

Joseph Lyons—Australia’s Depression Prime Minister*

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I should say, at the outset of this function on the Senate side of Parliament House, that my subject today—former Tasmanian premier and Australian prime minister Joseph Lyons—was not all that enamoured with upper houses for much of his political career.

As a Labor premier of Tasmania, he stood up to the Tasmanian Legislative Council in the 1920s over its financial powers. On a couple of occasions he even managed to bypass the Council entirely. (How many prime ministers would like to be able to do that these days?)

As well, during Lyons’ first two years as a federal minister in the Scullin Government, he faced strong opposition from the Nationalist Party dominated Senate.

But then Joseph Lyons moved to stand with the conservatives in 1931. Thereafter, upper houses became more to his liking. Of course—that’s a long time ago and upper houses today cannot be relied upon so easily to reflect the conservative side of politics. As we know well ...

I am here to discuss one of Australia’s longest serving and most popular prime ministers. And, yet, it has taken some seventy years to get to a point of acknowledging this in the national record. As I discovered on researching his biography, Lyons has been shoved off to some remote region of forgetfulness—thought of as a prime minister who achieved little and was merely used by stronger forces to win elections.

This legacy has stalked the memory of J. A. Lyons—as he was wont to sign on documents. Yet, nothing could be further from the truth. And, from this, there are two lessons for the politically ambitious. First, don’t die in office—or at least not before you have written your memoirs and placed them prominently before the historians. Secondly, make sure that you have a loyal and scholarly fan club in place ready to honour your name and achievements. John Curtin managed that.

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Joseph Lyons served as Prime Minister of Australia from the beginning of 1932 until his sudden death in office on 7 April 1939, which happened to be Good Friday. Remarkably, he was the first of our Australian prime ministers to have a parent born in Australia. Just how imported Australian culture was, till midway into the 20th century, is something we tend to forget.

In fact, as I did the book, it was startling to remember that when Joseph Lyons became prime minister, we had only been a federation for 30 years.

This was one of the reasons NSW premier Jack Lang was so important in the financial dysfunction of 1930–31, and so destructive. The economy of New South Wales, at that time, was a huge chunk of the national economy. Moreover, the states had much more financial power than they do today.

Defeating Lang, as Lyons eventually did, was a significant achievement. This alone should make Lyons a standout. But, instead, it has been Jack Lang who has achieved folk legend as hero despite the damage he threatened all those years ago to Australia's international reputation.

Joseph Lyons was a different kind of leader for his day, a time when paternalistic, macho men ruled. Lyons was a rather self-effacing and amiable fellow from a humble background. But he was also one who could walk at ease among the business leaders of his day.

Lyons' education, working his way up and out of family misfortune as a monitor teacher in northern Tasmania, had taught him humility; his experience, in the first decade of the 20th century, of taking on the Tasmanian Education Department for its treatment of its staff had forged his temerity.

But, with the characteristic Australian working man's spirit of seeking outcomes rather than posturing, Lyons made no effort to prove his leadership in a macho way. These days we would see this as someone secure in himself.

And, like Bob Hawke, Lyons was a consensus man—one who could bring opposing groups together over negotiation. This was a trait not easily recognised in Lyons' day as something that gave strength to leadership. It was Lyons' strength to see Australia through one of its darkest decades and to keep the government united.

Lyons would often defer praise to his colleagues. Douglas Irvine, who acted as Lyons' chief of staff for some years, recalled in an interview how Lyons would often say it

was all his ‘mates’ who deserved the praise or ‘John Latham’ causing John Latham, Irvine added, to ‘swell with pride’.

This self-effacing character has cost Lyons much in the history books. In Lyons’ generation, the ambitious and macho figures that surrounded him quickly translated this trait to ‘nice guy but not effective’. It suited his rivals—on both sides of politics.

In fact, Lyons was expert at directing matters, directing policies and directing government. His survival after three federal elections—the first Australian prime minister to do so—is the proof of this.

But Lyons burnt his bridges with Labor in March 1931 by voting against the Member for Dalley Ted Theodore’s bill to print money for relief works; and, after moving to the other side of politics and helping to form the United Australia Party (UAP), the emergence of the Liberal Party under Robert Menzies meant that within a few years of his death there was no organisation to claim Lyons. And although Robert Menzies had worked closely with Lyons in the UAP, he had also been a rival.

