Malcolm Fraser (1930–2015): A political assessment

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The passing of former Australian Liberal Prime Minister Malcolm Fraser, who died unexpectedly last Saturday at the age of 84, has been met with an outpouring of thousands of words from the political and media establishment on his role as a "giant" of Australian politics.

Fraser has been hailed for his supposed adherence to small "l" liberal principles, including his opposition to apartheid in South Africa and racism in general; his support for "multiculturalism;" his opening of Australia's doors to Vietnamese refugees and boat people after 1975; and, more latterly, his opposition to the treatment of refugees by successive Liberal and Labor governments. Fraser quit the Liberal Party in December 2009, after Tony Abbott's election as leader, saying it had become "unrecognisable as liberal."

But the name of Malcolm Fraser will forever be indelibly etched in history for his role in bringing down the elected Whitlam Labor government in the infamous Canberra Coup of November 11, 1975.

In these events, the liberal, the supposed champion of democracy, of human rights etc., was the central figure in creating the conditions for an extra-parliamentary coup, carried out by the Governor-General Sir John Kerr, with the backing of the American CIA, British intelligence agencies and the Australian military and intelligence services.

There is no doubt that had Whitlam and the Labor government not accepted their dismissal, and had the trade union bureaucracy, under the leadership of future prime minister and Fraser's successor, Bob Hawke, been unable to contain the movement of the working class in opposition to the coup, then Fraser would have backed the use of the army, as contemplated in the upper circles of the state apparatus.

Despite his supposed shift to the "left" in the latter part of his life, Fraser never resiled from his role in ousting the Whitlam government, insisting its removal was both necessary and justified.

Fraser created the conditions for the coup by ensuring that the Liberals in the Senate, some of whom were wavering, refused to pass the Labor government's budget, thereby denying "supply," contrary to previous tradition and practice. The blocking of supply meant the government would run out of money. It was being canvassed as an option from the first day of Fraser's ascendancy to the leadership of the Liberal Party, in February 1975, when he ousted Billy Snedden, who had lost the May 1974 election to Whitlam. Fraser maintained, however, that he would only take such unprecedented action if there were "reprehensible" circumstances.

Over the next months those circumstances were manufactured through the "loans scandal," in which the Labor government sought to raise a $4 billion loan from Middle East sources, flush with oil revenues, for a series of infrastructure projects, bypassing traditional financial channels.

The "loans affair" had all the hallmarks of a CIA "dirty tricks" operation, with never-ending hints of financial impropriety (none of which was ever established), fake documents and a cast of characters to match. These included the mysterious "little commodities dealer" Tirath Khemlani, and George Harris, president of the Carlton Football Club and friend of former Liberal Prime Minister Sir Robert Menzies. Harris emerged to try to "assist" the Labor government in its attempted loan raising.

It is often thought that one of the chief motivations for the coup was the demand, by the corporate elites and finance capital in particular, for budget-slashing measures amid a worsening economic crisis. The global recession of 1974–75, coupled with escalating inflation, was the deepest since the 1930s and marked the end of the post-World War II economic boom.

The Labor Party, however, had already acceded to those demands in its 1975 budget, brought down by Treasurer Bill Hayden, who had been installed after Whitlam sacked the Labor "left" Jim Cairns from the position. Whitlam also removed another "left," Clyde Cameron, from the position of labour minister.

The budget itself was not the issue. In fact, once Fraser took office he largely based his policies on Hayden's measures, reflecting the position of the corporate and financial establishment, which had praised Labor's cuts. Not economic measures as such, but their political impact, was the decisive question.

The underlying motivation for the coup was the fear that the working class, which had surged forward in a powerful wages' offensive in 1974, and had won the largest rises in history, would come into collision with the Labor government over its budget measures.

Internationally, under conditions of deepening global slump, there was a powerful upsurge of the working class. The Heath government was brought down in Britain in 1974, the fascist regime of Salazar ousted in Portugal in April 1975, and the Greek colonels' regime thrown out in July 1974. Coupled with the defeat of American imperialism in Vietnam in April 1975, this global eruption of the class struggle made the ruling elites fearful of where a conflict between the working class and the Labor government in Australia might lead. Added to this was the concern that questions were being raised publicly about the role of American bases in Australia and of the associated US spy agencies, including the activities of the CIA.

From the very formation of the Australian federated state in 1901, the ruling class had always relied on the Labor and trade union bureaucracy to stabilise its rule in periods of crisis. That is why nothing provoked more fear than the prospect of a clash between an insurgent working class and a Labor government. The Canberra Coup was a surgical intervention to prevent precisely such a development.

In the years that followed, especially from the late 1980s onward, the reconciliation and growing personal and political friendship between Fraser and the man he ousted, Whitlam, might have appeared somewhat unlikely.

But not when one examines their roles in the 1975 crisis. Fraser could not have succeeded in ousting the Labor government without the active collaboration of Whitlam himself, who, together with Hawke, then leader of the trade union movement did everything possible to ensure that the

eruption of white hot anger in the working class, following the dismissal, did not take the form of an independent political movement against the coup. The two agreed, according to Hawke's assessment, made just hours after the coup as he was seeking to squelch any move for a general strike, that the central task was to prevent "the unleashing of forces the like of which we have never seen."

In other words, even in the turmoil of the events of 1975, and notwithstanding Whitlam's epithet that Fraser was "Kerr's cur," the two leaders played a complementary role in defence of the stability of the capitalist state. It was there that their essential unity, which was to flower in later years, was established.

