

# Joseph Lyons: the Tasmanian treasurer

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'Honest Joe' Lyons (far left in the picture below), was premier of Tasmania before moving to federal parliament and serving as an acting treasurer for Labor during the Great Depression. He clashed with Theodore and others and left the party. He then became a conservative treasurer and prime minister as the Australian economy gradually emerged from the depression. He was known for his consensual but orthodox approach.



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Source: National Library of Australia.

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1 The author formerly worked in the Domestic Economy Division, the Australian Treasury. The views in this article are those of the author and not necessarily those of the Australian Treasury.

## Introduction

Joseph Aloysius Lyons was the only treasurer (and prime minister) from Tasmania. As the Tasmanian minister for education in his thirties, Lyons fell in love with Enid Burnell, a teenage trainee teacher. They married in 1915 when she was seventeen and he was thirty-five.<sup>2</sup> The marriage remained a love match all their lives.<sup>3</sup> Indeed, until recently the only published biography of Lyons was called 'a political love story'; White (1987). After Lyons' death Enid was herself elected to the federal parliament and became the first female cabinet member. They had eleven children (another baby died), pictured on the previous page.

Lyons was amiable and popular, a 'kindly, compassionate man'.<sup>4</sup> 'Everyone liked Joe Lyons' when he was first a federal minister.<sup>5</sup> His resemblance to a cheerful koala was a cartoonist's delight. His typist recalled 'a pretty shrewd judge of people ... extraordinarily tolerant' but, as befitted a former teacher, with a 'horror of split infinitives'.<sup>6</sup> A pacifist who abhorred violence, he opposed capital punishment.<sup>7</sup> He not only opposed conscription, but did not take place in wartime recruitment (so it is perhaps fortunate that he did not face leadership during a world war).

His stance on economic issues became increasingly conservative over his career. He has been described as 'a subdued radical ... searching for a 'third way' between capitalism and socialism'.<sup>8</sup> Early in his political career he was involved with a

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2 A very young Errol Flynn was a pageboy; Lyons, E (1949, p 14).

3 They were also a good intellectual match. While they were courting, Joe gave Enid a copy of a book by Sydney and Beatrice Webb; White (1987, p 61). Joe consulted Enid about his major political decisions, even to the extent of coming out of the middle of cabinet meetings to ring her, according to his typist; notes by Crisp, National Library of Australia MS 5243/20/232.

4 Reid (1980, p 359). Frank Green (1959, p 37), a teenage friend who later worked with him in Canberra as Clerk of the House, recalls his 'friendly warmth, courtesy and kindness'. Among his political contemporaries, Menzies (1967, p 122) refers to his 'well recognised sincerity and genial courtesy'. Bruce, is less effusive; 'he was a delightful person. He couldn't run a government but he could win elections'; Edwards (1965, p 208). Lyons' biographer Hart (1967, p 4) calls him 'warm and gregarious'. Lyons' private secretary referred to him as 'utterly without 'side', completely modest'; Douglas (1939, p 14). *Time* magazine introduced him to an international audience as 'honest, naïve, likeable' (8 July 1935).

5 Clark (1987, p 231).

6 Crisp papers, NLA MS 5243/20/211.

7 His wife Enid (1965, p 53) recalls 'he had sympathy for every living creature. He was the very gentlest of men'. But Scullin and his other Labor colleagues may not agree with Dame Enid's assessment that 'loyalty was inherent in every fibre of his being'; Lyons, E (1965, p 272).

