Thirty years since the “Canberra Coup”

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The 30th anniversary of the Canberra Coup—the sacking of the Whitlam Labor government by the Governor-General Sir John Kerr on November 11, 1975—has been marked by a concerted attempt to deny the significance of this event and its contemporary relevance.

On the 20th anniversary of the coup, Paul Kelly, the editor-at-large of the *Australian*, concluded that it was the relationship between Prime Minister Whitlam and Liberal leader Malcolm Fraser that provoked the constitutional crisis. Ten years on, he concludes the coup was some kind of historical oddity, and, to the younger generation, appears as “ancient as the Great War.”

There was “never blood in the streets” and Whitlam and Fraser had made their peace, in accordance with “the Australian way—to forgive and forget.”

“The Dismissal was a freakish moment, the product of another age—the age of ideology, class battles and political absolutes. It was the final act of gladiatorial combat, when giants like Whitlam and Fraser saw themselves as great men seeking to change the course of history.” The dismissal of the Whitlam government was not a result of deep fault lines in society at large but a “convulsion at the apex of power—spectacular but Canberra centric.”

Right-wing columnist Gerard Henderson puts a similar view. Journalists who covered the events now concede “that they overestimated its political significance.” All that the “coup” amounted to was an attempt by Kerr to resolve a crisis, caused by a conflict between Whitlam and Fraser, through the calling of an election. That decision was then endorsed by the electorate in Fraser’s victories of 1975 and 1977. In other words, the dismissal was not much more than a blip in the otherwise smooth-running system of parliamentary democracy.

A genuine examination of the events of 1975, however, paints a very different picture. It demonstrates how, under the pressure of growing social and political tensions, both internationally and within Australia, the mechanisms of bourgeois parliamentary democracy cracked apart, to reveal fundamental class antagonisms kept hidden from view in more “normal” times.

The origins of the events of November 11, 1975 lay in the global upsurge of the working class that began in the middle of the 1960s. A new period of revolutionary struggles signalled its arrival with the events of May-June 1968 in France, followed by the “hot autumn” in Italy in 1969, the general strike in Australia in May 1969, the wave of anti-Tory struggles in Britain, culminating in the bringing down of the Heath government, the defeat of the American military in Vietnam, and the ousting of dictatorships in Portugal, Greece and Spain in the period 1974-76.

The latter half of the 1960s had seen major changes in the Australian political landscape. In the general election of 1966, the Liberal government had been returned with a large majority after running an anti-Communist scare campaign based on the Vietnam War. Three years later, however, the tide had turned. The Liberals would have lost the general election of 1969 but for the vagaries of the electoral system, which meant that the Labor Party failed to secure a majority of seats despite winning a majority of votes.

Underlying the shifts in electoral politics was a radicalisation of young people, combined with a growing movement of the working class. The general strike of 1969 put an end to the use of penal powers against the trade unions, which had been a crucial component of the post-war industrial relations system.

After clinging to office in 1969, the Liberal-National Party coalition government steadily disintegrated over the next three years, wracked by internal conflicts. These were caused primarily by its inability to combat the offensive of the working class and mounting economic instability. In August 1971, US President Nixon had made the historic decision to remove the gold backing from the US dollar, ending the Bretton Woods system that had governed international currency relations since the war.

The victory of the Labor Party in 1972 on a program of mild social and economic reform ended a period of Liberal rule that had lasted 23 years. However, the class conflicts that led to the demise of the Liberals were not alleviated by the Labor victory. Rather, they were deepening.

So far as the capitalist ruling classes were concerned, the task of the Labor government was to modernise the Australian state, and bring the movement of the working class under control. These interests were most clearly articulated by the Murdoch press, which had backed the election of Whitlam.

But as far as the working class was concerned, the election of a Labor government meant that it could now press forward with demands for social and economic reforms that had been impossible during the period of Liberal rule.

The first major clash between these two opposed perspectives came in December 1973, when the Labor government, responding to calls from all sections of business and finance to bring inflation “under control,” organised a referendum to give the federal government the constitutional power to control prices and incomes.

Both issues were resoundingly defeated, and the following year saw the greatest levels of strike activity since 1919, resulting in the largest wage rises in Australian history.

The failure of the Whitlam government’s referendum and its obvious inability to contain the upsurge of the working class saw a significant political shift in ruling circles. This was reflected in the decision by the Liberal and National Parties to use their numbers in the Senate on April 10, 1974 to deny the government finance, demanding that it go to an election. With a half-Senate election already in the offing, Whitlam agreed to call a general election. The Murdoch press, which had backed the return of a Labor government in 1972, now declared its neutrality.

The main factor behind this political shift was the rapid change in the international economic situation. Following the inflationary spiral of the early 1970s, sparked by the ending of the Bretton Woods system, and the flow-on effects of the quadrupling of oil prices, world capitalism began moving into recession—the deepest since the 1930s. Interest rates in Australia began to climb sharply, the balance of payments moved from surplus to deficit, and the stock market fell sharply.