The Lyons legacy simply died with the man. The Second World War, coming so soon after his death in 1939, and the failure of the first Menzies Government in just over two years, soon handed the prime ministership to Lyons’ old Labor rival John Curtin and later his old Labor mate Ben Chifley. This sucked up any memory of Lyons as a popular figure. And Lyons had faded somewhat in his last year, with illness and the expansion of Hitler in Europe.

In his last year as prime minister, in spite of the UAP’s surprising win at the October 1937 election, Lyons’ strength in economic leadership passed into the shadows. His government’s visionary national insurance scheme had to be shelved, opening painful party divisions just weeks before Lyons’ death.

And when Enid Lyons wrote her own well-researched and widely read account of her husband’s life and legacy, in *So We Take Comfort*, this was partly seen as a record too partisan to count.

Today, however, it is possible to look back with a fresh understanding of the Lyons years. And that is what I have sought to do.

The Lyons style of leadership is far more readily understood today—male prime ministers have even cried in public in our lifetimes. We now know and accept that a prime minister can be fallible and remain a strong leader. Lyons, in this sense, was ahead of his day.

Lyons was never threatened by a strong woman. He would drag his wife onto podiums where she performed well and, at times, even outshone her husband. He never worried; he used her attraction to pull in votes from women.

Joseph Lyons assumed the prime ministership as a popular hero after winning in a landslide House of Representatives election (not since matched) in December 1931. Christmas was less than a week away.

The story that brought Lyons to government as UAP leader is both dramatic and cautionary. And it is a tale we can appreciate more fully today, in times when most Australians better understand factors like government debt and credit squeeze and their effect on investment and employment.

The Scullin Labor Government had been in office less than two years when it disintegrated. After a landslide win against the Bruce–Page Government, days before the Wall Street stock market crash in October 1929, the financial pressures it faced quickly tested its inexperience. By March 1931, after the rabid Lang supporter Eddie Ward won the federal seat of East Sydney on 7 March, Lang Labor MPs no longer were welcome in the Labor caucus. Labor had officially split in two.

Australia had mounting debts from the mid 1920s—in fact that guru of spend, John Maynard Keynes, was one of the loudest voices in London condemning Australia’s spendthrift ways in the 1920s. And then prices for wheat and wool went into free fall leaving even more debt. Australia in fact entered the Depression before the rest of the world—one reason the Bruce–Page Government fell to Labor.

When Lyons broke from Labor, on 13 March 1931, he took with him the votes of disaffected Laborites in their thousands. During late 1930 and early 1931, such was the dissatisfaction with the Scullin Government that tens of thousands of middle-class Australians signed up to membership of citizens’ groups.

This quasi-political people movement—organised by conservative operatives and with names such as All For Australia League—latched onto Lyons as their hero. Their activities were favourably promoted in Keith Murdoch’s media outlets—along with Joe Lyons as a natural people’s leader.

These groups eventually came together under the United Australia Party in May 1931. It was a unique political precedent. Lyons was elected leader of this conservative collective in the Nationalist party room. But Lyons himself was not there—since the UAP had not been formally declared and Lyons was not a member of the Nationalist Party. The formation of the United Australia Party, soon after, absorbed the

Nationalists but it was Lyons' hope that this new political party would bridge conservative and moderate Labor differences.

UK Labour's Ramsay MacDonald, that year in Britain, would form a national government, coming himself with colleagues from Labour and linking up with the Conservatives. It was Joe Lyons' imagined goal that he could do something similar Down Under. Instead, he became the leader of the conservative opposition—the United Australia Party.

In late November 1931, after the Lang Labor MPs had helped defeat the Scullin Government on the floor of the House over a relatively minor matter, Scullin dissolved Parliament and went to the people in a House of Representatives only election. On 19 December, the UAP won a record result for the House of Representatives, a record that has not been matched in spite of the 1975 landslide.

So Australia suddenly had a Catholic prime minister leading a predominantly Protestant party, and a somewhat Masonic one—a Catholic with a Labor past. This was quite an aberration in Australian politics. The Catholic vote for Labor took a nosedive at the 1931 federal election—it was Lyons, not Menzies, who brought the Catholic vote for the first time over to the conservative side.