8 Bird (2009, p 41). Enid Lyons (1965, p 145) describes how by the late 1920s 'his early dreams of socialism were tempered now by awareness of the danger to individual freedom that lay within it'.

discussion group of Fabian hue<sup>9</sup>, in 1909 he referred to himself as a 'socialist' and in 1921 declared 'the capitalist system had failed'<sup>10</sup>. He never however revealed any deep knowledge of or strong support for Marxism and opposed the Labor Party's adoption of the socialist objective in 1921.<sup>11</sup>

Lyons was regarded as intelligent if not always intellectually penetrating or decisive. His biographer comments 'there is no evidence of a consciously analytical development of an intellectually coherent and consistent framework of ideas'.<sup>12</sup>

Lyons repeatedly said 'I know little about finance'.<sup>13</sup> He said his knowledge of economics had been 'much over-rated'.<sup>14</sup> His son recalls him saying he 'knew nothing' of it – and so always sought advice of those who did.<sup>15</sup> At times he almost seemed to make a virtue of this: 'I have spoken, not as a financial genius, not as one who has any visionary scheme ... we must do what the ordinary citizen would do in similar circumstances'.<sup>16</sup>

Enid defends him however against claims that he was academically illiterate; 'he had read extensively. In sociology and political economy, his imagination was captured and his thoughts stimulated by John Stuart Mill, Ruskin, Bellamy and Henry George, among others'.<sup>17</sup> She also refers to his discussions before and after entering parliament with prominent Tasmanian economists such as Giblin, Copland and Brigden.

An earlier prime minister, SM Bruce once said that the three requirements for the post were having 'a hide like a rhinoceros, an overwhelming ambition and a mighty good conceit of himself' and that Joe Lyons had none of them, a view Joe's wife endorsed.<sup>18</sup>

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9 Coleman, Cornish and Hagger (2006, p 14).

10 *Hobart World*, 14 March 1921, p 4.

11 Hart (1967, p 4), Lyons, B (2008, p 65), Lyons, E (1949, p 20).

12 Hart (1967, p 4). He also comments '... he had intellectual limitations, largely due to inadequate schooling: Lyons realised this and always took any available opportunities to learn from men of greater experience or knowledge ...'; Hart (1965, p 33). His keenness to consult those with financial experience is also stressed by his son in Lyons, B (2008, p 64).

13 Notable examples include his speech leaving the Labor Party (*Hansard*, 13 March 1931, p 238) and at an earlier testimonial dinner (*Burnie Advocate*, 9 January 1931, p 2).

14 Cited by Hart (1967, p 82).

15 Personal conversation with Brendan Lyons, 2008. James Guy, who moved with Lyons from the Tasmanian to the federal parliament, and from Labor to the conservatives, expressed a similar view; letter to P Hart, 3 May 1965, *Hart Papers*, National Library of Australia, MS 9410, folder 3.

16 *Hansard*, 13 March 1931, p 238.

17 Lyons, E (1972, p iii).

18 Lyons, E (1965, p 193 and 1972, p 71). Enid and Joe's son Brendan believes that 'certainly Lyons had none of those characteristics but nevertheless succeeded. Bruce, ironically, had all of them in abundance and failed'; Lyons, B (2008, p 210).

## Lyons' career before politics

Joe Lyons was born in Stanley, Tasmania on 15 September 1879, of Irish ancestry, and grew to be a staunch Catholic. He attended the local convent school, and was a keen student.<sup>19</sup> After his father gambled away the family's savings on the 1887 Melbourne Cup, Lyons had to find work. He had a number of jobs, including as a printer's devil (the same job as former treasurers Chris Watson and William Higgs). He became a teacher and in 1907 was sent to Hobart to attend Teacher Training College. He was then sent all over the state, generally to small village schools, before gaining a post in Launceston in 1908. One of his postings was to the Carmichael Lyne estate, where the owner's brother, William Lyne (who went on to serve as federal treasurer) would visit and talk to Lyons, fuelling his interest in politics. In 1906 Lyons joined the Tasmanian Workers' Political League.

## Premier and treasurer of Tasmania

In 1909 Lyons resigned as a teacher and stood for the state seat of Wilmot. Lyons supported the Labor programme, which included radical measures such as breaking up large estates. Although untrained in finance, he took an early interest in financial matters, serving on the Standing Committee on Public Accounts. His diligence was rewarded by appointment as deputy leader of the parliamentary Labor Party.

