

Policy Launch Speech: Joseph Lyons, Prime Minister (UAP)

Deloraine Town Hall, 28 September 1937

“When I stood before you in 1934, I said, ‘We have still a steep climb ahead of us before we reach the top of the hill. Tonight I stand before you and tell you that we have reached the top of the hill,

If the test of good government is the condition of the people as a whole, then Australia has been well governed indeed.

The Government will, in the light of the recommendations of the Banking Commission, strengthen the powers of the Commonwealth Bank and provide for the better co-ordination of public and private banking.

The Government will submit a scheme of national insurance under which, for moderate weekly contributions, there will be available for the great majority of the employed population in all the States, guaranteed benefits during sickness, medical treatment at all times, pensions for widows and orphans and superannuation. The Government would welcome a general reduction in working hours if shown, after competent inquiry, to be practical and economically beneficial, but recognises that action is conditional on agreement with the States.

The present methods of control of B class broadcasting stations will be continued with safeguards against monopoly but with greater security of tenure to licensees.

Action will be taken to make uniform the legislative control of life and fire insurance throughout the Commonwealth.

Employment is back to where it is before the depression—an achievement scarcely equalled anywhere in the world. The restoration of invalid and old-age pensions and public service salaries and wages, have been completed. Taxation has been reduced by amounts never before attempted in the Commonwealth's history,

This election is being held at a time when the international situation is most ominous. War and internecine strife are raging in Asia and Europe. Jealousy, suspicion and fear of the Intentions of neighbouring nations threaten Europe. Parliamentary Government has been challenged and, in many cases, overthrown; the liberties of the people have been trampled underfoot.

Our policy is the pursuit of peace and the avoidance of war. Our motto is ‘security at home and abroad’. Self-reliance, adequate defence, and utmost possible development of resources and strength, must form the foundations of national Australian policy immediately ahead.

At the recent Imperial Conference, the 'preservation of peace' was endorsed as the first objective of the British Commonwealth.

A guarantee that the strength of the British Empire will be an influence on the side of peace is contained in the adoption by the conference of the United Kingdom Government's declaration that its armed forces will never be used for purposes of aggression, or for any purposes insistent with the Covenant of the League of Nations or the Pact of Paris. The Imperial Conference reaffirmed the general principles of Empire defence laid down at previous conferences and agreed on the necessity for increasing security by further strengthening defences in the various countries of the Empire.

The Government's defence policy provides for the protection of our seaborne trade, and the defence of the territory of the Commonwealth against aggression. They involve no overseas commitments. On the contrary, they distinctly declare that it is for the respective Governments of the Empire to decide the extent to which they are prepared to put them into effect.

The world has recently seen the horrifying spectacle of defenceless men, women and children being bombed from the air. Any isolationist policy which would leave us unguarded until the enemy was actually at our shores must expose Australia to the frightful danger of having our coastal cities and towns destroyed in the ruthless manner which is occurring in another part of the world.

The Government's policy, aims at preventing the enemy reaching our territorial waters. We consider a policy of isolation from Great Britain suicidal. Only by close co-operation between a strong Australian Navy and the fleets of the Empire can we hope to prevent the enemy coming within striking distance of Australia.

We are determined not to wait till the enemy is at our gates, raining destruction upon us before we attack him.

Recalling that record defence provision of £31,500,000 had been provided by the Government in the last four years, Mr. Lyons said that the Navy had been strengthened by three new ships, and the fuelling and repair facilities had been increased.

The defences of the main ports had been greatly strengthened. The armanent and equipment of the field army had been improved. The militia forces had been brought up to their peace-time strength, and the permanent forces had been increased considerably.

The efficiency of the Air Force had been increased tenfold and the permanent personnel nearly trebled, and we have more than trebled the first line strength of aircraft. Part I of the Salmond Scheme, providing for eight squadrons and various stations, had been completed, and a commencement is to be made on Part 2 of the scheme, with a squadron at Darwin.

It was the policy of the Government to develop, in peace, resources or the manufacture of munitions, as well as the supply of raw materials, to make the Commonwealth as self-supporting as possible.

Government factories are to be extended so that they will be able to manufacture a new type of anti-aircraft gun, cartridge cases for anti-aircraft ammunition, and the Bren machine-gun.

There should be a plan for the organisation of industry for supply purposes in an emergency. As part of this plan, what might be 'experimental' orders are shortly to be placed with local industries, to gauge how far they will be capable of producing ammunitions. This plan will be vigorously carried out until the survey of the whole local industry has been completed.

