topped the Senate poll. As King O'Malley Limited at Queenstown on January 20th, 1901, my policy as announced included the Commonwealth Bank of Deposit, Issue, Exchange and Reserve, and Rural Credits to finance farmers; Protection; Commonwealth Shipping to the mainland; Commonwealth subsidy for Education; Old Age Pensions; National Board of Arbitration to enable industry to settle disputes without strikes and the destruction of property; Minting of silver by the Commonwealth; and a Federal Laboratory.

### **IN FEDERAL PARLIAMENT AS PRIVATE MEMBER**

Elected to the first Federal Parliament as a democrat, a quotation from my platform defined my position: - As long as I live I shall speak my mind irrespective of the consequences. One man in the right cause eventually controls a majority. In every government there are some things good that ought to be preserved, and many things bad that should be destroyed. Subsequently, in order to give effect to planks in my platform, I joined the Parliamentary Labor Party, and it was then that I helped to create the Tasmanian Labor Party organization.

### **OLD AGE PENSIONS INTRODUCED**

In the Federal Parliament, as private member, on the 9th May, 1901, I moved a National system of Old Age Pensions: "That in the opinion of the House, it is desirable in the interest of the deserving aged poor, and, that the Government should, without unnecessary delay, formulate a national scheme for the payment of Old Age Pensions, and that this motion when carried be an instruction to the Honorable the Attorney-General to draft the necessary measure." This was adopted, and the present Old Age Pension System was established by the Deakin Government as a consequence.

### **FEDERAL CAPITAL SITE FOR EVER**

The same year, 1901, I moved for 1000 square miles of land for the Commonwealth capital to remain forever in the fee-simple of the Commonwealth and to be let on perpetual lease, thus securing the future increments to the people. Barton accepted 900 miles on these terms-

### **TASMANIAN CABLE PURCHASE MOVED**

In 1902, I moved to purchase the Tasmanian cable and reduce the cost of messages, which was effected.

## **LAND SETTLEMENT**

In that year I also moved for a broad national land settlement scheme.

## **EFFORT FOR AN AUSTRALIAN PACIFIC POLICY**

I also brought up the issue of an Australian Monroe Doctrine.

## **THE TASMANIAN GRANT**

All the Tasmanian Federal members, including myself, many times urged upon the Ministers of the Crown a financial grant for Tasmania. The answer invariably was that there was no precedent to go on, and I saw it was hopeless in the hands of Ministers guided by precedence. Well, on 29th April, 1910, I became Minister of State for Home Affairs, and immediately got busy. Brother Jensen moved for a Royal Commission to investigate the question. As Minister, in a position of trust, I was able to secure sympathetic members for the Royal Commission. Immediately, I supplied all Commonwealth members, who wished to see Tasmania, with free return tickets in order to create a healthy, favorable atmosphere. Jensen's report caused Ministerial consternation, and after many Cabinet battles, I was able only to secure £500,900 but on the 24th June, 1913, when Sir Joseph Cook took over my office as Prime Minister, he said that the balance of £400,000 would be paid, and it was; I was the Minister who made the precedence which secured the grant.

## **AS MINISTER**

The ordinary inexperienced private member cuts little ice without the help of a determined Minister. In spite of all opposition, I established a digest and costing system, where the Minister was complete Master of all operations and thus making the Home Affairs the only Government business department in Australia.

The present Minister of Works, Brother Stewart, exhibits good business sagacity in continuing its publication.

## **ADEQUATE POST OFFICE SITE FOR PERTH SECURED**

In 1911, while Fisher was in South Africa, I purchased a whole square opposite the railway station in Perth, bringing rent at £14,000 per annum. The Department presented claims from the owners for £262,000, which I settled at a round-table conference with the owners for £166,000. On the Prime Minister's return from Africa there was a storm. Today, we could get one million for the property. The rents now are about £40,000 per annum.

## **SITE FOR SYDNEY THWARTED**

My minute to Hughes, Acting Prime Minister, 1911: "It is requisite to provide immediately for the expansion of the General Post Office, Sydney, and this may be effected only by acquiring land adjoining these premises. I have had this matter under consideration for some time, and realise that the situation must be faced. Then there is the Department of Trade and Customs, which occupies the Customs House at the Circular Quay. This Department is growing enormously in fact, to such an extent that in three years it will absorb the whole of this building, consequently I have had to look ahead and see what may best be done to provide for the departments other than Trade and Customs which are now located there. Then the National Bank must be established in the centre of the business activity of this great city, for it would be ridiculous to place the National Banking Chamber anywhere else.