The election of a Labor government in April 1914 saw Lyons become treasurer, as well as deputy premier and minister for education and railways. However, the government had only a precarious hold on the lower house and faced an obstructive upper house. He represented Tasmania at the Premiers' Conference in Sydney in 1915, which doubled as a honeymoon with Enid.

After a bitter conscription referendum campaign and a split in the Labor Party, the government was defeated and Lyons became leader of the opposition in November 1916. He stood unsuccessfully for the federal seat of Darwin in 1919. A car accident put his life at risk, and left him lame in one leg.

In October 1923 Lyons became premier and treasurer and held both posts until 1928. He was a cautious premier and state treasurer, who brought the budget from deficit to surplus through application of financial orthodoxy. His bipartisan style, willingness to consult with business and the priority he accorded to improving the state's public finances, attracted criticism from Labor hardliners, but the conservative Legislative Council rejected Lyons' more progressive legislation.

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<sup>19</sup> 'Fairly droolin' with the schoolin' according to one relative; Lyons, E (1965, p 53).

## Federal parliament and acting treasurer

Lyons rejected suggestions he stand at the 1928 federal election. But after Labor narrowly lost the 1928 state election, and at Scullin's request, Lyons successfully contested the federal equivalent of his state seat of Wilmot at the snap poll of 1929.<sup>20</sup> He was immediately brought into cabinet as Postmaster-General. He was reportedly disappointed not to be made treasurer<sup>21</sup>, given his experience, but Scullin preferred Theodore, who was also a former premier and state treasurer. Lyons later recalled that on joining cabinet he 'took very little part in the affairs of the party or government, confining my activities to the administration ... of my department'.<sup>22</sup>

When Theodore stepped down due to corruption charges dating back to his time as Queensland premier, Scullin took over as treasurer with Lyons as assistant treasurer. In August 1930 Scullin left for the Imperial Conference in London for over four months, leaving Fenton as acting prime minister and Lyons as acting treasurer from 25 August 1930 to 10 January 1931.

While 'the tragedy of the Great Depression moved him profoundly', Lyons believed the 'prime duty of government was to restore confidence by sound administration and financial stability'.<sup>23</sup> In this Lyons was far more conservative than many of his Labor colleagues. 'He could pursue minor reforms with a genuine anxiety to be helpful ... [but] reverted immediately to strict orthodoxy whenever serious difficulties arose'.<sup>24</sup>

Lyons described Keynes as 'one of the most distinguished economists in the world', and Enid had said Lyons was interested in Keynesian theory. But it did not overcome his fiscal orthodoxy.<sup>25</sup> He apparently believed the Australian economy was too small for such experimentation.<sup>26</sup> Lyons' family experience had led him to avoid personal debt, and by analogy he wanted to avoid national debt.<sup>27</sup>

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20 Hector McFie, a Tasmanian MLC, claims that Ted Theodore personally guaranteed Lyons' salary should he be defeated at the election; letter to P Hart 3 June 1964, *Hart papers*, National Library of Australia, MS 9410, folder 1.

21 White (1987, p 109).

22 *Hansard*, 13 March 1931, p 230.

23 Menzies (1967, pp 121-2).

24 Denning (1937, p 34).

25 In November 1930 Lyons received many letters and telegrams of support for his orthodox stand, which he kept for the rest of his life; *Lyons Papers*, National Library of Australia, MS 4851, folder 2.

26 Bird (2008, p 31). Lyons is cited as asking 'even if they are right, how can we lead the world?' in Lloyd (1984, p 50).