It is quite timely to be speaking about Joseph Lyons and the way he was so quickly thrust onto the national stage as such a popular leader. Two years before his win in 1931, most Australians would not have heard of him. To win such a victory in December 1931 meant a lot had happened between October 1929 and that election.

It had.

Labor's Depression split

Joseph Lyons had led the Tasmanian Labor Party from November 1916 until he entered federal politics at the 1929 election. During the post-World War I years and into the 1920s, Lyons had toyed with left-leaning politics and was always a pacifist. He had led Tasmanian anti-conscriptionists in the First World War plebiscites. But, with successive defeats for Labor at state elections from 1916, Lyons became more conservative with his desire to win over swinging voters.

In late 1923, Labor fell into government in Tasmania when the Nationalist government of Sir Walter Lee lost a vote on the floor of the Assembly. Lyons, called to Government House, persuaded Administrator Sir Herbert Nicholls that he could command the numbers to form a Labor government. Tasmania was in worrying debt

at the time and Lyons had railed against the inability of the Lee Government to make savings.

Lyons was by then an opponent of what economist Lyndhurst Giblin called unproductive government spending—public works that did not produce income. Once in Canberra, Lyons found that both Labor prime minister Jim Scullin and federal Treasurer Ted Theodore agreed with him to a large extent. Scullin had railed against the Bruce–Page Government for the large government debt of 1928–29.

During the latter half of 1930—and while Scullin was overseas from August—Lyons, as Acting Treasurer, kept to the script as advised by Scullin. Economies had to be found and budgets reduced. The Lang rant against the moneylenders and his advocacy of repudiating debt was as firmly opposed by Scullin as Lyons.

In the tussles with the Langites in caucus after October 1930, Scullin supported Lyons (by cable) to hold the line; he also strongly supported the huge loan conversion of December 1930, when Lyons joined with Menzies, the Victorian Young Nationalists and many of the chief financial houses of the day such as J. B. Were and Son to raise £30 million over a matter of weeks.

But, after winning the NSW election in October 1930, Jack Lang increased his influence over NSW Labor. Ted Theodore, who had been forced to stand down as Treasurer in July 1930 to answer allegations of financial impropriety when he was Premier of Queensland, had faded in influence.

As the caucus divide in late 1930 worsened, and with Jack Lang's win in NSW, Theodore returned to Sydney where he held his seat. This push by Lang affected Theodore and, by early 1931, he had moved to a more inflationary policy position—somewhere between Lang's crude opposition to the evil moneylenders and the prudence that had been his original position, along with Scullin and Lyons, throughout 1930.

The Labor government of Jim Scullin probably stands alongside the government of Gough Whitlam as the most disastrous waste of an opportunity to govern. Both had difficult financial times, but each seemed not to have grasped the need to act pragmatically rather than ideologically.

On Scullin's return to Australia in January 1931, he reinstated Theodore as federal Treasurer—even though Red Ted had not yet been cleared by the Queensland inquiry. This disturbed Lyons—a person who acted always with the highest propriety, standing aside one of his ministers in Tasmania in 1927 over a financial scandal.

Unhappy with the state of play around Theodore, Lyons resigned from the Scullin ministry soon after his reinstatement to the ministry.

However, the most divisive issue for Lyons was the fiduciary bill Theodore now planned to bring before the Parliament to print money for work relief. Lyons saw this as financial suicide—and Lyons knew that the Senate would vote it down. Lyons did not believe—and the Premiers' Plan in mid-1931 would support his judgement—that Australia could afford to print money and face the risks of inflation or financial downgrade.

Caucus had become dysfunctional as the Depression and unemployment crippled the economy. Journalist Warren Denning wrote that the din of caucus meetings after August 1930 could be heard in the corridor through padded doors.

Cabinet, as well, had thumbed its nose at Scullin's authority when, against his and Lyons' advice, the majority voted to appoint Labor figures Edward McTiernan and H. V. Evatt to the High Court. This created a by-election in January 1931 for McTiernan's seat of Parkes in western Sydney. Won easily by the Nationalists, it would be a heavy loss for Labor at a time when the party was close to splitting apart.

The Lyons years

It has been Lyons' fate to attract the interest of historians only insofar as his break with Labor and success at the federal election of December 1931. History books have then skimmed over the Lyons years as ones of quiet lost opportunities and then the story goes on to the years of World War II and John Curtin.