The telephone exchange is in the Copper centre, and should remain there.

After most careful consideration I have decided that the only solution of this problem is for the Commonwealth to acquire the block of property lying between the General Post Office and King Street.

This would provide for expansion for many years to come; the whole block could be designed on modern lines; the frontages may continue to be used for business purposes. The Commonwealth Departments would be located on the second and higher floors.

"One matter that struck me forcibly was the congested condition of the traffic in George, King and Pitt Streets. What with the narrow thoroughfares and the trams and the mass of other traffic-vehicular and pedestrian — I could not help forming the opinion that these streets should be widened, and if this scheme be carried into effect, it is possible that arrangements may be made with the citizens of Sydney to purchase from the Commonwealth a strip all around this block." (This was written in 1911.)

## **COMPULSORY ACQUISITION**

The Sydney block could have been secured in 1911 for £880,000; now it is worth over £8,000,000. Hughes prevented me from securing this property, declaring at the time that if ever the new Arabian Nights were written, King O'Malley would write them. Since then about £200,000 has been paid for the telephone exchange and bank sites, and still there is no ground for the future, and nearly £300,000 is to be spent in alterations of the old Post Office and environment.

## **SITE FOR HOBART**

In 1910, I purchased the Cooks' Buildings in Hobart for the bank for £7000. On the return of Mr. Fisher from South Africa, there was such trouble at my

throwing away the country's money, which the Post Office Department did not want, that I offered to take it on myself; £40,000 would not buy this property now, and the Post Office is now demanding and getting this building from the bank

## **RAILWAY UNIFICATION**

Minutes addressed to the Prime Minister by the Minister for Home Affairs, Honorable King O'Malley, re unification of railway gauges:-

18th August, 1910: Suggesting that Premiers of Western Australia and South Australia be invited to enter into a legal agreement to alter the trunk lines between their States to a 4ft. 8½in. gauge by the time the line between Kalgoorlie and Port Augusta will be complete.

30th August, 1910: Advising a conference of official representatives of Commonwealth and States re unification of gauge throughout Australia.

3<sup>rd</sup> September, 1910. Suggesting that State Ministers of railways meet under presidency of Minister for Home Affairs.

7th November, 1910; Advising meeting of board of experts under the presidency of Mr. Henry Deane, M.Inst.C.E., to consider the question generally and advise.

19th June, 1911: Again recommending that Premiers be asked to agree to an early conference of engineers-in-chief for railways to consider and report as to probable expense, time, etc., involved in conversion of trunk lines to 8ft 8½in. State engineers met under Henry Dean's chairmanship and furnished the following estimate.

In 1914, when conversion between Brisbane and Perth would have cost about £7,000,000, and the total conversion £37,500,000, I found the Cabinet hopeless.

To-day it would cost £150,000,000. Conference of engineers gave the estimate.

## **AUSTRALIA HOUSE IN LONDON**

In 1906 I suggested, when speaking on the Budget, to build Australia House in London. Then, as a Minister, I helped to bring the proposal to fruition.

## **FEDERAL CAPITAL DESIGN**

Though I failed in finalizing my proposals, I gather satisfaction from the fact that I initiated the Federal Capital Design Competition, and the appointment of the Deciding Board of Acceptance (Messrs. A. J. Smith, the famous engineer; Kirkpatrick, noted architect; and Cowan, a high-class surveyor), who awarded the first prize to W. B. Griffin, of Chicago. Also the creation of the organization, with the assistance of the late Mr. Hy. Dean, Colonel Miller, Messrs. Bingle, Newman, Doig, Col. Owen, Messrs. Walters,

Gauguado, Hill, Hugo Fisher, and all the faithful staff, to construct the Trans-Australian Railway.

I purchased most of the Capital territory lands which were secured, and was at the ceremony of its opening.

