

15. Darkness Descends on Whitlam

An important factor in the downfall of the Whitlam Government was the affair involving the Deputy Prime Minister, Dr Jim Cairns, and Junie Morosi. The media could not get enough of the yarn—splashed as a ‘bombshell sex story’. Cairns’ colleagues in the Caucus and journalists in the gallery were, to say the least, surprised. Until then, it had been assumed that Cairns and his devoted wife of many years were inseparable. Morosi turned up, out of the blue, becoming a regular visitor to the office of the Leader of the Government in the Senate, Minister for Customs and Attorney-General, Lionel Murphy. She was a stunning beauty, slender, with beautiful black hair—in short, a knockout. Morosi was not on Murphy’s staff but the general view around Parliament was that Murphy was ‘knocking her off’.

Murphy came to the Parliament as a NSW Senator in 1962. His promotion was rapid: Leader of the Opposition in the Senate in 1967 and Leader of the Government in the Senate when Whitlam came to power in 1972. With his promotion came a more commodious office, allowing him, when the Senate rose for the night, to host some of the best parties in Parliament House. Frequently, the parties would, in the early hours of the morning, move to Murphy’s fine house in Arthur Circle, Forrest—an exclusive address. Lionel’s gorgeous wife, Ingrid, a former model, was the hostess. No matter how late the party, Murphy would be in Parliament House next morning bright and early. A big, powerful man, he had the rolling gait of a sailor and, like many successful politicians, had an iron constitution. As early as his mid-forties, a spectacular whisky nose—red and well veined—dominated his features. Murphy’s female staff—all invariably attractive—would work on his nose with pancake make-up for his TV appearances, which was a demanding and skilled task.

Murphy introduced Jim Cairns to Morosi and he was besotted. At this stage, the Opposition did not try to make anything of the affair. Press secretary Eric Walsh asked Whitlam what he thought about Cairns and Morosi. Whitlam replied: ‘He’s c**t-struck at sixty.’ One night after the Senate rose, Morosi and Cairns were in Murphy’s office; with Whitlam overseas, Cairns was the acting Prime Minister. The couple decided to spend the night together at the Lakeside Hotel, on the northern shore of Lake Burley Griffin, just across Commonwealth Avenue Bridge. But how were they to get there? That very day, the Commonwealth car drivers were on strike. With no Commonwealth car available to take the lovers to the Lakeside, Murphy had the answer: Trevor Wright, Murphy’s private secretary, would convey them in his well-worn Holden. Morosi and Cairns sat in the backseat, with Wright as the chauffeur, and off they drove, not knowing that on that very night police were hunting a dangerous prisoner who had escaped from Cooma jail, some 100 km to the south.

Halfway across Commonwealth Avenue Bridge, a police roadblock halted the party. Trevor, who had been enjoying the party in Murphy's office, was aghast. The breathalyser loomed, but no, a policeman shone his torch into the back seat of the Holden and sighted the acting Prime Minister. 'I'm very sorry, Sir', said the policeman, 'go ahead', which they apparently did, in more ways than one. It also transpired that ASIO was desperately searching for the acting Prime Minister that night—without success.¹

While the media and the Opposition both knew of the dramatic crossing of the lake by the lovers in Trevor Wright's car, Morosi came into the sights of the Opposition for different reasons. The Department of Treasury was appalled when Cairns, as Treasurer, appointed Morosi as his office coordinator. It had long been the boast of Treasury (with some justification) that it gave the Treasurer a quality of service and backup that no other department, including the Prime Minister's Department, could match. Morosi was totally unqualified and, within weeks, despite the best efforts of others on the Treasurer's staff, Cairns' office was a shambles.

The Opposition, in late 1974, began to question Cairns' employment of Morosi, who, with her husband, had been involved in several failed companies. On 4 December 1974, John Howard—elected in May that year as the MP for Bennelong on Sydney's North Shore—raised in Parliament the issue of 'a well-publicised appointment' to Cairns' staff.² Adopting the Uriah Heap approach, he assured the house he was not raising the matter in 'an acrimonious personal sense, but as a matter of concern to this Parliament'. Howard did not mention Morosi's name. He said he had information that companies 'of which that person and her husband' were directors, officers and/or shareholders were currently being investigated by the NSW Commissioner for Corporate Affairs. Howard said: 'I raise this matter because I know that such an investigation will prompt an immediate investigation by the government', adding that he would be 'very relieved to know that there is no substance in the information', but believed his information was reliable.