The Government's policy to develop secondary industries and Government factories for making special types of munitions has resulted in a greatly increased local capacity to provide for our needs, and a consequent greater proportion of local expenditure. Closely allied to our defence needs, has been the establishment of the aircraft industry, which will provide employment at the outset for at least 700 Australians.

There has been a phenomenal growth in the air transport activities of the Commonwealth raising the route mileage of air services from over 16,500 miles to the present figures of 26,000 miles of route. The Government is pursuing an active policy of perfecting ground organization, and has embarked on a programme of equipping the main air routes with wireless and aids to flight flying.

The Government has reached agreement with the United Kingdom Government on all the main principles of the extension of the empire flying boat service to Australia. The negotiations have resulted in substantial savings to the Commonwealth, and have secured to it control of the section between Singapore and Sydney.

In order to encourage employment and activity, we have progressively reduced the rates of taxation on all sections of the Australian community. We have balanced the budget in each of the six years of the Government administration and at the same time we have restored practically all the cuts that were imposed during the worst period of the depression. While we have done these things we have also improved the social services.

Dealing with banking policy, Mr. Lyons said that the present Commonwealth Bank is the people's bank, its resources have been used to promote the interests of the whole of the people to whom it belongs. Like the Royal Commission, we are against nationalization of banking in general, but we are solidly behind the Commonwealth Bank.

The Royal Commission does not think it desirable to place the bank's £300,000,000 of assets under the control of one man who would be appointed by and would be subservient to the Government of the day. With this view the Government fully agrees.

The Government is determined to strengthen the banking structure on the soundest possible lines. It will strengthen the powers of the Commonwealth Bank and provide for the better co-ordination of public and private banking.

The Royal Commission recommends the provision of better banking facilities for long-term loans for homes and rural holdings, and also recommends investigation into the facilities available for the finance of small secondary holdings.

As regards long-term loans, the Government believes that the best course is to establish a mortgage bank department of the Commonwealth Bank.

The Government will arrange that the new institution will use the facilities and branches of the Commonwealth Bank as well as other agencies, and so will be able to begin its activities fully fledged. It will be provided with a regular supply of capital by our making available to it a proportion of the annual profits of the Commonwealth Bank. In addition, we will provide for the raising of a substantial amount of further capital by the issue of debentures by the Commonwealth Bank.

The problem of providing suitable finance for small secondary industries has not previously been closely examined in Australia. A small committee will be set up without delay to investigate this question and establish the necessary machinery.

Labour's purpose to abolish the independent and non-political Commonwealth Bank Board, and place the management of the bank in the hands of one man, appointed by the Labour Government, this man acting on the instructions of the Government in matters of high financial policy. With the Commonwealth Bank under political control, Labour proposes to use this great institution in such a way as to make it impossible for the private banks to remain in business, so that in the end all banking shall be under the control of the Government. The Government regards such proposals as dangerous in the extreme. They could not be carried into effect without landing the country in chaos. You will realize this more clearly when you consider the role this politically controlled bank is to play in financing Government schemes.

Labour's banking and monetary policy, though expressed in high-sounding phrases, really suggests that the Government can get something for nothing. There is only one way of getting something for nothing temporarily and that is by inflation.

One financial task in particular that is ahead, is that a sum of £73,000,000 of State and Federal indebtedness falls due for conversion in Australia in little more than twelve months from now. Our aim is to convert this loan for the benefit of the whole Australian community, on the best possible terms and at the lowest possible interest rate.

There is no doubt that the Government which I have the privilege of leading, can command more favourable money market conditions and lower rates of interest than can the Labor Party.

Any proper system of national insurance, if it is to preserve the dignity of labour by making its benefits a matter of acquired right and not a matter of public benevolence, must provide for contributions from Government, employer and employment,

A non-contributory system not only would not be an insurance system at all, but it would also tend to destroy the good work of friendly societies and other benefit associations. It is utterly impossible to establish an enduring system of national

insurance paid for solely out of the funds available to the Commonwealth Government. National Insurance must be established on a sound basis so that the benefits it offers are absolutely secure.

The Government has decided that a practical scheme of National Insurance for Australia is possible, and therefore it intends to submit concrete proposals to Parliament. The scheme will apply to all States of the Commonwealth, and will provide for the insurance of all employed persons aged 16 and upwards, with the exception of persons whose wages or salary are sufficient to make such a provision unnecessary. Nearly 2,000,000 people would be insured under such a scheme, and allowing for dependents, approximately 3,000,000 persons would enjoy the benefits of National Insurance.