So, why was he forgotten? Well, he fell between the cracks. Labor would never again claim him. And with the formation of the Liberal Party in the mid-1940s, Liberal leader Robert Menzies became the figure revered by the conservatives.

But by forgetting Lyons, we lose a significant chunk of Australian political history. A lot happened for Australia in the Lyons years at the Lodge.

Lyons was a figure who could draw out the vote, could draw out ordinary people, and he was mourned hugely when he died. At the 1937 election, with John Curtin as the fresh new Labor leader, Lyons pulled the UAP back from staring at certain defeat to a win where the party hardly lost a seat.

Moreover, over seven long years, Lyons mastered a cabinet made up of divided egos and would-be leaders, and negotiated unity through struggles with policy and the financial stress of depression. Lyons' first budget managed to record a surplus. Over

his years, he pushed Australian trade partnerships into new regions, notably Japan and the US, in spite of the Ottawa Commonwealth Conference's policy of imperial preference.

Lyons, with the partnership of Stanley Bruce as High Commissioner in London, also made an impact in foreign relations. Two visits to the UK, in 1935 and 1937, established Australia's presence as a strong dominion partner. In 1935, Lyons' visit to the USA saw the Lyons couple stay with the Roosevelts at the White House, and Lyons hold significant meetings with the senior figures of the Roosevelt administration. Lyons even made the cover of *Time* magazine as he arrived in New York.

Lyons—as one of the dominion leaders after the Statute of Westminster—played a significant role in the abdication. Lyons was the strongest voice among the dominions in opposing anymorganatic marriage between Edward VIII and Wallis Simpson.

In the lead up to the 1938 Munich conference, it was Lyons who made a last-minute call to Neville Chamberlain suggesting Mussolini might be able to broker yet another meeting with Hitler over his intentions in the Sudetenland. Chamberlain followed up on that advice and the Munich Agreement was the outcome. We should recall that most political leaders were appeasers in 1938—the memory of World War I had them in a bind that another world conflict should be avoided at all costs.

The Munich Agreement was welcomed with great celebration by voters—Queen Elizabeth wrote to Anne Chamberlain of her great pride in the prime minister who 'through sheer courage & great wisdom ... has been able to achieve so much for us & for the World'. Lyons was certainly with the majority on Munich at that stage.

It was Lyons, it has been forgotten, who sent John Latham to head Australia's Eastern Mission in 1934, a major diplomatic trip through Indonesia, China and Japan. It was Australia's first real attempt to engage with its northern and Asian neighbours, both in the interests of security and, above all, trade. It was also Lyons who pushed for a Pacific Pact on non-aggression through the many meetings of the 1937 Imperial Conference in London.

The years of the 1930s were also years of great strides in communications—a revolution of sorts with the development of radio and air travel. Lyons was a master at the use of both. He became Australia's first flying prime minister and his voice was heard across the nation in regular slots on radio; and he was recognisable to voters from being filmed for Movietone newsreel screenings.

But Lyons was above all an excellent economic manager. What has been forgotten—and never spoken of—is that both Australia and the UK handled the Great Depression far better with conservative economic management than the USA's New Deal of government spending.

As Joe Lyons sat with Franklin D. Roosevelt at the White House in July 1935, he could report that Australia had reduced its unemployment figures to 16 per cent from a high of 29 per cent in 1931–32. By 1937, Australian unemployment was down to 9 per cent. In the USA, in 1935, unemployment was still over 21 per cent and in 1937 remained at 17 per cent. The USA had double digit unemployment right up till it entered the Second World War.

Growth in Australia and the UK during the 1930s also outstripped that in the USA. Real gross domestic product growth in the USA between 1929 and 1940 was just 1.6 per cent, while in Australia over those years growth was 16.6 per cent and in the UK it was 24.6 per cent.

That success story in Australia has been lost with the legacy of Prime Minister Joe Lyons. These were dark and difficult years and the strength of the Lyons governments was to preside over a period of political calm amid the troubled times—both financially and in foreign relations. From the dysfunctional years preceding it—and the domination of NSW in the national economy—Lyons brought Australia's federated states to maturity in his time as prime minister.

And, in answer to criticism of Lyons that he was weak and ineffectual, it is worth recalling the words of Thomas Playford, a long-serving South Australian premier, who once said, long after Lyons was dead, 'Mr Lyons always got his way'.