The next day in Question Time in the house, Whitlam said that, as a result of the newspaper reports of that morning, he had raised the Howard statement with Cairns and the Treasurer had asked him to get in touch with the Premier of New South Wales 'to secure the fullest and earliest account of any investigation'. Yet although according to Whitlam Cairns had asked that he (Whitlam) seek a full investigation by the NSW Government of Howard's allegations against Morosi, Cairns gave her full clearance in a personal explanation to the house at the end of Question Time:

1 Conversation with Trevor Wright.

2 CPD.

I am quite satisfied that Miss Morosi is a person of very considerable ability, character and integrity...I am not going to be influenced by newspaper campaigns which have an element of the scurrilous and an element of the irresponsible. I suggest to honourable members that if I had chosen a man or even a woman who was not good looking, perhaps nothing would have happened.

This was the big story of the day on the last day of parliamentary sittings for the year. Cairns was digging in and, although the issue raised by Howard failed to turn up anything damaging to Cairns, it added to a deepening sense of gloom in Caucus. The end was near for Cairns and, for that matter, for the Whitlam Government. On 4 June 1975, Cairns misled the house by denying the existence of a letter, signed by him, to a Melbourne businessman offering a brokerage fee for the raising of a government loan. The letter did exist and Cairns had signed it. People I knew well in Treasury had been telling me for weeks that Morosi had created havoc in the Treasurer's office and Cairns was probably telling the truth when he said he had no recollection of the letter. Yet he could hardly offer Morosi's incompetence as an excuse and Whitlam had to sack him.

Cairns owned up to the Morosi affair in an interview with John Cleary on ABC radio in September 2002, when he was eighty-eight. When asked by Cleary, 'Did you go to bed with Junie Morosi?', Cairns replied, 'Yes'. Richard Ackland was in the *Australian Financial Review's* bureau in 1975 and he later edited an acidic magazine, *Justinian*, which circulated widely in the legal profession. After Cairns' confession, Ackland authored an article in the *Sydney Morning Herald* pointing to the hypocrisy and lies the lovers had told about their relationship. For example, they had both sued *The National Times*, a Fairfax publication, for alleging what Cairns later confessed to. Ackland's article reported that on 18 October 1982 in the Supreme Court of New South Wales Cairns was asked before a jury if he had ever had an adulterous relationship. He replied, 'No, never'.

The National Times published an interview with an American director of Morgan Stanley, Dudley Scholes, who referred to Cairns' 'girlfriend, Morosi'. Cairns claimed the remark gave rise to a defamatory imputation that he was 'improperly involved with his assistant, Junie Morosi, in a romantic or sexual association contrary to the obligations of his marriage and to that of Miss Morosi'. Morosi told the jury: 'I felt insulted, angry, upset and hurt. It was very demeaning to me as a woman [to be called a "girlfriend"]'. The jury found that the imputation did arise from the article in *The National Times*, but that it was not defamatory. Claiming the jury's finding was perverse, Cairns and Morosi went to the Court of Appeal. Justice Hutley at one point remarked: 'The fact that so intelligent and glamorous a woman as Miss Morosi [Mrs Ditchburn] developed a romantic interest in him may raise his standing in public eyes.' Cairns and Morosi lost the appeals with costs awarded to Fairfax.

Trevor Wright, Murphy's private secretary and an officer of the Customs Department, had been private secretary to Don Chipp, Customs Minister in the McMahon Government, and nobody raised the slightest question that this should exclude him from working for the Labor Government. Since Federation, officers from a minister's department normally were seconded as ministerial private secretaries. There was also a small group of 'professional' private secretaries specialising in this position and working for ministers irrespective of their party. Cliff (Nobby) Clark and Frank Hinchelwood were two I remember. For example, Menzies' private secretary, Geoff Yeend, was seconded from the Prime Minister's Department. After the death of Curtin, Chifley was both Prime Minister and Treasurer, as well as Leader of the House, and an officer from the Prime Minister's Department was seconded as his private secretary and an officer from Treasury was his private secretary for that portfolio.