## **OLD PRESS SYSTEM**

The old system of keeping the Press on the door that awaiting the pleasure of the Minister was discontinued, and the reporters could enter at once by my orders. All other Ministers soon followed suit. Every Parliamentary reporter of those days knew that the Government was against the creation of a Commonwealth Bank and yet the only paper that gave me credit was the "Age." I hope Dr. Page will offer the States a working partnership in the Commonwealth Bank, and the new directors will be chosen from the States, and at least two dirt farmers will be placed on the Board. Australia wants collective co-operative finance between the Commonwealth and States, so that the strong can help the weak. As to the various Boards of Advice, they will only prove a blockading nuisance; good business managers and not ornaments are required. The blight of Australian finance is in the fact that we have few voices and many echoes, few originators and many imitators. A modern financier is a man who can borrow without security or secure capital without borrowing. A Rural Credit Section of the Commonwealth Bank should be created immediately to finance farmers and a Home Loaning Department to help the workers erect their own homes. All these instrumentalities of financial progress would have been in full operation years ago if my Ministerial colleagues possessed vision instead of minds which causes them to stumble through creation with their thinkers and headlights on behind.

## **ELECTORAL UNIFICATION**

At the Premiers' Conference in Adelaide, I proposed that the electoral machinery of the States and Commonwealth, together with their census and statistics, be consolidated to reduce overlapping and confusion, which double their cost to the taxpayers. Opposition from one State only, New South Wales, defeated my proposal.

## **LIFE AND UNEMPLOYMENT INSURANCE**

In 1911, I prepared a Bill to provide unemployment insurance connected with a Commonwealth Employment Bureau and General Life Insurance. It died in Cabinet.

## FAIR DEALING IN ADMINISTRATION

While Minister, bossing operations, I gave Labor and Capital a square deal; ask either the workers or the employers. On my return to the Home Affairs Department, 1515, I found hundreds of contractors who had taken contracts believing the war would be over in a few months, but who under them, owing to the rise in the cost of labor, material and management, would have had to close down and throw thousands of people out of work.

I arranged on my own responsibility to pay the difference between the contract and the increase, when adequately protected by evidence and managers made a sworn affidavit. This action saved a critical situation that my predecessor had refused to face.

## THE SAVING WAGE

As the rise of the human race depends on the workers. I favored a saving instead of a living wage. The workers are the great purchasing public.

Business can be prosperous only as its employees, who are the living purchasers, are themselves prosperous. If business pays good wages, it automatically pays itself good dividends and it pays for more, as it has peace in its industry by paying the wages of contentment.

It promotes peace in every other industry by making its own employees good and able buyers and it positively enlarges the field of industry by swelling the totals in the savings bank.

In paying the Australian workers a saving wage business is not throwing capital away. It is gaining new brains in the use of capital. The savings these workers have is loaned by the banks to business men of vision and outlook who create great industrial activities. Good wages is not charity; it is bringing the workers' brains into business. It is enlisting new investing intelligence in the Commonwealth's business. How much less social unrest would the world have if all the workers were made small capitalists *to the extent of a savings bank account, or a few debentures* in good business corporations paying annual dividends.

From every possible angle the *saving*, wage is a great social advance, and a supreme business investment.

## FEDERAL LABORATORY

I advocated that a Federal Laboratory should be founded with different departments, for the purpose of original scientific research on a scale similar to what prevails in America and Europe. Among the departments should be metallurgy, chemistry, biology, geology, bacteriology, and electricity. A Federal

school of mines and a Commonwealth *school* for technical education should be established. The *school of* mines ought to be free of access to all prospectors and miners, who shall have the *right of* forwarding specimens of their discoveries, and have them assayed, with a geological description *of* the county where found.

## STOREHOUSES FOR PRODUCE

The establishment of National Storehouses was strongly advocated by me. According to the old superstitions, famine was a visitation upon sin that people sinned because they were weak and wicked, and God for, inscrutable reasons made them so. Nevertheless, it is true over-production does produce these effects, when the farmer has produced a surplus of basic wealth, which he either cannot sell at all or is obliged to sell at a loss. Therefore, his own purchasing power is temporarily ruined, since he must be able to sell at a profit in order to buy.

The farmers' financial plight reacts on industry. Factories are closed down and labor is disemployed. As the purchasing power of labor is impaired, the demand for the products of the farm is further reduced and the general interchange of commodities is adversely affected. The function of money is to enable the owner of wealth in one form to convert it at will into any other form. The function of organised credit is to store surplus wealth as water is stored in a reservoir, or electric current in a battery, to be drawn upon as required.