Whitlam and his ministers were more than ready to slash government spending and seek to impose wage cuts as demanded by the ruling class. In August 1974, for example, “left” Minister for Labor Clyde Cameron

blamed the trade unions and their wage demands for the growing economic crisis.

At its federal conference held in early 1975, the Labor Party declared support for the private ownership of industry as the foundation of its policies, with the "left" treasurer and deputy prime minister Jim Cairns insisting that Labor supported an efficient and prosperous private sector. It was necessary, he said, to "understand the system we live in" where "profits are essential."

But declarations of support for the capitalist economy and the profit system were not enough. In February 1975 the Liberals removed the ineffectual Billy Snedden as their leader and installed Malcolm Fraser. The new opposition leader declared there would be no attempt to remove the government unless "reprehensible circumstances" made it necessary.

Over the next few months, a sustained campaign of dirty tricks was set in motion to create precisely those circumstances. It centred on the Labor government's decision to seek loans from Middle Eastern sources, now enjoying a huge inflow of wealth due to the hike in oil prices. Nothing more occurred than unsuccessful attempts by Labor ministers to raise loans from somewhat unconventional sources, in order to bolster the government's economic position. But such was the intensity of the campaign that it succeeded in creating the impression of dubious practices, if not outright criminality.

The Whitlam government's budget of August 1975 marked a decisive turning point. Its central purpose was to impose the demands of business and financial circles for spending cuts and the shelving of reform projects. The budget had been preceded by the sacking of key "lefts" Cameron and Cairns from the ministry. In the case of Cameron, this was carried out through the withdrawal of his commission by the Governor-General Sir John Kerr—the same procedure to be used against Whitlam himself only months later.

The budget was well received by the press. The *Age* in Melbourne declared that it was "realistic, responsible and on the right track" while the *Australian* noted that, although it would be politically unpopular, with public reforms initiated by the government in 1972 having to be postponed, "at last a sense of economic reality is beginning to temper the idealism."

But the central issue remained whether the government could impose its new economic agenda on the working class. Matters came to a head on October 15, when the opposition parties, under the direction of Fraser, denied the government supply, and refused to pass the budget in the Senate. This meant that the government would soon run out of funds. The following day the front bench Liberal MP and lawyer Bob Ellicott issued a press statement declaring that, as head of state, the governor-general would have to sack Whitlam, using the "reserve powers" derived ultimately from the British Crown and residing in the governor-general as its official representative in Australia.

The budget supply crisis set off a month of political turmoil. The central concern of the Labor and trade union leaders was to ensure that the growing political movement of the working class would not go beyond the framework of the parliamentary order. The volatility of the situation had been revealed when a chance remark by Australian Council of Trade Unions (ACTU) president Bob Hawke—that if the Liberals were cutting off the government's supply then workers should consider cutting off theirs—sparked calls for a general strike. Whitlam continued to insist that the situation was under control, the Liberals would eventually crumble and the governor-general would not move against him.

Even if he had believed that Kerr would sack him, Whitlam would not have acted any differently. Delivering the John Curtin Memorial Lecture on October 29, he declared: "I would not wish on any future leader of the Australian Labor Party the task of having to harness radical forces to the restraints and constraints of the parliamentary system if I were to succumb in the present crisis."

In other words, for Whitlam, the crucial task, far outweighing any need to combat the machinations of the state apparatus and its agencies, was to ensure that "radical forces"—the growing political movement of the working class—remained trapped within the framework of the parliamentary order, even as the ruling class was moving outside it. That was why, when his government was sacked on November 11, Whitlam simply accepted it, failing even to inform his Labor colleagues in the Senate.

Whitlam's silence was critical, because when the Budget was again presented to the Senate that afternoon, and the Liberal members voted in favour of it, the Labor Senators, who hadn't been told what had happened, concluded that the Liberals had finally capitulated. In fact, they were fulfilling the commitment given by Fraser to Kerr that he could secure supply. Had the Labor Senators known of the sacking and voted against the Budget, thereby denying Fraser supply, the governor-general, as Whitlam later acknowledged, would have "brought the troops in."

Speaking on his retirement from parliament in 1983, former Liberal leader Snedden noted the bitterness and acrimony surrounding the sacking and pointed to the possible involvement of the armed forces. "If they (the Senate and the House of Representatives) had been sitting when the Governor-General tried to dissolve, we would have got the troops in to get them out of the house. ... We were lucky that day ... there was a real fear of insurrection that day."