The non-political Commonwealth Public Service not only administered the nation (at the direction of the Cabinet), but also was the advisory body to the Government. The adviser to ministers was the secretary of his department and, in practice, other senior officers from the department would come to Parliament House to brief their minister. This system gradually changed on the election of the Whitlam Government to the point where, under the Howard Government, ministers relied almost entirely on their hugely expanded personal, and mostly partisan, staff for advice. There were exceptions. Howard sought advice from his departmental secretary, Max Moore Wilton (whom he had recruited from the private sector), and Treasury remained virtually unchallenged as the adviser to the Treasurer.

On 17 July 1973, Gough Whitlam and his Minister for Overseas Trade, Jim Cairns, announced the historic decision to slash tariffs across the board by 25 per cent, provoking attacks by unions. To his great credit, Bob Hawke, then both National President of the Labor Party and President of the ACTU, supported the tariff cut. *The Age*³ reported, according to a poll it had taken, tariff cuts had been 'widely, if cautiously, welcomed throughout the nation'. All newspapers supported the decision. The *Australian Financial Review* said 'it was a vast step towards national maturity and a move that will greatly strengthen Australia's international bargaining position when (and if) long-awaited GATT [General Agreement on Tariff and Trade] negotiations begin later this year'. Whitlam had appointed Alf Rattigan (later chair of the Industries Assistance Commission) to head a committee and give a recommendation on the tariff cut.

Rattigan believes the tariff decision enabled the Liberal–Country Party Coalition in 1978 and 1979 to secure, in the GATT negotiations, concessions benefiting

3 24 July 1973.

the export of agricultural products to Europe, Japan and the United States.⁴ By now, the average gallery member, who had regarded trade and tariff policies as second-rung 'economic' stories and not all that important, had to refocus. Given *Inside Canberra* had a strong readership in manufacturing, Don and I had long been following the protection debate and were far from enthusiastic about reductions in protection.

The author is still to be convinced that the rush by Australian governments, both Coalition and Labor, to have the most hairy-chested free-trade policies in the world is necessarily in the best interests of the nation. Many of the world's most vibrant economies—the United States, Japan, China and Germany—have not gone nearly as far as Australia in embracing abolition of protection for manufacturing, and rural and service industries. Successive Australian governments should have done far more to lessen the impact of tariff reductions by, for example, greater support for training and skills and more assistance for technological innovation to maintain the competitiveness of Australian industry.

Bringing independence to Papua New Guinea is one of Whitlam's proudest achievements and in *The Whitlam Government*, Whitlam explains how in the 1950s Labor was inhibited by Calwell's attitude towards Papua New Guinea.⁵ Calwell spelt out his policy in a speech to the Australian Institute of Political Science Summer School in January 1958:

The Labor Party desires to maintain the status now existing in Dutch New Guinea, in our own Territory and in Indonesia, by an agreement for security against external attack and for uplifting the welfare of the inhabitants of the area. So that I shall not be misunderstood by not being explicit enough, I repeat the views I expressed in 1950 in the House of Representatives on the Indonesian claim to Dutch New Guinea: 'The Indonesians have no claim whatsoever to Dutch New Guinea, whether on ethical, historical or any other grounds; they have no more claim to Dutch New Guinea than they have to Siam, Colombia or anywhere else.' If we allowed the Indonesians into Dutch New Guinea, there would be no hope of holding the northern portion of Australia and the fate of this country would be sealed and certain.

Calwell's view at this time was the majority view—of not only the Labor Party, but also the Liberals and, more importantly, the Australian population. History has proved Calwell wrong, yet the Indonesian takeover of West Papua today is unsettling the area. The hostility of the local inhabitants to foreigners mounts as Jakarta pursues a policy of mass 'transmigration' of Indonesians to the province from other parts of the archipelago. Australian governments, from Menzies

4 Rattigan, G. A. 1986, *Industry Assistance: The inside story*, Melbourne University Press, Carlton, Vic., p. 170.

5 Whitlam, Gough 1985, *The Whitlam Government 1972–75*, Penguin, Ringwood, Vic., p. 72.

on, had to deal with a drive in the United Nations after the war by the newly emerged independent countries such as India, backed by the United States, for an end to colonisation. It was the refusal by Washington to back the objections of the Dutch and the Menzies Government to an Indonesian takeover that forced the Dutch out.