The joint function of money and credit together is to ensure a rapid and continuous exchange of wealth, keep it flowing simultaneously in all directions at a uniform pressure, as water in a system of supply pipes. Yet here is a situation in which surplus wealth cannot immediately be either converted or stored under proper supervision as collateral for negotiable certificates.

Australia is a Commonwealth without a national warehouse. She draws from a high pressure wealth main and possesses no reservoir. After a time of scarcity there comes a time such as now, when the Nation's wealth over-flows the bushel basket, the goods car; the cellar bip, and the storekeeper's shelves. Then the work of creating wealth is checked.

Nobody knows what anything is worth, and everybody is anxious to sell what he has before, prices go lower, yet, this is an opportunity to forestall the future.

There are now materials and labor to spare for the work of erecting great warehouses and reservoirs, where surplus wealth may be stored and rationally valued. Australia needs silos for storing surplus grain at low cost for indeterminate periods.

Why not construct them! The Australian branch railroads are years behind in upkeep. Roads are in disrepair, and there is urgent need for new ones. Idle labor utilized to these ends would be surplus labor stored in the same way as wool in warehouses and grain in silos, and as soon as these things are done; the normal flow of commodities would be resumed.

## **LAND TAX.**

Sir John Cockburn (then Dr. Cockburn), brainy thinker, Premier of South Australia, afterwards Post-master-General, and subsequently Agent-General, was the first to move for a progressive Land Tax in Australia.

I think I was the first in the Commonwealth Parliament.

## **OPPOSED TO TITLES**

All titles should be abolished, and future titles prohibited from being bestowed, as in Canada. It is sad to behold the lamentable picture of human beings dressed in clothes, or the want of them, which makes them look like coloration billy goats on roller skates, or Wabunse Indians in paint and feathers — relics of the ages when the few wasters bossed the many slaves, rewarding the spies with titles. Flunkeyism should not be encouraged in a democracy. In the first Commonwealth Parliament I moved to tax all titles.

## **PREFERENCE TO UNIONISTS**

On May, 1910, the Cabinet decided that wages could not be raised without its consent. Workers were getting 7/- a day for dry weather, but the men did not average much a week on account of rain. I gave them £2/8/- per week (wet or dry). My action created a great storm. Same when I gave preference to unionists.

## **TRADES HALL**

I desire to pay a mede of praise to the men in command of the Trades Hall organization. They never asked for any concessions or privileges which were not for the benefit of all workers, but they objected to Unionists being treated worse than non-Unionists. Arch. Stewart, Secretary A.L.P., gives all a square deal. Laurey Cohen was a goldbrick of 20 carats. It was R. Loughlan, better known as "Dick," who, persuaded me that awful winter of 1910 to pay 48/- a week, 'wet or dry, and 10% a day dry, He urged me to give preference to Unionists, which I did, and it caused a sensation.

Deakin's no confidence motion was defeated. Cook and Irvine Government fought the election in 1914 on this issue and were defeated. The new Labor Government were afraid to give preference to Unionists. Labor men would be wise to keep in touch with the Trades Halls in their own States.

Owing to long opposition fighting, very few Ministers possess minds capable of operating in a constructive direction. They acquire blockading intellects, derailing brains, constantly seeking to throw enterprise off the track.

## **SOME SPEECHES**

### **RAILWAYS**

On the occasion of the Governor-General turning the first sod on the Trans-Australian Railway, Saturday, September 14, 1912,