The aim of the Government is to provide a scheme under which, for moderate weekly contributions, there would be available, for the great majority of the employed population; guaranteed benefits during sickness, medical treatment at all times, pensions for widows and orphans, and superannuation. Only one-third, however, of the population who are eligible by age can receive the benefits of the old age pension under present conditions, but under national insurance it will be possible to extend these benefits to all the working population without any reference to their financial circumstances.

The Government will seek the support of friendly and benefit societies in introducing and administering national insurance, which is not intended to displace the voluntary efforts of individuals, companies, and mutual benefit associations.

Pensions to wives and children of incapacitated soldiers married or born since October, 1931, will be restored at a cost of £220,000 a year. This last of the restorations will be on top of other war service restorations and extensions involving approximately £1,000,000 a year.

Recognising the national seriousness of the fall in the birth rate the Government will (1) Co-operate in schemes for making motherhood safe and further reducing infant mortality; (2) increase the maternity allowance for the fourth and each subsequent child; (3) Promote schemes of physical care of children including the provision of a daily milk ration; (4) take up with the BG the question of assisted passages for British migrants nominated by resident friends or relatives; assist schemes of child migration.

The Government, when returned to power, will examine the question in consultation with other Empire countries, and will be prepared on behalf of Australia to play its part in the conclusion of a satisfactory understanding, provided it can be sure that the best interests of Australian industries, and of Australia as a whole, are not endangered.

Although, as a result of the James case, its powers are now seen to be much less than it was believed they were, and although the solution of the marketing problem is increasingly seen to depend upon State legislation, the Commonwealth will at all times be prepared to co-operate, within the limit of its constitutional

powers, in any course of action which will give to the primary producer an equitable share in the benefits of Australia's fiscal and economic policy.

To bring about permanent relief, the Government initiated the Australian Agricultural Council through cooperation with the States. This Council has brought the Governments of Australia together to examine the problems of agriculture in a spirit of non-party co-operation with a view to the formulation of a manual programme of agricultural development.

The Government has consistently sought to improve the financial relationships of the Commonwealth and the States.

By establishing and maintaining the national credit of Australia on a high basis, it has contributed largely to the successful conduct of Loan Council business on behalf of the Commonwealth and the States.

The Government is now seeking authority for the creation of an Interstate Commission designed to assist further in securing better relations between the Commonwealth and the States. It is intended that this new body should deal not only with special financial grants to the States, but should in many other directions seek to improve Commonwealth and State relationships.

The question of transport is of vital moment to the economic well-being of Australia, whose vast distances and scattered population make it essential that there should be effective cooperation and coordination of all forms of transport.

The Government will confer with the States as to the most effective means of instituting a system of transport co-ordination.

A further step towards the unification of the main trunk rail lines of Australia has been achieved by the Government in the linking up of the standard line from Port Augusta with the line at Port Pirie. The Government considers that this matter should be proceeded with, and is prepared to co-operate with the States in approved action for the conversion of the remaining breaks in the trunk line to the standard gauge.

The Commonwealth has made available to the States the sum of \$200,000 to assist in providing employment for those youths who, owing to the depression, lost the opportunity of acquiring a trade. The intention of the Commonwealth Government was that this money should be used to give vocational training to these youths. The Commonwealth Government intends to develop this cooperation with the State Governments along those lines.

The Government has never been opposed to the principle of a shorter working week. It would, in fact, welcome it if it were found to be economically practicable, and at the same time constitutionally possible of enforcement throughout the Commonwealth.

Early last year the Government proposed a public inquiry by a committee representative of all interested parties, including, of course, the workers. Labour flatly refused to co-operate, though the invitation was twice extended.

The Government is still prepared to offer its co-operation in any inquiry into working hours, either by a representative committee or by the very competent Federal Arbitration Court, it reaffirms its offer to Labour.

The Government made available a sum of \$250,000 for assistance to companies and persons engaged in the search for flow oil. To facilitate further the search, the Government has produced from abroad two of the most modern deep-boring plants, one for scout boring in Gippsland and the other for hiring to companies.

Meanwhile, the Government, in conjunction with the Government of New South Wales, has succeeded in completing arrangements for the immediate revival of the shale oil industry at Newnes, in New South Wales.

The Government proposes, in conjunction with the State Governments, to encourage the principal gas companies throughout Australia to extract benzol from coal gas. It is believed that we can produce an additional three or four million gallons of high-grade spirit by this means. The proposal has the further advantage of involving the use of 50,000 to 100,000 tons, more coal, and this will provide more employment to the coal areas.”

Source: Edited transcripts compiled from The Canberra Times 29 September 1937, Page 1, The Sydney Morning Herald, The Melbourne Herald and The Tasmanian Mercury.