Joseph Lyons United Australia Party

*Delivered at Sydney, NSW, December 2nd, 1931*

The election was held on 19 December, 1931. The Great Depression was at its height and dominated the election campaign. A fall in the prices for Australian commodities meant difficulties in meeting interest payments on loans to Great Britain. Both federal and state governments came up with the ‘Premiers’ Plan’ to reduce spending. Dissent over the plan resulted in Joseph Lyons leaving the Labor Party.

Lyons formed a new party, the United Australian Party with the Nationalists. The change in numbers meant Scullin had no choice but to go to an election. All three leaders of the major parties broadcast their policy speeches on radio for the first time. The election result was a landslide to the non-Labor parties, with Joseph Lyons becoming the first United Australia Party prime minister. The United Australia Party had won 40 seats, the Country Party 16 seats and Labor 15 seats. Key issues were employment, wages and fiscal management.



Joseph Lyons, National Library of Australia

Joseph Aloysius Lyons was born 15 September, 1879 and died 7 April, 1939. Lyons was Prime Minister of Australia 6 January, 1932 to 7 April, 1939. He was the leader of the United Australia Party. Lyons represented the electorate of Wilmot, Tas 1929 to 1939.

**Elections contested**

[1931](http://electionspeeches.moadoph.gov.au/speeches/1931-joseph-lyons), [1934](http://electionspeeches.moadoph.gov.au/speeches/1934-joseph-lyons), and [1937](http://electionspeeches.moadoph.gov.au/speeches/1937-joseph-lyons)

**A welcome election**

The United Australia Party, in common, I believe, with the great majority of the electors of Australia, welcomes this election. It gives us an opportunity of placing before the people the choice between sound honest finance and government as against fantastic schemes of inflation and political control of currency and credit.

Our kinsmen in Britain have just emerged triumphantly from such a test as that to which our Australian electors are now to be put. I feel sure that the sturdy and solid commonsense which is characteristic of our race will assert itself here as it has in the Motherland.

We are faced with a world crisis of low wholesale prices, of unemployment, and of monetary disturbance we cannot by any action in Australia alter, the prices which our exporters have to accept. Nor can we alter the general monetary system of the leading countries of the world. Experiments in the political manipulation of Credit or currency within Australia are obviously very dangerous to our permanent interests. It is to be hoped that International Conference will be held at an early date to deal with such problems as the distribution, of gold, the fixing of a stable basis for international exchange, and, generally, the review of our systems of currency and credit.

The need of the moment in Australia is plain to all. We all desire a return to a level of general prosperity which will employ our people and restore confidence and happiness to thousands of distressed and broken homes. We require full opportunity again for the youth of Australia which month by month reaches a working.

I believe this restoration is within our reach at no distant date if our Governments, and particularly the Government of the Commonwealth, proceeds down sane, sound lines which have ever been the sure highway of the British people the world over. There is definite evidence of an upward trend in world price levels, the collapse of which during the past two or three years marked the beginning of our difficulties.

One thing, however, is absolutely necessary before our people can benefit from a recovery in prices. There must be complete restoration of confidence in Government finance, and absolute maintenance of belief in the soundness of our banking system. If there be ground for suspicion as to the intentions of the Government or the safety of our banks, the position will remain full of apprehension, the future will be uncertain, all investments and expenditure will continue to be restricted, business and industry will languish, and unemployment will tend to increase rather than diminish.

These facts must be admitted by all. What then should be the policy and action of our Federal Government? Surely it should be to adhere unfalteringly to the principles and practices of finance which have been tried and proved throughout the British world, and which have been, perhaps, the greatest factor in the building of our mighty Empire. Surely it should be to avoid crazy schemes for the creation of unreal money. Surely the first contribution of the Government towards the restoration of confidence in the present and the future of Australia is to pay its way and to live within its income.

If we are returned to power this is the road we will follow, and I am confident that when it is followed, and when we demonstrate to our people and to the outside world that it is our intention to adhere to it, from that day on every day will be a better day for the Commonwealth.