The Minister for Home Affairs (Hon. KING O'MALLEY, M.P.) said: - The turning of the first sod of this great national enterprise – the trans-Australian railway, is one of those supreme occasions, prophetic of Australia's future greatness, which by natural suggestion reminds us of the extraordinary progress throughout the world that commenced about the middle of last century, a progress in which Australia, notwithstanding its youth, has played a most conspicuous and honorable part. It was on 3<sup>rd</sup> July, 1850, that the first sod was turned for the 16 miles of railway between Sydney and Parramatta, which was not opened for traffic until 26th September, 1856, 57 years ago this month. That was the beginning of State-owned or socialistic railways in Australia. While it took over five years to complete the 16 miles of line referred to, I trust that this 1060 miles, which is the maiden effort in railway construction of the Commonwealth Government, will not take more than half the time. At present, taking into account the multiple tracks, Australia has no less than 20,000 miles of railway. The following are the mileages of railways in the different countries of the world, Europe, 207,488 miles; Asia, 63,341; Africa, 22,905; North America; 288,511; South America, 43,638, Australasia (including New Zealand), 20,000; world's total; 640,883. The United Kingdom itself has only 24,000 miles. We see, therefore, that although we are only a small population of 4,500,000, Australia's network of railways is already comparable to the United Kingdom, with ten times the population. Today we begin the new stretch of 1060 miles of railway line welding with ribs of steel and bands of iron the eastern to the western shores of this continent

On the occasion of such a gigantic undertaking it is not strange that we should think of some of the scientific revelations and startling movements that have thrilled the world since the commencement of the first railway constructed in Australia. During this period, man's genius has dazzled humanity in a thousand ways heretofore unparalleled in history in the development of great engines of construction and destruction; in laying under perpetual tribute such as was never before possible the sublime resources of nature; in the immense improvement of steam engines; in the development of the steam turbine; in the

invention of internal combustion engines; and in the use of turbines for availing ourselves of water power. These instruments of civilization have made it possible to apply to human progress those boundless reservoirs of energy in nature which are now being transformed by the magic touch of science to the service of the human race. Through electricity, by means of the cable, the telephone, and the wireless message, nearly every part of the world has been brought into intimate contact, and there is now only a very small region of the earth whose affairs are not communicated to the rest of humanity within a few hours. It was in 1858 that Sir William Thomson made his famous discovery of the reflecting galvanometer, and by means of this instrument it became easy to transmit and receive messages through cables over long distances. The practical genius of Cyrus Field, that great American financier, made it possible to perfect the cable, which was not successful until a few years later. With that commenced this new era, this closer touch of man with man in all parts of the world; this solidarity of the human race, with its transforming power in the modern world. In this period the economic and social sciences have totally changed; the creative force of all change of condition is being realized as never before, and we have entered upon a new era or progress for humanity.

During this time — namely, since 1850 — Australia itself has led the way in several great movements in the interests of the people. It inaugurated vote by secret ballot and manhood suffrage in the year 1856; it created the Torrens Act simplifying the transfer, of title to land in 1858, and has been the first of British communities to extend the idea of manhood to universal suffrage by adding woman's suffrage in 1894; and I may mention that South Australia was first to move in this world-wide reform. Australia is a land where Britain's children have enjoyed unexampled privileges and prosperity, and we may liken it to a great temple of liberty, the keystone of whose strongest arch is universal justice, and the Bill of Rights and our matchless constitution are its solid foundation. Stone by stone has this temple, grander than the Ephesians dome was raised through the long years of toil by patriotic statesmen, beginning with the organization of the States and ending with the creation of our magnificent Commonwealth. Within the sanctuary of this temple, all may with free consciences the tribute of worship to the things that are highest. Beneath the shadow of its uplifted walls are clustered our schools and our colleges, our technical institutes and our universities, where the children of rich and poor may alike develop according to the measure of their ability; providing they can win the necessary scholarships and there are sufficient of them.

We are rapidly advancing towards that socialistic Christian age when all such institutions shall be absolutely free; when to everyone in the nation shall be afforded the opportunity of receiving the profit which his natural ability will warrant; when the only hindrance to success shall be the inherent limitations of personal capacity, when all shall have equal opportunity to compete for the prizes of fortune and to assist in the building up of a destiny of this specially favored people. In that great region west and north of where we are history-making today, and elsewhere in the Commonwealth, are hundreds of millions of acres of virgin land; where both the descendants of the early pioneers and the children of

the immigrants of yesterday may alike reap the reward of intelligent toil, and win contentment and comfort.

In Australia I trust we shall avoid by wise progress in legislation and honest administration the necessity to correct the evils of misrule by the cruelties of revolutions, and for all time render such human convulsions impossible. All our institutions should be reconstructed from the top to the bottom on democratic lines. Our Governments should always rest only on the honest appeals to the reason of a free people. Politicians and statesmen should seek to educate the people day by day, month by month, year by year, and decade by decade, to reason more profoundly, to think more humorously, to act more justly, to increase their faith in those divine ideals which underlie all human society.