In an article published in the Adelaide *Advertiser* of April 22, 1983, Clyde Cameron wrote: "But for the fact that Whitlam failed to tell his Senate colleagues of the government's dismissal, Fraser would not have been able to meet Kerr's supply requirements that day. He may never have got it. The upshot of that would have resulted in Australia being without a government and without supply, or without a Governor-General, and the stage would have been set for a civil war. These possibilities were actually considered by Kerr at the time he was planning the coup, and it is for this reason the 'commander-in-chief of the Defence Force of Australia' [the governor-general] called in the defence chiefs, conferred with the American embassy, briefed intelligence agencies and arranged for the armed forces to be ready for a 'red alert'."

Outside the confines of Parliament House, ACTU leader Bob Hawke, with support from all wings of the trade union bureaucracy, above all the Stalinists of the Communist Party of Australia, played the key role in blocking the movement for a general strike. In an article written for the 30th anniversary of the coup, Hawke maintains that he was motivated by electoral considerations. The Labor Party was headed for a defeat at the polls and a national strike would have only made things worse.

These were not his views at the time. Then, he was well aware that far more serious issues than the electoral fate of the Labor government were at stake. The political crisis had the potential to rapidly move out of the confines of electoral politics—a development Hawke sought to prevent at all costs.

Speaking to the press just hours after the dismissal, Hawke declared that, while the sacking of an elected Labor government constituted the greatest provocation ever carried out against the labour movement "... we have got to show we are not going to allow this situation to snowball and there is a real possibility it will snowball into violence. We must not substitute violence in the streets and anarchy for the processes of democracy. Of course I am upset, but it is not just a question of a Labor government appearing to fall. My concern is about the future of this country. What has happened today could unleash forces in this country the like of which we have never seen. We are on the edge of something quite terrible and therefore it is important that the Australian people respond to leadership."

Despite the fact that workers all over the country spontaneously walked off the job on hearing of the dismissal, the combined efforts of the Labor and trade union leaders prevented the eruption of a general strike and

thereby any direct challenge to the coup. This ensured its success, and the subsequent victory of the Liberal Party at the elections held on December 13. The torn fabric of the parliamentary order was able to be stitched back together again.

The events of 1975, however, hung like a black cloud over the Fraser government. Always fearful of re-igniting the conflicts that had marked his accession to power, Fraser never fulfilled the hopes of those who had worked so assiduously to bring him to power. His government is now regarded as a failure, so far as significant sections of the ruling class are concerned. In particular, he was not able to implement the type of attacks on the working class that were increasingly being demanded after the "Volcker shock" of 1979—when US and global interest rates were lifted to record levels—and after the Reagan and Thatcher governments spearheaded the international drive for a "free market" agenda.

As far as the Laborites were concerned, the chief lesson they drew from the coup was that, before coming to office the next time, they would have to have in place definite mechanisms capable of suppressing the independent struggles of the working class. This was the purpose of the prices and incomes accord, the centrepiece of the Hawke government that came to power in March 1983, following the virtual collapse of the Fraser government in the recession of 1982-83.

The accord, enforced and policed by the trade union bureaucracy in a series of major conflicts in the 1980s—from the smashing of the builders' labourers' union to the use of troops to break the pilots' strike—was responsible for an historic shift from wages to profits as a share of national income. Significantly, in a speech this week to launch a book on the events of 1975, this shift was cited by former prime minister and treasurer Paul Keating as one of the major achievements of the 1983-96 Labor government.

The enduring political significance of the coup lies in the fact that it demonstrated, in a particularly dramatic form, how ruthlessly the ruling class is prepared to defend its interests. Behind the assiduously cultivated façade of parliamentary democracy lies the organised violence of the capitalist state, ready to be called upon when needed.

As Trotsky once explained: "By analogy with electrical engineering, democracy might be defined as a system of safety switches and circuit breakers for protection against currents overloaded by the national or social struggle. ... Under the impact of class and international contradictions that are too highly charged, the safety switches of democracy either burn out or explode. That is essentially what the short circuiting of dictatorship represents" (Leon Trotsky, *Writings 1929*, pp. 53-54).

In the aftermath of 1975, the forms of parliamentary democracy were restored. Once again, however, the fuses are starting to burn out—but this time under very different conditions. Then, the ruling class was able to rely upon the Communist Party Stalinists and the Labor and trade union bureaucrats. Now these mechanisms are completely exhausted. The Communist Party no longer exists and the Laborites are regarded, by wide layers of ordinary working people, with deep-going hostility and contempt.

Under the impact of an intensifying global economic crisis, and mounting economic, political and social tensions at home, produced by unprecedented levels of social polarisation, the ruling class is shifting to new forms of rule. That is the real meaning of the lies and cover-ups that have dominated political life for the past several years, accompanying the Howard government's participation in the criminal war on Iraq, the federal elections of 2001 and 2004 and its escalating assault on fundamental democratic rights. In the name of the so-called "war on terror" the framework of a police state is being put in place.

The working class needs to act no less decisively. The central lesson of 1975 is that it must turn to the construction of its own independent political party, prepared to challenge the very foundations of the capitalist order and fight for the conquest of political power.