

Release of 1977 Cabinet papers

Embargoed until 1 January 2008

At the beginning of 1977, the dismissal of the Whitlam Government by John Kerr still felt like a festering wound. To my crowd, the legitimacy of the Fraser Government was still in question. It was only a year or so on from the day when the Governor-General had struck down a democratically elected government.

One of the many losses in the December election landslide to Malcolm Fraser in 1975 was Labor's Fred Daly – a stalwart of the Catholic Right of the Party and one of the popular wits of the Parliament. At the beginning of '77 I was editor of a little local paper in Sydney's inner-city suburb of Glebe and I had met Fred several times. He was always laughing. For most of '77, though, I was editor of the satirical weekly, *Nation Review*, and on one occasion I was flying back from Canberra and I heard Fred's booming voice two seats ahead of me. 'Excuse me miss,' he enquired of the hostess, 'you wouldn't by any chance have a copy of *Penthouse* magazine, would you?' The somewhat shocked hostess replied in a sharp negative, 'No sir, we don't carry that paper.' 'Well,' said Fred, 'what about the *Catholic Weekly*?' She went off to a roar of laughter from the plane.

Fred Daly slipped out of the limelight in the Fraser era and the bonhomie which he brought to the halls of Parliament went with it. Jim Killen was still there and Gough was hanging on but the humour had gone out of politics.

My memory of the year is one of unease – at a whole lot of levels. A Menzies generation that had gone to university and largely studied Arts subjects were being overtaken by the economists. The oil shocks, deficits and inflation figures of the Whitlam years were slowly making everyone aware of their own deficits of understanding. Unease, too, in popular music. Punk bands like The Clash, David Bowie's *Heroes* and Talking Heads' first album all arrived with an edgy, brittle sound that expressed the feeling of the time. On her *Hejira* album, Joni Mitchell sang not about love but about the lack of it:

Maybe I've never really loved,
I guess that is the truth,
I've spent my whole life in clouds at icy altitudes.

The science fiction of *Star Wars* first hit the screens and broke all box office records as the world's then highest-grossing film. Fantasy ruled.

Within a few months of the start of the year I was asked by Richard Walsh to edit *Nation Review*. It was a slightly uneasy mix of both the old 'Nation' of Tom Fitzgerald and George Munster, and the 'Review' of Mungo MacCallum, Michael Leunig and John Hepworth fame. Owned by the slightly left-wing transport king (there's a type you don't see much of these days), Gordon Barton, *Nation Review*, popularly known as 'the ferret', like many other publications was out of sorts

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with the times. It didn't like Malcolm and he didn't like us. It was irreverent, lewd, scurrilous and if it were a fish, it would have been a bottom-feeder.

I had the job of running this combined bag of Kilkenny cats. I remember being seduced by Mungo one late night to turn up to Peter Carey's place in Birchgrove to get a late feed. Carey seemed non-plussed in the middle of his dinner party. It got heated. Carey decided to jump up onto the middle of his dinner table and abuse Mungo - I think, essentially, in retrospect, for being a journalist. Mungo, standing in the middle of the table, responded with remarks about jumped-up advertising writers. I tried to do a Bob Hawke and seek consensus but failed. It ended badly.

It was a bit like that all year really. From the beginning, in Sydney, there was the stench of subterranean crime. Public campaigners were going missing at an alarming rate. Juanita Nielsen, the anti-developer journalist at Kings Cross, had disappeared and the new Wran Government in 1977 was responding to journalists' investigations with a promise to look into new evidence. In July, Donald Mackay, a good man campaigning against drug lords in Griffith with whom I had met as a reporter on ABC TV's *This Day Tonight*, disappeared. Neither re-appeared.

It was also clear the public service in Canberra was still finding life with the Fraser Government difficult. Several of *Nation Review's* part-time Canberra correspondents - Alan Ramsey, John Lombard, David Solomon - all found it easy to get juicy 'leaks' from the top echelon of the public service. Said John Lombard early in the year of Foreign Affairs:

Morale at the department is at rock bottom at the moment. Throughout the year they have watched the Fraser government close posts overseas, pull back 27 senior officers ... cut the staff ceiling and ... cut out first-class air travel for all except the top brass.