**The charge against Mr. Scullin**

I do not say that Mr. Scullin and his colleagues were responsible for the depression, or that they were responsible for the beginnings of the abnormal unemployment, but I do say that they have by their conduct enormously aggravated and increased the depression, and that they have been directly responsible for the unemployment of scores of thousands of good Australians who are now idle and destitute. That is my charge against the Government, and that is why I left the Government, and why we of the United Australia Party deemed it our duty to defeat the Government and bring it before its masters in the country.

For proof of these charges we have but to turn to the sordid story of the Scullin administration. Two brief years ago Mr. Scullin was elected to office with the largest single party the Federal Parliament has known. The Labor Party numbered 47 members in a House of 75. A week ago the Government was defeated by 37 votes to 32, and those who voted against it included no less than 10 members who had belonged to that party.

The supreme duty of the Labor Government in the difficult circumstances in which it found itself was to uphold the financial honour and credit of the country. Upon that depended the welfare of all industry and business, and in direct consequence the employment of our people. How did the Government acquit itself in that vital test. I say that its failure was absolute. Not only did it fail utterly to uphold the financial honour and credit of Australia, but by one action after another it disparaged and damaged them. For nine months after the crisis became acute the Government persistently refused to take the only course which would stop the disastrous drift which was occurring, and propounded a series of schemes which gravely impaired our credit, endangered our whole commercial and industrial fabric, and plunged our people deep into trouble and misery.

The first act of folly and dishonour was the failure to carry out the Melbourne Agreement of August, 1930. Mr. Scullin, as Prime Minister, signed that Agreement before he left Australia for the Imperial Conference. It was a solemn agreement by the Commonwealth and the State Governments to live as closely as possible within their incomes. In other words, it provided that the Australian people, as represented collectively in their Governments, should live within their income as every individual in the community was compelled to do. The agreement proposed certain reductions and called for certain sacrifices from the people. At that time the revenue of the Federal Government was falling behind at the rate of £2,000,000 a month. National bankruptcy and default was the plain and inescapable alternative to the performance of the agreement. Default would inevitably have been attended by financial collapse and national ruin. Mr. Scullin recognised this in signing the agreement and sailed for London, leaving matters in the hands of the Cabinet and Party.

The excellent results that have attended the ultimate economy plan which was adopted some nine months later proved conclusively that had the August agreement been honoured by all the Governments much of the industrial decline and increased unemployment which marked those nine months would have been averted. Moreover, the reductions agreed upon in August, 1930, were not nearly as severe as those which were ultimately adopted in the economy plan. For example, the average reduction in the salaries of the Public Service proposed in August would have been 11 per cent. The drift which the Government allowed to take place compelled the adoption in the economy plan of a reduction in the case of Public Service salaries of 20 per cent, to which it was necessary to add a reduction of 20 per cent in war pensions, and 12 ½ per cent in old age and invalid pensions.

Mr. Scullin was scarcely out of Australia, however, before a majority of his so-called supporters, despite protests by Mr. Fenton and myself, decided by vote in Caucus to dishonour the Prime Minister's undertaking and to repudiate the agreement. Meanwhile, the drift in the Federal financial position grew worse.

**The drift to inflation**

Sound, time-honoured finance, which has never failed, and will never fail, did not appeal to the Caucus. The Caucus recognised that something was necessary to meet the emergency. Out of this position came the first of the many fantastic and dangerous currency proposals of Mr. Scullin's followers. These cranky and amazing schemes are fresh in your memory, and I do not propose to set them out in detail. It is necessary, however, to make brief reference to them.

There was first the Gibbons scheme, of which, by the way, the real author was generally believed to be Mr. Theodore, who was then temporarily out of office for reasons well known to you. Mr. Gibbons' only previous contribution to high finance was his promise to the electors of Galore that he would see that they received 6/6 per bushel for last year's wheat.