Comment — The chilling thing is how many echoes there are with present circumstances and how often we forget that adage that those who fail to learn from history are condemned to repeat its mistakes.

Anne Henderson — That is all true. Lyons got on really well with Scullin. While in Britain in 1930, Scullin sent advice to Lyons and the Member for Maribyrnong James Fenton to hold the line against the Langites, through cables. When you read the history books you think that everyone knew Scullin was supporting his deputies while he was overseas but no one knew, not even some in the caucus. Then, the day after

Joe Lyons resigned in March 1931 (by voting against his Labor Treasurer, he was automatically out of the Labor Party) those cables were leaked by journalist Joe Alexander. He was banned from Parliament for about six months as a result. The Scullin Government was furious in Parliament about the leak because it showed that Scullin had betrayed Lyons. He had let people think that it was Lyons alone holding the line against Jack Lang without any support from his prime minister. When Ted Theodore wanted to introduce a more inflationary policy and print money for work relief and Scullin supported that Scullin backed the wrong horse. Once those cables came out it looked even worse. Scullin had not been loyal to his lieutenants.

But Joe got on well with Scullin. As prime minister, Lyons would sit with Scullin over a drink in Old Parliament House. Lyons got on well with Chifley. One anecdote, which L. F. Crisp recalled in his biography of Chifley, is notable. Lyons, as prime minister, turned up at the Bathurst show and Chifley was selling tickets to get into the car park. The men yarned at the gate. It was quite amusing really. Labor went feral at Lyons leaving the party, but Lyons had been a strong Labor man and I think it broke his heart to leave.

Question — You mentioned during your talk that the British financier, Sir Otto Niemeyer, came out to Australia and my recollection of that was that his advice was rather counter-Keynesian at a time when we wanted to lift things. I was wondering if you could elaborate a little bit on Lyons' relationship with Niemeyer and how he handled his advice and how that fell out?

Anne Henderson — Maynard Keynes changed his position on debt. Everyone has forgotten this, as did economists. When Keynes was berating Australia in the late 1920s for being spendthrift, he was berating Australia for doing exactly what he would have argued for ten years later. Roosevelt had a meeting with Keynes during the years of the New Deal and did not find him very inspiring. Amity Shlaes records the story in her book *The Forgotten Man: A New History of the Great Depression*. Myths multiply when you don't listen to the minutia of history. Keynes changed. And yet it has become fashionable to go on with the notion that we can spend our way out of depression. Now spending and trying to give people relief is a good thing but it isn't a good thing if at the end you are only giving relief and you not are getting anything back for it. Eventually you end up like Greece and Portugal. Credit and global financial support will keep them limping along for a while but that will probably, over a period, over a decade, give us all very low growth. Maybe we will settle for low growth and no one starving, I don't know. But it certainly isn't a magic formula.

Remember, in 1931 there was almost no credit and nations were living off loans. This is Greece now. By 1928–29 in Australia, fixed government obligations represented 70 per cent of all payments. We had to find a way to get through 1930. In 1930, there was a credit squeeze. Niemeyer came to Australia in August 1930 alongside debate over financial policy and while the Labor caucus was dysfunctional. If you read financier Staniforth Ricketson's diaries for that time, you will see that Treasurer Ted Theodore and the Australian Government knew Niemeyer was coming but it was made to look as if the head of the Commonwealth Bank Robert Gibson had no hand in it. In fact it was all set up. Niemeyer spoke only as an independent investigator but in fact it was working closely with the Australian government. But Australia had little choice but to accept the visit because most of our loans were dependant on the London bankers. Niemeyer was rather superior but also acting—he believed—in Australia's interests. Of course, populists like Labor's Member for Bourke Frank Anstey and Jack Lang assumed Niemeyer was Jewish and made anti-Semitic statements about him which were politically disturbing.

Niemeyer was an insouciant Brit 'coming to the colonies' chap. He was nice and affable and pleasant although in his diary he dismissed people with one liners whether they were political economists like Lyndhurst Giblin or political leaders like Jim Fenton and Joe Lyons. At one point Niemeyer described Fenton and Lyons as looking like rabbits with their eyes popping out in the light. That would not be surprising because they were doing Scullin's work at these meetings. Niemeyer was working out a plan for how Australia could take on an austerity package, or prove that we would be reliable customers and then be deserving of more credit. In other words, he was doing what the Europeans and the International Monetary Fund are doing to Greece now. Saying you will keep your credit rating provided you agree to cut or freeze public servant salaries, MPs salaries and public service spending. There was a program of austerity being worked out so we would be able to continue to get credit. It was shortly after that we had the 1930 conversion campaign where government had to raise the money from ordinary Australians.