In February, Mungo MacCallum reported that 'everybody's leaking' in the public service and nominated several important ones. He concluded '... it is now accepted as a truism by the government that the vast majority of public servants hate its guts.'

In April, a *Nation Review* columnist, the well-known Monty Molonglo, detailed how a triad of top Canberra Press Gallery journos - Laurie Oakes, Mike Steketee and Paul Kelly - had negotiated with one source to re-arrange the queue of leaks to accommodate the leaker's request for timely and maximum damage to his Prime Minister.

In April, a former ASIO agent contacted me to tell his story of how he reported back to his masters in Canberra on the activities of 'the Left' in Australia - including people as harmless as Doug White, editor of the intellectual journal, *Arena*. He told me he was troubled by some of the work he was asked to do and disagreed with the direction of it. He felt ASIO was being used as a political espionage body rather than in defence of the nation's interests.

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The ex-spy approached me as the government was establishing the Office of National Assessments on the recommendation of the Hope Royal Commission into Intelligence and Security. ONA would report directly to the Prime Minister, coordinating all existing agencies such as ASIO, ASIS and JIO. His approach was an attempt to underline the truth of much of Mr Justice Hope's findings that the various agencies were 'fragmented, poorly co-ordinated and organized.'

One wonders whether this constant flow of leaks was an effect of 11 November 1975 – either directly out of distaste for the manner of the previous government's leaving or indirectly at the new expenditure review cuts which flowed from it.

Certainly 11 November reverberated again when the Queen came to open the Australian Parliament on 8 March 1977. Mungo went into overdrive at the dwindling crowds for Her Majesty and her Governor-General:

There, surrounded by throngs up to one deep, was the Queen, flanked by fawning politicians wearing Edwardian national costume ...

There was the Queen, covered in minerals which would be worth nearly a week's income to Lang Hancock ...

There was the Queen, surrounded by flag-waving school-children dragooned for the purpose ...

The fact that the crowd was about the size of the audience for a third grade rugby union match in Melbourne on grand final day, and showed much the same enthusiasm, hardly seemed to matter.

Rugby union was on Malcolm Fraser's mind, too, but in a manner likely to endear him to Labor folk for some time to come. Fraser showed himself to be progressive on race issues generally. Much to the chagrin of one Senator Sheil from Queensland, Fraser supported black majority rule in South Africa and did so with passion. He opposed sporting contacts with teams based on race, the most controversial of which were the Springboks. To someone like me, who took a small part in the anti-apartheid movement in Australia, assisting those who opposed all-white South African teams visiting Australian grounds to play cricket or rugby, Fraser was an unlikely hero. Fraser's ideas were enshrined in the Commonwealth Gleneagles Agreement and a new chink in the Easter Island-like Fraser stereotype opened up.

Meanwhile, Labor was tying itself up in knots. Despite polls showing Labor was ahead of the government, few doubted that a Labor victory was beyond the next election, whenever that would be called. Despite the reverence that many of my Labor friends had for Gough, there was no doubting their hard-headed belief that he was being given time by the party to go with grace and dignity.

In mid-March *Nation Review* was already looking at the next round of leaders. It revealed a letter Clyde Cameron had put around caucus on 21 February which effectively dressed Whitlam down for selling out on 'traditional Labor values'. It saw Bill Hayden as 'the reluctant bride', Lionel Bowen as a possible alternative right-winger and Paul Keating as the young up-start. 'Tough, clean-cut and Catholic' the paper called him, detailing his assiduous courting of traditional

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Labor enemies like mining companies and press barons. Keating was stating leadership ambitions upfront in 1977.

Monty Molonglo, our columnist, reported that there was no love lost between Gough and his Deputy, Left heavyweight Tom Uren, either. Whitlam was furious at a Uren press release that was printed under his (Whitlam's) name by mistake. The subject was East Timor and Indonesia. It began:

[We condemn this] desperate attempt at a final solution to the situation [in East Timor] by a corrupt clique of Jakarta generals worried by growing domestic unrest and international opposition to the brutal and unprovoked Indonesian invasion of East Timor.

The Australian printed it as a Whitlam statement, then reprinted it again when it apologised for its error. Whitlam was not in agreement with the original.