The Gibbons scheme was to provide £20,000,000 for expenditure upon public works. It was called an increase of credits, but no one ever did or ever will understand it. No one was to work for that £20,000,000, no one was to pay for it. It was to come out of a clear blue sky. This precious proposal became the main issue of the Parkes by-election, when the Labour candidate stood for the scheme, and my friend, Major Marr, against it. Major Marr's great majority will stand as an everlasting monument to the hard commonsense of the people of Parkes. That was the end of the Gibbons scheme, but it was far from the end of other proposals equally grotesque and profitless.

Soon afterwards, Mr. Theodore was back in the saddle at the Treasury. He lost no time in displaying that particular brand of financial genius for which he has become notorious. He evolved the great project which was to bring about in miraculous fashion a return within Australia to the price levels of 1929. We were one night to go to bed with wheat worth 2/- a bushel and wake up on the morrow with wheat booming in the market at 6/-. Similarly, wool was to enhance threefold and likewise base metals and, indeed, all other commodities. Employment was to be found for 100,000 idle workers and the national income was to rise by £100,000,000 within a year. It all sounds incredible, now, but Mr. Theodore actually had the audacity to urge this preposterous project upon the responsible bankers of Australia. Needless to say, the bankers would have none of it. Then came Mr. Theodore's Fiduciary Note Bill, by which a first instalment of notes to the nominal value of £18,000,000 were to be issued by the Treasury. That measure was very properly and promptly rejected by the Senate. In passing, it is of importance to recall that when Mr. Theodore was asked at a meeting at Ballarat if the amount of £18,000,000 could be exceeded, he replied in effect that there was no limit to the creation of notes by this process.

All through this critical period the Government was warding off default by living on the already strained resources of the Commonwealth Bank. It became clear, however, that if the stability of the Bank was to be preserved this accommodation must be brought to an end.

Sir Robert Gibson, therefore, informed the Government that nothing more was to be expected from the bank. The position of the Government then became desperate. All of its fancy schemes had failed absolutely. It could borrow no more from the Bank. Default and the inevitable tragedy attending it loomed ahead. Then, and not until then, did Mr. Scullin, at the June Conference of Premiers, agree again to attempt sound and honest finance and to participate in what has become known as the Economy Plan.

He informed the Conference, and subsequently stated in Parliament, that unless the Plan was adopted, the Government of the Commonwealth at the end of July would be able to pay public servants, pensioners and others only 12/- in the pound.

**The Opposition during the crisis**

At this stage it is necessary to refer to the attitude of the Opposition during these months of crisis. Throughout this period the Opposition had not only urged the Government to curtail expenditure and make a resolute endeavour to live within its means, but went as far as to offer to share the responsibility for this necessarily unpopular action without being granted any share of power. Co-operation, but not a coalition, was proposed, the Opposition undertaking not to make party capital out of the matter. It will also be recalled that Mr. Latham, speaking on the Budget before the August agreement was even proposed, moved in the House of Representatives for a reduction of Government expenditure by £4,000,000 and set out in detail how this could be done.

The Opposition, indeed, from the moment when the state of our national finances became fully disclosed, never ceased to advocate the principles which were ultimately adopted in the Economy Plan. Indeed, as everyone knows, the Economy Plan could never have been carried into effect by Mr. Scullin and his ministerial colleagues who remained with him without the support and votes of the Opposition. Of those members who voted with the Government in the critical division which brought about its downfall last week, no less than thirteen had voted against the Government on the Economy Plan measures.

The failure of the Government to keep its party together was the decisive factor in saving Australia from its many sinister financial proposals, and I hope the people in the electorates concerned will bear that in mind when they have an opportunity to vote for those members who left the Caucus with me. There has been, however, another great instrument which has exercised the most valuable restraint upon the weird financial policies of Mr. Scullin, and especially of Mr. Theodore. I refer to the Senate. The thanks of every Australian are due to the Opposition party in that Chamber, so ably and wisely led by Sir George Pearce. Again and again the Senate, in blocking measures which it deemed dangerous to the welfare of the nation, took the risk of a double dissolution. For a time after the 1929 election the Government made a show of desiring a double dissolution, but the opportunity, so freely offered, was always declined. You all know why. During the past year the Scullin Government has been afraid of the country. It is afraid of the country now, and this election would not have taken place if the Government could by any means have avoided it.