Fraser came to power as the post-World War II capitalist boom was disintegrating. In the following years, after defusing the upsurge of the working class, of which developments in Australia were a part, the international bourgeoisie began an offensive, finding its consummate expression in the policies of the Thatcher government in Britain and the Reagan administration in the US.

Fraser's name is not associated with the free market and austerity agenda, much as he might have liked it to be. In his final interview, screened on the Australian Broadcasting Corporation television network last Sunday night, Fraser said he had told Margaret Thatcher to "cut" early in her term, and expressed his frustration with Australian Treasury opposition to the floating of the Australian dollar. The decision to float the dollar was to become the cornerstone of the dismantling of economic regulation by the Hawke Labor government, which came to power in 1983, and underpinned all the attacks on the working class that followed.

In ruling circles, Fraser's term of office, extending over more than seven years, has been placed under the sign "Wasted Years." According to an *Australian Financial Review* editorial published on his death, Fraser, despite three election wins, never really got on top of the economic problems he inherited. His period in office represented a "lost economic opportunity."

The real source of Fraser's problems, however, was not Treasury reluctance but the fact that the fires generated by the events of 1975 had far from cooled. As John Howard, the future prime minister, who had served in the Fraser ministry, was to perceptively remark, the disparity between the parliamentary majority enjoyed by Fraser's government and the limited extent of its economic measures was because the very "fabric" of society had been stretched thin.

Fraser himself, conscious of the criticisms made of him in ruling circles, once noted that perhaps the most important contribution of his government was the change that it had effected in the Labor Party.

There was some truth in his observation. During Fraser's term in office, Labor abandoned its commitment to the mild reforms of the Whitlam government and, together with the trade union bureaucracy, established a series of mechanisms that would suppress the struggles of the working class in defence of wages, jobs and living conditions.

The final impetus for what would become the Hawke-Keating government's so-called Accord with the unions was a renewed upsurge of the working class in the early 1980s, which had created the conditions for Fraser's defeat in the 1983 general election. With the help of the unions, the Labor governments of the next 13 years implemented the "free market" agenda of "economic reform"—now held up as the paradigm for all governments—that Fraser had been unable to carry out.

Throughout his rise to power and term in office, Fraser was the archetypal Cold War warrior. He was at the forefront of involvement in the Vietnam War, first as minister of the army and then as minister of defence. In 1980, he campaigned, unsuccessfully, for a complete Australian boycott of the Moscow Olympic Games, in line with the policy of the Carter administration in the US over Soviet intervention in Afghanistan.

However, with the collapse of the Soviet Union and the end of the Cold War, Fraser made something of a reorientation. His fundamental outlook—based on what he saw as the defence of the interests of the Australian state—did not change. But the geo-political context did.

In his book *Dangerous Allies*, published last year, Fraser now saw Australia's alliance with the US as an increasing danger. He provided no real explanation for his previous support for the Vietnam War—just that he now regarded it as a "mistake." He castigated the Americans for not informing allies like Australia of the true situation in Vietnam. They had been, at best, derelict in their duty or, at worst, "deceitful," implying that another decision might have been made. This was, of course, a convenient rewriting of history to meet contemporary political objectives.

Fraser had come to the conclusion that with the economic rise of China, the interests of the Australian state would be better served by an "independent" foreign policy. Warning that dependence on the ANZUS Treaty could result in "estrangement from the region in which we live," he posed the question as to whether strategic dependence on the US created a paradox: "We need the United States for defence, but we only need defence because of the United States."

While Fraser's reorientation was championed by sections of the left-liberal political milieu, his geo-political outlook was based on a series of assumptions no less false than those of "Soviet expansionism," which had characterised his Cold War outlook.

A core feature of the book was Fraser's hailing of the actions of George Bush senior in prosecuting the first Gulf War against Iraq, on the pretext of its invasion of Kuwait. Fraser said Bush's call for a "new world order" was based on principles of justice that contrasted favourably with the actions of subsequent US administrations. In fact, the "new world order" was the opening declaration by US imperialism that, with the Soviet Union removed from the scene, it would pursue its ambition of unfettered global domination.

Apart from Australian geo-political and economic interests, Fraser's reorientation was bound up with a concern for political stability at home. Having been at the centre of government at the end of the 1960s, he had seen first-hand how the Vietnam engagement, which started with broad public support, "ended with the most terrible divisions." Vietnam was a "warning of the repercussions of intertwining our foreign policy with that of a major power."

In recent years, Fraser pointed, on many occasions, to the role of US bases in Australia, noting that the major communications facility at Pine Gap was no longer a listening post, but was integrally involved in daily American military activity. If the US engaged in a war, then Australia would automatically be involved, and the public might find out by reading about it on Twitter or Facebook.

Fraser once commented that there would be "uproar" in the Australian public if the real role and activities of the US bases became widely known. He entertained the hope that if the dangers of the present orientation were pointed out, a more rational foreign policy might be enacted, averting the danger of war and the accompanying social and political conflict. But Fraser's own life gives the lie to that conception.

The tumultuous political events, in which he was an active participant, were not the result of a failure to develop an enlightened policy, but were rooted, in the final analysis, in the contradictions of the capitalist economy and the nation-state system. While having no appreciation of the essential driving forces of the system that he served, Fraser nevertheless ended his days at least somewhat aware that storms, even bigger than the ones in which he was directly involved, lay directly ahead.

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[11 November 2005]

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