Tempers flared as a spill approached for the Leader and Deputy Leader of the Opposition's positions in June. Mungo MacCallum, in reporting an eventual Whitlam/Uren win against the internal opposition team of Hayden/Keating, correctly surmised that Whitlam would go of his own accord the moment he lost the next election. But he also reported the feelings inside the party. Following the vote, an angry Left leader Arthur Gietzelt took some papers around to Ken Wriedt's office in Parliament and dumped them on his desk. When Wriedt asked what he was supposed to do with them, Mungo reported Gietzelt as replying: 'You can shove them right up your arse'.

On the conservative side of politics it was John Howard who was looking like the man most likely to take the reins of the future. Despite Andrew Peacock being the nominated glamour boy of the Melbourne Club, Howard was hanging in like a terrier. And he was doing his homework. The same age as Peacock, he was doing his sums while Peacock was out strutting the world's capitals as Foreign Minister. By the end of the year, he would have moved on from Fraser's Minister for Business and Consumer Affairs to Treasurer.

Howard's 1977 involved the perfect execution of the Fraser policy to neuter the Whitlam body to justify prices as well as wages – the Prices Justification Tribunal. Melbourne financial journalist John Hurst investigated the PJT and found it a toothless tiger. The dentist was John Howard who, within months of assuming his job, ensured the PJT could examine fewer and fewer major businesses, could not examine retail prices and had lost its retail research division. Notifications of price increases dropped within five months of Howard's bill, emasculating the Tribunal from 400 to 100 a month. 'The truth is the PJT has become a rather bad joke,' John Hurst reported.

But the paper was adept at being brutal in its directness. In fact, where it was edited – Sydney – was a bit like that. Brutalism. At the same time as the Labor caucus was tearing itself apart, Sydney's Lord of the Manor, Kerry Packer, Australia's richest man, was inserting his money into a new form of cricket that would bitterly divide and weaken Australian cricket for a decade. In May Packer struck with Richie Benaud and Ian Chappell and began buying cricketers from

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the 200-year-old form of the game. He called it World Series Cricket and it would broadcast on his station, Channel Nine. Traditional supporters like Allan Border carried on as half their team left. It would be a generation before young cricketers would agree to play both forms. Money helped.

Or take the feud in Sydney between ex-Melbourne playwright David Williamson and hometown libertarian (and *Nation Review* writer) Bob Ellis – and their partners. It sprang from the loins of the paper in February and was going in the letters pages for weeks. One sample:

Dear Kristin,

... to start with, the name-calling aspects of your article are all too depressingly easy. You speak of Bob Ellis as 'critic turned gossip columnist'. Could I similarly describe you as Kristin Green (nee Christine Wilkinson), somewhat failed actress and journalist and well-known hysterical bitch ... with as much or as little accuracy? ...
Yours, Anne Brooksbank

This paragraph is about one-thirtieth of the letter.

Both these incidents captured, or made, the tenor of the times.

And in the background, two other lions were beating their breasts. One was Joh Bjelke-Petersen, the other Bob Hawke. Neither was in federal Cabinet but both dominated national headlines and, I suspect, Cabinet deliberations.

Nation Review's take on Joh in '77 was typically deranged. Our correspondent in north Queensland concentrated on the police raids on the hippie community of Cedar Bay near Cairns the previous year. The raid was replete with guns firing, helicopters, teams of police and the burning of the camp. It ended with charges against several police. But in 1977 the court hearings were grist for the media mill as police questions about sexual practices and drug-taking within the camp, not to mention VD and 'filth', dominated headlines.

This all made for perfect pre-election conditions for the Premier of Queensland whose rigged electoral boundaries and populist politics had produced three successive election victories and a virtual one-party state. And so it was that later in the year, Joh declared an election. Our correspondent in Brisbane, Denis Reinhardt, went to all the pre-election rallies.

After a speech in the back room of the Park Royal Motel in Brisbane to supporters and journalists, a kind of trial run of the campaign, in which middle-of-the-road Labor fixer Tom Burns was said to be in the wasteland of 'the militant communist left unions', a song was heard which was to become the campaign TV tune. It went:

He's a man that you can talk to,
A man that you can trust,
A man that stands for what is right,
For what is true and just.
Joh's the man to keep us strong,
He's the man who won't let our state go wrong,
Joh's the man standing up,

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Standing up for you and me,
He's the man we need.