I met Michael Somare, the man who was to become the first PNG Prime Minister, at a party in Eric Walsh's O'Connor house in the early 1960s. Born in 1936, Somare is the son of a village policeman and his education included time in a Japanese-run primary school after the Japanese invasion of Papua New Guinea. Before becoming Prime Minister of Papua New Guinea, Somare developed a network of influential Australians. With the departure of Calwell, Whitlam proceeded with his plans for independence for Papua New Guinea, and, on 1 December 1973, the territory gained self-governance, followed by full independence on 16 September 1975. Veteran ABC journalist Graeme Dobell, for many years the foreign affairs/defence correspondent for Radio Australia, wrote that in the mid-1960s, the Australian Cabinet debated integrating Papua New Guinea into Australia and granting the people a form of Australian citizenship.⁶

Whitlam had marked out his policy priorities in his historic visit to China in July 1971 as Leader of the Opposition. The first priority was getting out of Vietnam and the second was recognition of the People's Republic of China. His first overseas visit as Prime Minister was not devoted to knee bending to the great powers. He visited New Zealand in January 1973, Papua New Guinea and Indonesia in February and India in May before Mexico City, Washington, DC, and finally Ottawa for the Commonwealth Heads of Government meeting in August.

On Whitlam's official visit to Papua New Guinea, the press party got a taste of Whitlam's quirky sense of humour. The Prime Minister's party visited Mendi in the Highlands, where he was guest of honour at a spectacular gathering of the tribes. Warriors adorned in fantastic traditional dress danced and chanted in the '*sing-sing*' display, while the Prime Minister's party looked on. A tribal elder approached Whitlam and solemnly presented him with what looked like a club or a large walking stick, with elaborately carved snakes—a symbol of long life—and topped with a large knob. Whitlam turned to Walsh and asked: 'What do I do with it, lean on it or strap it on?' Unsurprisingly, the response produced muffled laughter from the press party.

On 11 November 1975, Michael Somare stood beside a radio in Port Moresby, listening to the account of how the Governor-General, Sir John Kerr, had

⁶ Dobell, Graeme 2000, *Australia Finds Home: The choices and chances of an Asia Pacific journey*, ABC Books, Sydney, p. 134.

dismissed the Whitlam Labor Government. The Prime Minister of the newly independent Papua New Guinea turned to an aide and said with a grin: 'We've only just cut them loose and they've already stuffed it up.'⁷

As Opposition Leader, Malcolm Fraser had promised he would not use the Senate to block supply unless there were 'reprehensible circumstances'. The Whitlam Government was doomed by the loans affair, which Malcolm Fraser found a convenient 'reprehensible circumstance' and secured the agreement of the Governor-General, Sir John Kerr, to sack Whitlam. The loans affair could be described as many things, including stupid and irrational, but not 'reprehensible'. No corruption was ever found, nobody ever lent any money, or paid any money—nor was it illegal in the letter or spirit of the law.

What precisely Fraser saw as 'reprehensible' was that Rex 'Strangler' Connor, the Minister for Minerals and Energy, and the Deputy Prime Minister, Jim Cairns, knowingly misled the house. On 4 June, Cairns denied in the house the existence of a letter he had signed to a Melbourne businessman offering him a commission if he could raise loans overseas. Whitlam dismissed Cairns from the ministry on 2 July 1975, and, in the house, said it was a tragedy for his party, its leader and the Deputy Prime Minister.

With his respect for the institution of Parliament, Whitlam had done his duty and sacked both Cairns and Connor. Caucus had the power to object, but did not. Yet Fraser still found it was 'reprehensible', even though Whitlam had acted strictly in accordance with Westminster practice. It was Fraser and Kerr who were guilty of 'reprehensible' circumstances. In retrospect, if Whitlam had been as clever as John Howard was years later, he would have survived. The house, Cabinet and Treasury would have been kept in the dark about the loans affair and Whitlam would have used television to declare that black was white and nobody had told him anything was wrong. Howard, of course, was never told anything was wrong, be it children overboard or the scandal of wheat-for-oil trade dodges operated by the Australian Wheat Board.