**Destroyed by internal dissension**

This Government has destroyed itself by its ceaseless internal dissensions. During the past year half the time of Ministers has been occupied in attempts to suppress the war within itself. Mr. Scullin has had but little time for the real work for which he was returned to power. Today the warfare between the various Labor groups and factions has become intensified.

Supporters of the Government are threatened with extinction, not only by the forces of the Opposition, but by men and movements which only two years ago tumultuously cheered their victory. Has a Government, which has come to be despised by a very great section of its recent Labour followers, any claim to the respect and votes of the people as a whole? The Scullin Government failed woefully when it represented the united Labour Movement. Is there a ghost of a chance of the pitiable remnant of it which survives succeeding in the future? I say, emphatically, there is not.

**What the United Party proposes**

I turn from this disastrous story of the Government's easy money schemes and general blunders. The electors of Australia properly expect from me an outline of the measures which we propose to adopt to contribute to the rehabilitation of our national credit and the restoration of prosperity. One thing I wish to say in the clearest possible terms. We are living in a time of world-wide crisis, and it is impossible to see what even the immediate future holds. This is not the time for facile promises. It is easy to promise, but the recent bitter experience of Australia has shown that it is very often difficult to perform. I refuse to bid for votes by making rosy promises. I will go no further than this. I will set out clearly in general terms the chief steps we propose to take, but I will ask you to entrust to me and the party to which I belong a generous measure of confidence. I will ask you to trust us to meet difficult situations as they may arise with such action as we may consider necessary in the best interests of the people of Australia as a whole. In return for that confidence I will pledge my party to serve the people of Australia sympathetically, and to avoid the imposition of hardship on any one section of the community as against any other.

The restoration of complete confidence in Australia must be the first duty of any Federal Government which truly serves the people. Our finances must be conducted in a way which will stimulate and sustain complete faith in the financial stability and honour of the Commonwealth.

When that confidence is completely re-established, as believe it easily and immediately can be, I think that we will all be surprised at the rate at which we will achieve a substantial partial recovery throughout industry and employment. The fear of Government default has been a very heavy contributing factor to this depression. The removal of that fear will lead at once, we believe, to a substantial measure of recovery.

If returned to office we will therefore proceed by every means within our power to balance the Budget—in other words, to show that we can live within our income. This would immediately give to industry and business within Australia, as well as to the great interests outside Australia which are concerned with our welfare, a sense of security which they have not enjoyed under the Scullin administration. We shall endeavour to make Australia an attractive field for investment of money.

It cannot be too strongly emphasised that more than 80 per cent of workers are dependent upon private livelihood. In seeking a way out of our troubles, therefore, we must first concentrate on the stimulation of private enterprise. I do not suggest any form of spoon-feeding. I urge, first, that we should give to private enterprise a feeling of absolute financial security as to the present and immediate future of Australia. That will at once stimulate enterprise and latent spending power and lead on at once to re-employment. In only one way can this be done and that is by demonstrating the unflinching resolve of the Government to pay its way and balance its budget. On behalf of the United Australia Party I pledge myself that this will be done at the earliest possible date.

At present a crushing burden of taxation upon industry is one of the strongest contributing factors to unemployment. Further Government economy, therefore, which reduces taxation, will lead directly to more employment. Happily there is a prospect that as the individual and national income rises taxation rates can be reduced. In my opinion industry may look confidently forward to some substantial reduction in the demands which the Government today is compelled to make on it. As taxation is reduced industries will again begin to work at a profit, output will grow and employment will benefit.

Already the Economy Plan has done a great deal for Australia. It has partially restored our credit, which is clearly shown by the reports of doings on the Stock Exchange. If the Economy Plan is persevered with it will ere long lift us out of many of our difficulties and usher in better times for everybody.