Niemeyer dismissed people easily but, if you think about it, this was August and Scullin was about to leave Australia for his five month trip to Britain. Scullin had the flu, maybe pleurisy, and was in bed. A number of cabinet meetings were conducted in Scullin's bedroom in Richmond in Melbourne. He was still in his bed on the high seas. He was a sick man taking off, with a sick economy, a dysfunctional caucus and an explosive cabinet and he had left Fenton and Lyons as his stand-ins. His Treasurer Theodore had been stood aside under investigation in Queensland. Fenton and Lyons were running back to Scullin's home in Yarra Street, Richmond to get Scullin's approval, then running back to Niemeyer and saying this is what the Prime Minister will agree to. Then they would be told what Niemeyer had agreed to and back they

would have to run to Scullin. It was a circus. No wonder their eyes looked like rabbits staring at a bright light. They hardly knew which way they could go. These snippets have been used to suggest Fenton and Lyons were weak. They were not weak, just trying to juggle it all.

If you read the Niemeyer diaries they reveal Lyons trying to navigate this difficult play. At one point Lyons said to Niemeyer that it would be better if it did not appear that the Australian government was simply adopting Niemeyer's proposals. Lyons knew that if that were to be the impression given, back in caucus the Langites and the fringe dwellers like John Curtin and others would refuse to go along with it. The party would split. So Lyons was trying to say to this insouciant dandy from London, 'For goodness sake, if you want to get what you want then leave me to handle the politics of it because you will not get anywhere if you alienate my colleagues'. But of course Niemeyer wanted to be the star. You can understand some of the hesitancy in Lyons. Niemeyer saw this as weakness. In fact it was political common sense. But Niemeyer did not have to worry. He went off and visited the homes of the squattocracy. Then he went to New Zealand and played golf and wrote about it and left Australia a day after Lang won the NSW election, which was very symbolic.

I am sure there are many politicians and ministers who have had similar experiences where someone who does not have to face the people is investigating or giving advice or saying what must be done, whether it is the head of the Reserve Bank of Australia or whatever. And the MPs are asking, 'Yeah, but what *can* be done?' It is not easy.

Question — You reflected on Lyons' relationship with Chifley. What was Lyons' relationship like with the rest of his former Labor colleagues in Parliament for his prime ministership?

Anne Henderson — Lyons went back to Tasmania after he left the party in March 1931 and it was really chilly for him in Hobart. Lyons left one ALP meeting early and his colleagues voted to discipline him. But of course he was gone by then anyway. The state Labor MP Charles Culley remained a friend and would visit Lyons at Christmas but he would never let anyone know. It was devastating to the Labor followers of Lyons because they had given lots of money to his cause. Many ordinary people, however, supported him and he did win his seat of Wilmot as a conservative having been a Labor man so he had a personal following. Enid Lyons wrote that the day after Lyons gave the speech which removed him from Labor, at Spencer Street railway station the wife of a very senior Labor figure had cut her dead on the platform. It was visceral. And so the fact that Lyons could later yarn away with Scullin at Parliament House over a whiskey is interesting. In one of Lyons' letters to Enid—it would have been about 1936 or 1937—he wrote that Scullin had told him

Lyons would be stunned at how sectarian the Trades Hall Melbourne had become. There was a lot of sectarianism in the Labor Party and I guess Scullin found Lyons to be another Catholic who could understand him.

People say Lyons never fitted in with the conservatives of the UAP but, in fact, he had lots of good relationships. He was very friendly with Menzies and the Member for Henty Henry Gullet. Lyons fell out politically with a lot of them at the end because many of them felt they could do it better. But no one could get the numbers to win the leadership and, as the rivalry ate away at the party leadership in 1938, war was coming and no one wanted to admit it even though Australia was rearming on a rapidly increased scale. In Andrew T. Ross' *Armed and Ready: The Industrial Development and Defence of Australia, 1900–1945* you can see the figures. Australia's defence spending increased vastly after 1935–36, as the UK did once Chamberlain became PM. The National Insurance legislation of 1938 also split the party—a good scheme but it was the wrong time. And the Country Party was very opposed to it.