27 Personal conversation with Brendan Lyons, 2008.

## Joseph Lyons: the Tasmanian treasurer

Despite being advised by Giblin that a deflationary policy would be 'a fatal mistake'<sup>28</sup>, Lyons took a plan (prepared by Treasury) to caucus which included government spending cuts, a 10 per cent cut in wages, and a supertax on property income. Caucus preferred the Theodore-Gibbons plan which did not include cuts in government spending.<sup>29</sup> Lyons brought down a supplementary budget on 5 November 1930 with some modest revenue and expenditure adjustments to reduce the widening deficit and moved in caucus to make the government's policy 'free exchange rates, stabilisation of internal prices by monetary control, reduction of interest rates and provision of credits for industry, and that every effort shall be made by the government to induce the Commonwealth Bank to carry out such policy'.<sup>30</sup> An amendment seconded by Theodore sought to direct the Commonwealth Bank to create sufficient credit to finance the government and provide for £20 million for works programmes, and was carried 26-14.<sup>31</sup> A few days later Fenton read to caucus a letter from Scullin apparently supporting Lyons' position.<sup>32</sup> This was not sufficient, however, to sway caucus, with Curtin and Anstey moving that the Government should continue to push the Commonwealth Bank. Even more alarming to Lyons was their proposal to postpone for a year redemption of some Commonwealth bonds, which he viewed as tantamount to repudiation.

Lyons attended the meeting which adopted the Melbourne Plan of orthodox measures. Sir Otto Niemeyer, the Bank of England adviser despatched to Australia, described Fenton and Lyons (using a somewhat mixed metaphor) as 'entirely at sea ... like a couple of rabbits popping their heads out of the hole'.<sup>33</sup>

Lyons may have hoped to become treasurer when Scullin returned from London in January 1931.<sup>34</sup> Instead Scullin persuaded caucus to reinstate Theodore. Lyons felt this

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28 Giblin to Lyons, 4 September 1930, in *Lyons Papers*, MS 4851, folder 14.

29 See Table 1 in the essay in this series on Theodore for a comparison of the competing plans; Hawkins (2010, p 103).

30 *Caucus Minutes*, 28 October 1930; Weller (1975, p 391).

31 *Caucus Minutes*, 30 October 1930; Weller (1975, p 395).

32 *Caucus Minutes*, 6 November 1930; Weller (1975, p 396).

33 Niemeyer (1930, p 268).

34 Whittington (1972, p 69) suggests Lyons had wanted the position, and this was a large part of the reason for his resignation from Labor. Lyons said he suggested Scullin keep the post himself (*Hansard* 13 March 1931, p 236; *Sydney Morning Herald*, 30 January 1931, p 11), but that he had a better claim than Theodore; Lloyd (1984, pp 81-2). A less charitable interpretation is that Lyons saw his road to the Lodge blocked by Theodore in a Labor government; Hughes, C (1976, p 82). Lyons claimed 'I did not desire to be treasurer. I know my limitations'; *Hansard*, 13 March 1931, p 236. Lyons' son Brendan recalls his mother saying that Lyons had not wanted the post, which is also reported by Enid's biographer, Henderson (2008a, p 151) and ALP historian McMullin (1991, p 169). Scullin's biographer Robertson (1974, p 302) claims 'Lyons was quite anxious to relinquish Treasury burdens'. Scullin said Lyons was 'relieved of the Treasuryship at his own request'; *Burnie Advocate*,

was inappropriate as Theodore had not yet been cleared of corruption charges.<sup>35</sup> Lyons (along with Fenton) resigned from the cabinet and then in March 1931 left the Labor Party itself after voting against Theodore's proposal for a fiduciary notes issue.

Lyons has long been on more friendly terms with the conservative side of politics than was usual for Labor members. He found the Federal Parliamentary Labor Party uncongenial and had little affinity with the machine politics practised in Sydney and Melbourne.<sup>36</sup> When opposition leader John Latham called for a unity government to fight the depression in December 1930, Lyons had been sympathetic to the idea but caucus rejected it.<sup>37</sup>

## Prime minister and treasurer

Lyons and his fellow Labor defectors joined with the Nationalists to form the United Australia Party (UAP).<sup>38</sup> He led the party to a decisive victory at the December 1931 election and clear wins in 1934 and 1937, in no small measure due to his personal popularity and ability to adopt radio, film and air travel for campaigning.<sup>39</sup>