There is definite evidence, however, that the Scullin Government if returned to office does not intend to adhere to that plan. That is clearly shown by recent speeches of Federal Ministers. At one moment they defend the Plan with its economies, but in the next they propound a financial policy for the future which, if adopted, must at once destroy the Plan.

**The attack on banks**

Mr. Theodore is still determined upon demented schemes of inflation and the overthrow of our present system of banking. Inflation and the political control of banking must surely destroy any sound economy plan that was ever devised.

My party holds no special brief for the banks. We do, however, hold a very special brief for some sound system of banking for Australia. Without a sound and trusted banking system prosperity can never return to us. On the contrary, all that still remains to us of industry and business would, without the backing of safe banking, be inevitably swept into ruin.

In his projected war against the banks, Mr. Theodore does not contemplate a genuine central Reserve Bank under non-political control. That would not serve his alien political purpose at all. The one sure shield that has defended Australia from inflation schemes which would have brought disaster upon all has been the Commonwealth Bank Board as now constituted. Obviously Mr. Theodore contemplates a great monopoly banking system under direct political control. If he should succeed in that design Australia might as well put up her shutters. The result would be calamitous to every interest in the nation and the first and worst victims would be the workers.

The workers cannot be too often reminded of the irrefutable fact that deliberate currency inflation is invariably progressive. In saying this, I am only repeating what the Prime Minister himself said to Mr. Fenton and myself in cables which he sent from Britain. Raising money by the use of the printing press is a simpler process than raising it by taxation, and to the unscrupulous politician lacking in courage it is more attractive. No country that has resorted to politically managed inflation has escaped tragedy and painful and prolonged reconstruction.

Everywhere under inflation money has at once lost its value. Prices have risen more rapidly than wages, and the workers have been stripped of their living standards. Mr. Theodore is in quest of easy money, and since the creation of the world such a quest has invariably led to beggary.

Perhaps I may be permitted to refer here to the resignation of Mr. Fenton and myself from the Government, together with the action of the other members who followed us across the floor of the House. It was not easy for us to break an association which had endured for the whole of our political lives. We made that break solely because we believed that the Government, by its financial drift and dangerous inflation schemes, was leading the country surely and swiftly to destruction. We believed, moreover, that of all those who would have to suffer in the case of default, those who would suffer most would have been the workers who, by their votes, had sent us to Parliament. Each day since, we have become more convinced that the course we took was the right one, not only for Australia as a whole, but particularly for the 2,000,000 men and women who are classed as wage-earners in this country. Moreover, it is my firm conviction that on the 19th of this month those workers will, by an overwhelming majority, confirm the action which we took on their behalf.

**The man on the land**

The depression has served to remind us all, in country and city alike, of the almost unique extent to which Australia depends upon the prosperity of the men on the land. The city artisan and clerk may seem to be far removed from the influences of a rise or a slump in the prices of wool and wheat. No sooner, however, had we suffered the collapse in price levels for wool and wheat than unemployment among every kind of manual and clerical city worker began to increase in an alarming manner.

The simple truth is that the exports value of our primary produce is the infallible index to the prosperity of every home in the Commonwealth. Clearly, therefore, the first duty of the next Federal Government in Australia, after it has put its financial house in order, is to investigate every avenue which promises encouragement to production from the land. Not only should all those who are now on the land be kept there, but their work should be made more profitable and all sound steps should be taken to increase their numbers.

The Federal Government outside the Territories does not engage in land settlement. There are directions, however, in which rural costs may be reduced. Such opportunities will be fully explored. Unless rural prosperity is revived there can be no revival generally and that can only come about by making land settlement less onerous and more attractive than it has been during the past two or three years.

**The problem of the tariff**

Turning to secondary industries and the controversial subject of the Tariff, let me say at once that the majority of the members of the party which I lead have taken strong exception to the Tariff schedules introduced into the last Parliament. This attitude has inspired propaganda by the extreme Section of protectionists directed to prove that the Opposition is a party which stands for a policy of low protection that would not safeguard sound Australian manufacturing from excessive overseas competition or uphold Australian standards of living. I therefore desire to make quite clear the real Tariff policy and intentions of the United Australia Party.