This noble temple of liberty as it stands to-day, is our proud political heritage. We have to maintain its beauty, strengthen its foundations, fortify its pillars, expand its utility, and broaden its influence, and we shall need in the mighty evolution of a truer social life that is appearing all the power that the school, the college, the institute, the Church, the Court, and the Parliaments of the people can generate, and all the heartening that comes from earnest contemplation of our destiny. It is not in mammoth fighting machines on land or sea, in aerial instruments of destruction, or in other material of war that we place our hopes. These are a necessary evil, but they are only means to an end. We look forward to Australia's future as a land glorious, because its political and social progress shall be unhampered, because its destiny is already splendidly shaping, because the great Christian party to which I belong is determined to afford every person an opportunity to make good. The building of this Trans-Australian Railway is but the outward expression of the Government's inward ambition. Already on the eastern shore Australia has her reticulation of railways from north to south, and this enterprise will similarly bind the east to the west. There can be no doubt that rapid developments will follow the construction of this railway, for we are already woven together by the red blood of British kinship, one people with one destiny.

## **FEDERAL CAPITAL**

At the laying of the foundation-stone of the Commonwealth Capital Column, and the christening by Lady Denman, March 12, 1912, in response to the speech, of the Governor-General.

Mr. KING O'MALLEY said: – To-day we are assembled on ground made famous through having been chosen as the permanent home of the Commonwealth Government, to publicly celebrate the commencement of operations at the capital of what will prove to be one of the world's greatest nations. All subsequent Australian political history will concentrate its searchlight on this spot where we congregate, a magnetic centre of attraction to the eyes of countless generations still unborn, and forever the visible evidence of Australia's national destiny. Living in what is only the infancy of this mighty Commonwealth, we realize that through all successive ages numberless billions of human beings must appear on this horizon to suffer and enjoy the dispensations that belong to humanity. It requires no prophetic mind to peer into the vista of future centuries

to behold stupendous events occurring here. How can we contemplate the discovery of Australia without recognizing the meaning of that supreme adventure for our own welfare. It must have been an interesting and really pathetic scene when that great sailor, the discoverer of this continent — Captain Cook — stood on the deck of his little wooden barque, rocked on the billows of an uncharted sea, straining his eager anxious eyes, till finally came the reward — the glimpse of an unknown world.

Nearer to the present period, more closely associated with its progress and therefore, with modern economic thought is the colonization of the Commonwealth by people from the Motherland, America and other countries. Australian natives should always cherish the memory of those sterling pioneer ancestors, revere *their* patience and resolution, admire their pluck and daring enterprise, and make the schools throughout the nation teach the children to venerate their deeds.

The Government trusts that this capital city, based on a sure foundation, pushed on with vigor and determination, rising high in sublime solidity and unadorned splendour, may endure for ever emblematic, of the purpose for which it is being created. The records of glorious achievements are permanently deposited *in* the universal memory of humanity. Sentiment and imagination as well as reason are elements of human nature, and in the proper guidance of these attributes there is neither loss nor sacrifice. We have especially come to dedicate a spot which from now onwards should be *precious* to all true Australians. We hope that this capital will never be the headquarters of an intriguing tyranny or a modern military despotism, and therefore *we* consecrate it to the spirit of human freedom and national unity, trusting that the light of happiness may forever shine upon it. We desire that the capital city which is the legitimate offspring of the Federal Union may help to demonstrate the magnitude and importance of federation to future generations, and that should a time of disaster overtake, Australians, as it has overtaken all other peoples, sorrowing patriotism may gather inspiration from the nation's capital and rest assured that the national power justly founded, is indestructible. We are privileged participators in an age of extraordinary inventions *and* world-wide discoveries, a time of wonderful activity and prosperity, in an era of great industrial, commercial, and financial progress. Events so vast and varied that they might magnify and distinguish centuries, are now condensed within the span of a single life. During what previous period in the world's history has it been possible to record so many measures for the uplifting of the human race as in the Commonwealth since the first elected Federal Convention met at Adelaide in 1897? *Our* own evolutionary Peaceable revolution that might have been productive of a thirty years war has been accomplished and six independent States and Territories are federated with one National Government over *all*, so just and free that many wonder its achievement should have been so successful. Dense forests of scrub are annually being cleared by the strong aid of intelligent industry and the dwellers along the Murray and the Murrumbidgee are gradually becoming the neighbours and co-producers of those whose homes are the downs of Queensland, the plains of Western Australia, the charming hills of Tasmania,