Lyons purportedly offered Chifley the treasurership if he also left Labor but Chifley declined.<sup>40</sup> Lyons took the post himself, at least in part 'to give the public the impression that 'Honest Joe' was safeguarding their savings'.<sup>41</sup> He saw nothing unusual in this as he had been both premier and treasurer in Tasmania.<sup>42</sup> He appointed Bruce, a former prime minister and treasurer, as assistant treasurer from January to June 1932. One interpretation for this was that as the election had 'centred on finance and honesty ... Lyons determined to take personal responsibility for its implementation'.<sup>43</sup> Another view was that Lyons took the title to reassure the public as Bruce was 'having to live down his reputation for reckless expansion'.<sup>44</sup> Bruce himself

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23 January 1931. At the time Lyons said 'it will be a distinct relief to be out of office, as the strain has been constant and severe'; *Sydney Morning Herald*, 30 January 1931, p 11. Lyons' claim is however weakened by the fact that he subsequently chose to keep these burdens in addition to being prime minister not many months later even though the return of Bruce to parliament gave him an obviously qualified candidate for the treasurer's post. White (1987) regards the evidence as ambiguous.

35 *Hansard*, 13 March 1931, p 229.

36 Hart and Lloyd (1986); Henderson (2004, p 931).

37 Henderson (2008a, p 152).

38 Bird (2009, p 48) suggests Lyons may have regretted leaving Labor after it adopted the conservative 'Premiers Plan' in July 1931 but by then there was no way back.

39 Henderson (2008b, p 171).

40 Lyons, E (1972, p 97); Lyons, B (2008, p 135).

41 Hart (1967, p 245).

42 Personal conversation with Brendan Lyons, 2008.

43 Lyons, B (2008, p 163).

44 This was the view of Giblin cited by Millmow (2010, p 119).

## Joseph Lyons: the Tasmanian treasurer

said he had to 'hold Lyons' hand'<sup>45</sup> and 'more or less from the background steered him'.<sup>46</sup>

Schedvin (1970, p 316) paints the following picture of Lyons as treasurer: 'Lyons was an unexceptional treasurer. He possessed what in polite circles was described as a 'good grasp' of financial matters and an ability to present a difficult argument cogently, but he lacked Theodore's incisive clarity. His thinking on financial and economic matters was barren of originality and there is almost nothing one can point to in the Lyons period in the form of new or improved organisation for the administration of the economy.'<sup>47</sup>

When Bruce left for London, much of the Treasury work was done by assistant ministers Walter Massy-Greene and then Richard Casey.<sup>48</sup> Lyons appointed Casey as treasurer in October 1935, making Lyons the first prime minister since 1910 not to hold a portfolio.

The secretary of Treasury was Harry Sheehan but Lyons also often sought advice from the gloomy assistant secretary Stuart 'Sunshine' McFarlane.<sup>49</sup> Treasury at this time was still dominated by accountants and clerks. Treasury enhanced its influence under Lyons. He wrote to his ministers; 'I would be glad if Ministers would be good enough to submit all such proposals [involving expenditure] to the Treasury before they take the form of submissions to Cabinet'.<sup>50</sup>

The Depression led to an increased role for Treasury, in part at the expense of state treasuries, through the growth in importance of the Loan Council.<sup>51</sup> In April 1932 Western Australia voted to secede. Partly in response, but also reflecting his experience as a treasurer of a small 'claimant' state, Lyons hastened his plans to establish the Commonwealth Grants Commission.<sup>52</sup>

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45 Edwards (1965, p 208). Bruce ranked third in cabinet seniority.

46 Cited by Hazlehurst (1979, p 155).

47 Schedvin (1970, p 316).

48 From October 1933 to October 1934, Senator Harry Lawson also contributed as assistant minister (Treasury).

49 White (1987, p 137). Treasury (2001, p 35) describes Sheehan as 'the Commonwealth's chief adviser on economic matters during the depression'.