Electors will bear in mind that on the Opposition side of the House there is no 'whipping' on the Tariff. Members vote as they please. One fact, however, shines out clearly. The Nationalist Party which is now included in the United Australia Party in the Federal Parliament has ever been, like its predecessor the old Liberal Party, staunchly protectionist. In fact, with very little exception indeed, the Nationalist and Liberal Parties have been responsible for the protective tariff under which Australian manufacturing has grown up and flourished so impressively during the past 30 years. That policy is still maintained by the Opposition. The Nationalists and the Country Party stood firmly behind the Pratten Tariff. A substantial majority of the Opposition object to the Tariff making of the Scullin Government on two main grounds. They object to the wholesale raising of duties by arbitrary Ministerial action and without reference to the Tariff Board, and to the subsequent brushing aside of Tariff Board recommendations.

Further, they object to tariff making of a prohibitive kind which they deem surely calculated to breed monopolies. They did not object to the special emergency tariff prohibitions and surcharge duties for the adjustment of the balance of trade, although they did ask that a time limit should be placed upon them. We believe, too, that such emergency measures should be subject to ratification by Parliament within a reasonable time.

As to the future, the United Australia Party would not, even where it has any disagreement with particular Tariff items, engage in sudden drastic changes upon Ministerial initiative, and without investigation by the Tariff Board. We believe that tariff changes of such a character may easily prove bad for industry and business generally and consequently for employment. Where the Tariff has been raised to what may be considered excessive levels without reference to the Tariff Board, we would submit cases for hearing as soon as practicable, and we would in broad principle abide by the recommendation of the Board.

We do not believe it possible to remove tariff making from Parliament, but we strongly favour the fullest possible investigation by a non-political tribunal before duties are altered. We fully recognise, as the Nationalists and Liberal parties have done in the past, the great importance of local manufacturing and of the dependence of a great section of our farmers who do not produce for export, upon the consumption demand of the industrial workers.

I need scarcely say that the United Australia Party stands for the fullest attainable measure of preferential Empire trade. The abandonment by Britain of the old Free Trade policy appears to open the way to a great extension of reciprocal tariff agreements between the two countries. As soon as the British Government is ready for action we would gladly enter into trade negotiations. Every step should also be taken to extend preferential trade agreements between Australia and the other Dominions.

**Constitutional reform**

The Commonwealth Constitution can be amended by the joint action of the Commonwealth Parliament and the people of Australia. Amendments cannot be made without a referendum. On this occasion no constitutional amendments are being submitted for the approval of the electors. It is unnecessary, therefore, to discuss the details of the proposals made by the Government last year. I ought, however, to indicate generally the attitude of the Opposition towards the Commonwealth Constitution.

We do not regard the Constitution as a perfect instrument of Government, but we think that constitutional changes, which may be far-reaching in their consequences, should be made with the greatest care and after full investigation. The recent Royal Commission on the Constitution represented all sections of the community and all political parties. It made some practically unanimous recommendations on almost non-controversial subjects such as aviation, wireless and cinematograph films, which might well be adopted at the earliest opportunity.

On the fundamental issue of the maintenance of the Federal principle I desire to leave no room for doubt. We do not believe in unification. We do not think that the people of Australia would gain anything by conferring on the Federal Parliament the power of governing everything from Canberra. The great variations of local conditions in widely separated parts of our great continent, the necessity for precise knowledge of these conditions if legislation is to be properly adapted to the circumstances of the people, the desirability of as close contact as possible between the people and their parliamentary representatives, the vast amount of valuable work done by State Parliaments in the past and at the present time, and the strain imposed upon a Federal Parliament working even under its present limited powers—all these facts are strong arguments against conferring power on the Commonwealth Legislature to control the whole of the Government of Australia.

The general principle which should govern any amendment of the Constitution is that, broadly speaking, the National Parliament should deal with subjects that are truly national and that the State Parliaments should deal with other matters. In the application of this principle there will naturally be differences of opinion, but, though no constitutional proposals are at present before the people, I propose to refer more specifically to two particular subjects.