Robert Menzies and Enid Lyons are interesting at this point. Enid Lyons came to believe that Menzies had acted disloyally in the very last months of Lyons' life. In a speech Menzies gave, in October 1938 to the Constitutional Association in Sydney, Menzies was reported to have said that Australian political leadership was weak—state and federal. What Australia needed was to take example from the strong leaders of Europe, by whom he meant Mussolini and Hitler. Kristallnacht (the night of broken glass) would happen a month later. It was an unwise speech but when you go through what had happened, it is a speech given under the stress of UAP dysfunction—there had been a premiers' meeting and Lyons had been ill. Earle Page of the Country Party had taken his place. Page was unpopular and the Country Party seen as meddling in United Australia Party affairs. Bertram Stevens, the UAP NSW Premier, had federal ambitions, hoping to take over from Lyons. There was a lot of jostling as to who was setting themselves up to be Lyons' heir apparent. Menzies probably made the speech to bring the limelight back onto him as a strong voice in the party. Enid Lyons interpreted that speech as a shot across Joe's bow. Menzies always said it wasn't; it was just the way he felt. Then there was of course the strike in Newcastle in the New Year, where Robert Menzies earned the title 'Pig Iron Bob', trying to end the strike and ship pig iron to Japan. Menzies handled that badly. Lyons wanted to retire; he was very sick but continued the rounds of party and ministry meetings.

Most of the Lyons' children were at boarding school but the little ones were in the Lodge. In 1938, Enid relocated to Devonport. So the Lyons couple were ready to go. But the National Union, the headquarters of the United Australia Party, were not enamoured by the idea that Menzies could win the election which was due at the end

of 1940. Menzies was unpopular; he was too erudite and austere. They did not have an alternative candidate. In the middle of all this, on 24 October 1938, John Curtin brought on a motion of no confidence in the House just as news came that a plane had crashed into Mount Dandenong and the Member for Wakefield Charles Hawker, a senior UAP figure, had been on the plane and died.

Hawker had been seen as leadership material—I am not so sure he was. In the midst of all this, Menzies resigned in March from the ministry saying he could not continue with the lapse of the National Insurance scheme. In her memoir *Among the Carrion Crows* Enid Lyons devoted a whole chapter to what she felt had happened over the incident of the Constitutional Club speech. There was a lot of ill feeling leading up to Lyons' death, so soon after Menzies' resignation—just a matter of weeks. And Lyons died just the weekend after the UAP heavies had told Enid and Joe that he must stay on in the leadership and Joe had said he would. It was felt by some of the Lyons family that the pressure Menzies had exerted on Joe Lyons in those last months had added to the possibility that Lyons would have a heart attack and die. Many others believed Menzies' resignation was but a symptom of a government in turmoil.

Now of course you all probably know the story of what happened after Lyons' death. Earle Page assumed the caretaker prime ministership and made a speech in the House of Representatives against Menzies. Page accused Menzies of being a coward in the First World War, for not enlisting. In fact, Menzies was the third brother and the family had said he was not to go. Pattie Menzies never spoke to Earle Page again. She actually got through a whole dinner one night where she had to sit next to Page. She didn't utter one word to him. That was Pattie Menzies.

There was a huge debate over Enid Lyons' annuity following Lyons' death. She had no superannuation. Joe died with just £344 in the bank. Enid had always had the house in her name and she thought that she could earn money herself but of course her nerves collapsed and she had to retire by the end of 1940. Enid had done some broadcasting that year. She had been asked to do a column for the *Sydney Morning Herald* but declined. Enid Lyons did eventually get an additional annuity of around £500 a year for the children but it diminished as they left school. There were still around eight Lyons children at school and one had not started when Joe Lyons died.

Elsie Curtin was given a similar annuity on the death of John Curtin, but only after Enid Lyons (then a UAP MP) prevailed upon the UAP party room not to do to Elsie Curtin what the Labor Party had done to her. When the bill went through Parliament Enid Lyons said she had tears in her eyes. But by the 1960s those two women were receiving tiny pensions compared with widows of MPs who had superannuation. There is correspondence in the files petitioning Prime Minister John Gorton to do

something about Enid Lyons' and Elsie Curtin's annuities because they hardly had enough to live on; their payments having not changed since the 1940s.