and the fertile lands of the Northern Territory and Papua. Already we possess a trade and commerce that leave few countries or seas unexplored; the nucleus of a military and naval organization that fears no foe; income founded on reasonable taxation sufficient to meet all the necessities of honest government; and friendship with all creation, resting on equal rights and mutual respect. Such is the universal advance of learning in the arts and sciences, in literature and law, in the development of international trade and commerce, above all in modern reformatory ideals, and the general spirit of the times that everywhere everything is changing emphasizing the fact that there is a world transforming social ideal at the heart of modern business activity.

Humanity is daily realizing that all should live to serve the ends of justice. We are endeavoring to practically focalize some of the ideals of the golden rule, giving them a commanding prevalence by creating in every community a society or institution to interpret and champion them — a kind of nationwide public trust commissioned to promote mutual interests among all, insisting that no transaction is good that is not good for all, and that no business is legitimate that does not honestly serve the public.

Nations, like individuals, can only progress as they cease to think mechanically and learn to think chemically.

Science is triumphing over all barriers. It is shortening distances, universalising languages, pulverising diversity of habits and customs, paralysing prejudice and bigotry; penetrating the heavens by means of aerial navigation, and is gradually dissolving in the modern crucible of knowledge all the ancient hideous nightmares of superstition and ignorance. The promotion of free education, so amazing in the last half century, has rendered innumerable minds, variously endowed, capable of being competitors in the high forum of intellectuality.

From the wider expansion of accumulated knowledge, the general improvements in legislation and administration and the progressive operations of militant unionism, important ameliorations are occurring in the economic conditions of the masses. Humanity is now attaining an all-round higher standard of living, more refinement, more self-respect, and a superior measure of education, works shorter hours for an increasing average rate of wage, and is universally more hopeful. These essentials are only in the elementary stages, and while the incredible use of machinery would seem to displace labor, labor should always secure its occupation and receive its reward. The possession of power does not swell the heads of Australians, for the life of the pioneer trains them in the art of self-control. Although the authority of Britain is paramount, yet practically the whole field of legislation has always been open to our State Parliaments. They have been accustomed to representative methods and the forms of free representative government; they understand the principle of the division of power among different branches, and the necessity of checks and balances for each. The true character of Australians is sober, moral, and semi-religious, and there was little in the change from the regime of the separate States to the Commonwealth that did violence to their conscientious scruples.

The creation of free representative responsible government is man's master achievement.

Federation being accomplished, and a national government established we are trying to devise more equitable means for securing to the real workers an honest share of the comforts and convenience of life. The extreme inequalities that so glaringly exist between poverty and wealth, so demoralizing to both, should be abolished. Young Australia should be taught to despise the extravagant luxuries indulged in by the vulgar worshippers of mammon, All should adopt that natural simplicity so admirable in manners, speech, and generosity. While the Commonwealth has its clangers to overcome, its enemies within to conquer, its detractors to confuse, and its doubting Thomases to convince, yet with profound admiration and intense satisfaction it is contemplated by 4,754,400 of liberty-loving people. This celebration should animate and elevate the hopes of all patriotic Australians. On most occasions we are partisans, and strenuously maintain our political differences, but today we are all Australian nationalists. Our hearts should rejoice as we realize that this sublime inheritance of freedom, the proud product of the English-speaking peoples, is still ours, undiminished and unimpaired in all its original integrity, to transmit to posterity.

I believe that according to the divine plan, God commanded the English speaking peoples to secure control of, and constitutionally govern the earth in the interests of civilisation. Therefore, the federation of the English speaking peoples into a world-wide cause, with a universal hope and destiny, should be the preeminent aspiration of all thinking Australians.

Without prejudice for or against any party, religion, race, or creed, and with admiration for all progressive thinkers.

I am,

KING O'MALLEY, A.W.L.R.B.C.R.S.T.C.N.

J. J. Miller Ptg. Co, Pty. Ltd., Melbourne,