The present subdivision of Australia into States cannot be regarded as permanent. There are areas in Australia, particularly in New South Wales, which are demanding fuller recognition of the principle of local self-government. The provisions of the Constitution with respect to the creation of new states are vague and ambiguous. We consider that these provisions should be amended and clarified.

**Employer and employee**

Another very important subject is that of industrial powers. Federal and State industrial legislation deals with matters which are of first importance to the workers of Australia and to the whole community. This legislation should be of such a character as to secure justice to the partners in industry, both employer and employee, as well as to the community, and at the same time to enable them to exert and reap the full benefit of their capacity, initiative and enterprise. It cannot be said that our industrial legislation, taken as a whole, has achieved these objectives. Both employers and employees have many objections to raise to the present system. The overlapping between Federal and State Courts and Awards is a constant cause of friction and does no good to anybody. It is obvious to all that the system requires reconsideration.

The election of 1929 showed that the people were not prepared to accept the solution then proposed—namely, the restriction of Federal jurisdiction to the maritime industries, leaving other matters to be dealt with by State laws. This solution was rejected, but the problem has not been solved. Amendments to the *Arbitration Act* made by the Scullin Government have resulted in protracted litigation between employers and employees, which has increased the unfortunate friction which already existed. The people are weary of industrial strife. The statistics of lockouts and strikes do not adequately measure the conflict between the partners in industry which is hampering the people in returning to prosperity.

The problem must be solved, in the last resort, by industry itself, not by Parliaments. Probably less legislation will be better than more legislation. There are some matters which, it will probably be accepted, should be regulated upon a uniform basis throughout Australia—such as the basic wage and standard hours. Other matters, depending as they do upon facts and circumstances which vary throughout the Commonwealth, might better be dealt with by local tribunals. Under existing constitutional powers, the Commonwealth Arbitration Court can only deal with particular interstate disputes which are brought before it by the parties interested. It cannot make a common rule, either as to wages or as to hours, applying throughout the Commonwealth. If returned to power, our object would be to make any amendment of the Constitution which would resolve these difficulties, reserving local matters to local authorities. Any such amendment would necessarily be placed before the people by a referendum before it would be adopted. Industrial legislation has, in our view, been too political in the past. We should allow industry itself a greater part in assisting towards the real objective of such legislation—namely, the success of Australian industry by the establishment of fair relations between employer and employee. The return to prosperity largely depends upon the existence of good feeling and genuine co-operation between Australian employers and Australian employees.

It will be one of our principal objectives to do everything possible to achieve this end.

It may be necessary to consider some special amendment of the Constitution to deal with the case of a Government which, by persistently refusing to meet its obligations, not only imposes unjust burdens upon other parts of the Commonwealth, but also gravely injures and possibly destroys the credit of the whole community.

**The ugly serpent**

Inspired and directed from Moscow, the ugly serpent of Communism is becoming more active and aggressive in Australia. This movement is anti-Australian, anti-British and anti-religious. It seeks to overthrow the present system of Government, not by constitutional methods, but by force.

There are already several Communist newspapers circulating in Australia. They carry no advertisements, which are the usual means of newspaper finance. But they publish orders and directions from Moscow, and circulate propaganda intended to spread the most damnable doctrines.

The active agents of Communism in Australia seem, for the most part, to be people of foreign birth. It is directing its efforts particularly towards white-anting the unions in the transport industries, and the recent shipping strike and the railway strike in Queensland, both of which were engineered by militant minorities and not by the recognised union, are examples of its attempt to dislocate the transport of the Commonwealth, and to inflict the gravest possible injury upon all our industries. We shall use every effort within the law to deal with this meance and to save Australia from its deadly threat. We believe that existing Federal legislation, placed on the statute book by the Bruce-Page Government, and supported at the time by the Labor Party, if vigorously administered and backed up by supplementary action by State Governments, with this threat to our national ideals.