50 Cited by Weller (2007, p 55).

51 Schedvin (1970, p 375).

52 Lyons, B (2008, p 167).



The Commonwealth Bank also played an important role. Lyons said of its chair, 'no man played a greater part than Sir Robert Gibson in the rehabilitation of the Commonwealth'.<sup>53</sup>

Among Lyons' close friends and advisors were Kingsley Henderson, a businessman and architect, and Staniforth Ricketson, a stock broker whom he had known since his Tasmanian days. Both men had been members of the group of Melbourne identities who had been involved in persuading Lyons to leave the Labor party.<sup>54</sup> There have been suggestions that they exerted considerable influence on Lyons.<sup>55</sup>

Lyons was a lonely man as prime minister, cut off from his former Labor colleagues and lacking a strong affinity with many of his former opponents who were now his UAP colleagues. Country Party leader, and former treasurer, Earle Page's more friendly attitude, and role as both policy and medical adviser, gave him considerable influence over Lyons.<sup>56</sup>

In January 1932, a Premiers' Conference led to the establishment of a committee headed by Adelaide businessman Wallace Bruce, and driven by the economists Giblin, Melville, Mills and Shann, to examine policies to fight unemployment.<sup>57</sup> It recommended devaluation, cuts in real wages, reductions in tariffs, smaller budget deficits and a limited expansion of state spending on relief projects, but rejected proposals for significant increases in public works. In some ways it was 'a reprise of the Premiers' Plan'.<sup>58</sup> In June the premiers agreed to cut deficits by cutting pensions. Asked to comment, Keynes said that he 'sympathised intensely with the general method of approach' but put more emphasis on public works than wage cuts or

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53 Cited by Millmow (2010).

54 Balderstone (1983, p 258); Hart (1967, p 52). Other members of the 'Temple Court Group' were then Victorian MP Robert Menzies, businessman (and former adviser to Treasury and treasurers) Sir John Higgins, businessman Charles Norris and retired journalist Ambrose Pratt; Murray and White (1988, p 318); Hart (1967, pp 87-9). The Group had originally formed to support a December 1930 loan conversion campaign; Hart (1970, p 44).

55 Former Clerk of the House, and a friend of Lyons since his teenage years, Frank Green claims that as prime minister Lyons reported cabinet decisions to them and sometimes their influence had such decisions reversed; letter to Lyons' biographer Philip Hart, 10 February 1964, *Hart papers*, National Library of Australia MS 9410, folder 1.

56 As a Labor renegade, a catholic and not having served in the war, he did not have a lot in common with most of the other UAP members. Page was 'shrewd enough to be both respectful and matey towards Lyons, as well as being a medical adviser'; journalist George Baker, letter to P Hart, *Hart Papers*, NLA, MS 9410, folder 1. Support for this view also comes from Page's private secretary Ulrich Ellis, letter to Hart, MS 9410, folder 2.

57 The other member was George Stanley Colman (a Melbourne businessman). Copland was also appointed but was overseas for much of the investigation. Their report estimates that real per capita income had fallen by around a quarter from 1926-27 to 1930-31.

58 Millmow (2010, p 129).

## Joseph Lyons: the Tasmanian treasurer

devaluation.<sup>59</sup> Lyons and Bruce initially welcomed the report but then cooled at the idea of trying to force Gibson to devalue. Melville (1971, 1993) regarded the decision to reject the recommendation to devalue as having slowed the recovery. In responding to the report Lyons announced the formation of federal and state Employment Councils 'to ensure that the fullest and most immediate investigation of ways whereby unemployment can be relieved should take place.'

Arguably Australia was the first country to emerge from the depression and Roosevelt asked Lyons how it was done.<sup>60</sup> Lyons consistently stressed the role of an export recovery in dealing with unemployment, ignoring the over 100,000 men who had been employed on public works in the 1920s.<sup>61</sup>

Lyons' first budget speech in September 1932 referred to national income falling from £650 million to £450 million.<sup>62</sup> He placed the budget in the context of the Premiers' Plan and said it represented the 'path of financial rectitude'.<sup>63</sup> He referred to a survey of company profits which suggested tax revenue would fall. The budget restricted maternity allowances, cut public servants' wages and pensions.