Now just repeating this without remembering the tune is a bit unfair but you get the drift.

And, of course, the name I've barely mentioned here – Michael Leunig – summed it up best, in the spaces between the columns. It features a lonely farmer in the outback, cocking his head, with his wide-brimmed hat, at a sign stuck in the middle of nowhere, that simply says:

Here today in person Premier Joh
Will give away beads and mirrors.
Here today silver bird lands
When big hand is on twelve
And little hand is on two.

Michael was truly the heart and soul of *Nation Review* and captured truths on a weekly basis.

A week before the September election, the Premier banned all street marches and demonstrations – and won the election for a fourth term.

The other man was Hawke. In the 1970s Hawke was an enigma. Here was an industrial firebrand fighting tooth and nail for workers' rights and conditions. Arguably, more than anyone, he was responsible for soaring wages during the Whitlam Government. In 1977, he's there again fighting for wage increases and using industrial strong-arm tactics on employers and big companies. But he is also behind the scenes a champion negotiator even to the extent of becoming a force to be reckoned with inside the conservative Cabinet. And on the federal conference floor of the Labor Party in 1977 it is he who argues for the mining of uranium, for economic responsibility and moderation with business.

By May, according to Mungo MacCallum, he's already being seen as the Liberals' biggest challenge. In a session of Parliament in May in which Fraser attacks Hawke, Mungo makes this observation:

But Fraser did make it quite clear that, for the moment at least, the government's most basic policy has undergone a dramatic shift. No longer can we sum fraserism up in the moving sentence: Whitlam is a bastard. The new fraserism revolves around a far more dynamic and positive concept: Hawke is a bastard.

This dynamic – Fraser versus Hawke – had legs. Fraser was right to see the threat and it would finally undo him.

But *Nation Review* got some things badly wrong in 1977. We reported Don Chipp as a one-day wonder whose Australian Democrats wouldn't last – and did so several times over. We were wrong. They were the third force in the federal Parliament for 30 years and Don Chipp's instincts that people wanted a left liberal, pro-market party proved correct. Fraser, with Howard in support, had gone too far Right and the Democrats profited.

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We didn't see the importance of Deng Xiaoping taking over from the Gang of Four in China. In fact we ran a rather humorous story about how Billy Snedden forgot to turn up to Sydney airport to meet a visiting Chinese delegation as though both Snedden and the Chinese were a bit funny. It wouldn't happen now!

We didn't cover Neville Wran in New South Wales much, though we did Rupert Hamer in Victoria and Don Dunstan in South Australia. But the truth was Australia was a bit of a funny, confused place in 1977. Wran and Dunstan formed a kind of progressive axis. Both knew what they were doing in their own states and were highly popular and successful. Joh Bjelke-Petersen and Charles Court, from the two mining states, formed an equally successful conservative axis. Hamer's Victoria was somewhere in the centre.

We were a divided people, newly unsure of ourselves after the trauma of 11 November 1975, and still hurting. In retrospect, the implications of that fateful undemocratic day were still being mulled over by the public service, by Hawke, by Labor and Liberal policy-makers, and by the voters.

One thing, though, remained certain in all of this. Melbourne hated Sydney and Sydney sniffed as though it didn't matter.

My paper published two lists of things where Sydney and Melbourne differed, coming to the conclusion the two cities were, in 1977, quite different. The list rings true 30 years later. But it will test your memory.

Sydney: Gough Whitlam

Melbourne: Malcolm Fraser

Sydney: surf beaches

Melbourne: Albert Park Lake

Sydney: cockroaches

Melbourne: mice

Sydney: a day out drinking with friends

Melbourne: Aussie rules

Sydney: sandals

Melbourne: boots

Sydney: conductresses in minis

Melbourne: heavy winter serge

Sydney: yellow

Melbourne: gunmetal grey

Sydney: American

Melbourne: English

That was then – some things remained certain – in 1977.

Thank you

PETER MANNING