The first duty of any Government is to secure the safety of the people. The responsibility of a Government for the defence of a country is a primary responsibility. At an early date a disarmament conference will be held in Europe. We hope that the Conference will greatly reduce the need for the maintenance of defence force. We would, if returned to power, consider and review the defence of Australia in the light of the results of the Conference.

**Defence of Australia**

Our Party stands for Australia taking a fair share of the mutual defence of the British Empire, of which we are a part. In determining our policy of defence we must have regard to the fact that Australia is a continent separated by great distance from Great Britain, and our system must be such as can provide adequate local defence for such period as will enable the naval, military and air forces of the Empire to rally to our aid. Whilst fully supporting the League of Nations and all movements for international peace and disarmament, Australians would be most foolish if we shut our eyes to the fact that we live in a world of armed nations, one of which, Russia, has made no secret of her determination ultimately to overthrow by force those other nations which are pursuing different political and economic ideals to her own. Defence policy in Australia should not be the sport of party politics, but should have in it the important element of continuity.

*The United Australia Party reaffirms its fidelity to the policy of preference to returned soldiers.*

**Mr. Scullin and Mr. Lang**

Attempts will be made to show that the Scullin Labor Party and the Lang Labor Party are distinct entities. This is so in form, but not in reality. They represent the same movement. At the moment they are divided by savage personal jealousies animated by selfish unworthy ambitions. They are, however, in reality the one political party, controlled by the same brand of Trades Hall extremists into whose hands political labour has recently fallen. The mad financial schemes and irresponsible actions of Mr. Lang smashed the great Savings Bank of New South Wales. Will you people of Australia give to Mr. Theodore, with his equally mad financial schemes, an opportunity to smash the whole banking system of Australia? If it had not been for the breaking up of the Scullin Government, in which Mr. Fenton and I took the lead, that already might have happened. Let us see to it on the 19th that it cannot happen in the future.

**Britain's grand example**

There has recently been a momentous election in Britain. There a National Government, made up of representatives of three parties, asked the people in the general interest to accept certain reductions, and to give the Administration a free hand to do what it deemed best for the nation in a time of grave financial emergency. The electors of the Old Country responded in a manner which electrified the whole world and stirred pride in the hearts of Anglo-Saxons in every part of the Dominions. The result, first of the formation of the British National Government, and then of the elections, has been phenomenal. So heartened was the world generally by this manifestation of British unselfishness, this demonstration of capacity and determination to overcome difficulties of the gravest nature, that there was a universal recovery in world values.

Believing that the election has restored Britain to financial security, all nations are taking a braver view of their problems. The effect upon British industry and trade and employment has been remarkable. I firmly believe that Britain has set an example which Australia will not hesitate to follow. Moreover, I believe that as soon as we follow that grand example we will have taken a decisive step which will be at once attended by the beginning of happier days for our people. I can give you no better advice than to tune in with Britain. Trust the United Australia Party as the British people trusted the United British Party. Turn a deaf ear and a blind eye, as they did, to proposals for financial tricks and devices. Resolve as they did to stick to the old sane ways in Government and in finance. Do as Britain did, and by an overwhelming vote on the 19th demonstrate your faith in your country, and win back to Australia the confidence of her own people and of all the world.

**The *Seven Points Policy***

Announced by Mr. J. A. Lyons, published in press on March 28, 1931.

1. Restoration of external and internal credit by re-establishing confidence in the integrity of Government finance. The national currency to be preserved from political control. No indirect repudiation of national obligations by debasing the currency.
2. The restoration of a balanced national budget on a basis of equality of sacrifice to be progressively effected as the financial capacity of the community permits.
3. Economy in cost of government by bringing Government expenditure into reasonable correspondence with the fall in the national income.
4. Economically sound tariff policy, with effective preference to Great Britain and inter-Dominion reciprocity.
5. Re-employment of the people by the encouragement of productive enterprise.
6. A fair deal for every section of the community. Protection of the worker by industrial tribunals. Protection of the employer against undue interference with business management.
7. Immediate assistance to the man on the land by providing real money to be expended on keeping Australian land in profitable production.