In his second budget speech, Lyons lamented 'the condition of the world is one of uncertainty, doubt and confusion'.<sup>64</sup> He emphasised the importance of rolling over maturing debt in London, for which Bruce was now responsible as resident minister. However, some domestic recovery allowed some tax cuts and the restoration of some cuts to public servant salaries. He called the budget the 'reward which the Australian people have earned by the sacrifices they have made'.<sup>65</sup> Further tax cuts were given in the 1934 budget in response to the 'remarkable improvement in the Australian economic situation'.<sup>66</sup>

After losing seats in the 1934 election, Lyons needed to form a coalition with the Country Party, whose leader Earle Page became minister for commerce and deputy prime minister. But unlike the coalition with Bruce, Page either did not demand or could not persuade Lyons to give him the treasurer's job.

In the 1934 election campaign, in part due to rural pressure, Lyons agreed to establish a Royal Commission on Banking. He appointed Ben Chifley as a member as 'both his

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59 Keynes (1932, p 94). On the latter point, Keynes advised '...expand bank credit and stimulate capital expenditure as much as courage and prudence will allow.'

60 Personal conversation with Brendan Lyons, 2008.

61 Schedvin (1970, p 317).

62 *Hansard*, 1 September 1932, p 86.

63 *Hansard*, 1 September 1932, p 86.

64 *Hansard*, 4 October 1933, p 3201.

65 *Hansard*, 4 October 1933, p 3223.

66 *Hansard*, 24 July 1934, p 594.

knowledge of finance and the analytical habit of his mind fitted him admirably for such a task'.<sup>67</sup> It reported in 1937.

As far back as his first budget speech in 1932, Lyons had foreshadowed a 'contributory system of old age pension'.<sup>68</sup> In 1935 a cabinet subcommittee was appointed to investigate it. At the 1937 election, Lyons promised to introduce a national insurance scheme, combining elements of health insurance and superannuation. The legislation passed through parliament in 1938, but employers opposed it. Concerns were expressed about administrative difficulties and defence came to be seen as a greater priority. Lyons reportedly emerged from the cabinet room in tears when the final decision was taken to abandon it.<sup>69</sup>

Lyons established a committee of Giblin, Melville and Wilson in December 1938, initially in the Defence Department, which with the addition of Brigden, Copland and Coombs became known as the Financial and Economic Committee or 'F&E'. It has been suggested that Lyons put aside earlier differences and asked Theodore to return to Australia in March 1939 to coordinate defence preparations or an economic policy coordinating body, but Lyons was dead before it could be arranged.<sup>70</sup>

The Lyons Government established the Australian Broadcasting Commission and introduced some early conservation legislation. But most judgements were that Lyons was leading a very unadventurous government.<sup>71</sup> Joe and Enid travelled to London in 1935 for George V's Golden Jubilee and trade negotiations, being away for six months.<sup>72</sup> They were in London again in 1937 for the coronation of George VI.

The portents of a second world war, and pressure from political rivals caused Lyons immense stress. In early 1939 he unsuccessfully tried to get Bruce to return as prime minister. His health continued to deteriorate, and he died of a heart attack on 7 April 1939 at the age of sixty, a few days short of eclipsing Hughes' record of the then longest-serving prime minister. It was said 'few men who have held high office have been as sincerely and widely mourned'.<sup>73</sup>

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67 Lyons, E (1972, pp 97-80).

68 *Hansard*, 1 September 1932, p 104.

69 Reid (1980, p 359).

70 Calwell (1972, p 69); *Sydney Morning Herald*, 5 September 1945. The F&E lobbied Lyons in 1939 for Theodore to co-ordinate economic policy on the Committee's advice; Maddock and Penny (1983, p 30).

71 As an editorial put it, 'Few governments have derived so much self-satisfaction from doing so little'; *The Age* 30 July 1945, cited by Hart (1967, p 236).

72 The UAP's rising star, Robert Menzies, was also on board the ship. His diary entries suggest he was one of the passengers whom Enid regarded as 'dreadful snobs'; White (1987, p 153).

73 Buchanan (1940, p 24).

Joseph Lyons: the Tasmanian treasurer

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