The loans affair arose because of the efforts by Connor and his departmental head, Lennox Hewitt, to raise cheap Arab money for national projects such as gas pipelines. The secretive Connor was at heart an old-fashioned socialist. Clyde Cameron, Minister for Labor and a Whitlam hater, was responsible for Connor meeting a Pakistani middleman, Tirath Khemlani, who claimed he could raise the funds. The Treasury previously had sole responsibility for raising loans abroad for the Commonwealth and, correctly, believed it was being bypassed. Fred Wheeler, Treasury Secretary, was rightly suspicious of Khemlani and of Connor's secret dealings.

⁷ Ibid., p. 134.

Whitlam correctly suspected that Treasury would try to undermine the Government. Like others in the gallery, I was the recipient of leaks from Treasury to the office of the Shadow Treasurer, Phil Lynch, via either his press secretary, Brian Buckley, or his private secretary, Andrew Hay. They did not reveal the sources of their leaked information, but there is no doubt it came from Treasury. Wheeler had ‘old mates’ access to a network of international finance houses that filled him in on Khemlani’s dubious operations. The media seized on the dispute between Treasury and the Government, portraying it as a major scandal.

Had it not been for Connor and Cairns misleading the Parliament, the affair could have been confined to the business section of newspapers. The media portrayal of Khemlani certainly had racial overtones: here was this funny little Pakistani who ate peanuts, trying to sell a Labor Government access to loans so he could make a huge commission. On 20 May 1975, Whitlam told Connor that he was to stop all attempts to raise money. Secretly, he refused and was even sleeping alongside the teleprinter in his office in the hope that someone, such as Khemlani, would find the money and Connor would be proved right.

Bob Sorby, now a NSW judge, then principal adviser to Connor, informed John Menadue of Connor’s defiance of the order to give up on the loan. Sorby was a friend of the author and a former gallery member with the *Australian Financial Review’s* bureau, specialising in coverage of the mining and energy industries. After his gallery years, he became an adviser to Paul Keating, and the Labor Opposition’s spokesman on minerals and resources. Later, Sorby was a political adviser to Prime Minister Bob Hawke, and he told me how worried Hawke was about Keating’s attempts to undermine his prime ministership. Menadue⁸ recounts how he and Clarrie Harders, Secretary of the Attorney-General’s Department, had warned Whitlam that Connor had a lot more correspondence about loans than he had disclosed.

Menadue, together with Bill Hayden, the new Treasurer after Cairns’ departure, quizzed Connor about the additional correspondence. Menadue observed that Connor looked sick and anything but a ‘strangler’. His answers were unsatisfactory and Whitlam told Menadue on 15 October—nearly five months after Connor was told to stop his loan activity—to go to Connor and get him to resign. Menadue protested this was not his job, but Whitlam persisted. ‘He [Whitlam] was intimidated, as others were, by Connor,’ Menadue wrote. Connor told Menadue to ‘piss off’. Whitlam finally spoke to Connor and secured his resignation—a shattering blow to the Government, coming on top of the dismissal of Cairns.

⁸ Menadue, *Things You Learn Along the Way*, p. 146.

In February 1975, the Whitlam Government appointed the Attorney-General, Senator Lionel Murphy, to the High Court. Despite a long history of political appointments to the Bench and the postwar appointment as Chief Justice of Sir Garfield Barwick (Attorney-General and Minister for External Affairs in the Menzies Governments), Murphy's appointment aroused immense resentment from the anti-Labor side of politics. As a lawyer, Murphy was fully qualified for the High Court and as a minister he had an outstanding record of achievement in a few short years. In March 1973, with his press secretary, George Negus, by his side, Murphy, as Attorney-General, caused a sensation by raiding the Melbourne headquarters of ASIO.

Labor was deeply suspicious of ASIO—for good reason: it had for years spied on Labor MPs, union leaders and general identities on the left of politics. Murphy was dissatisfied with answers he had received from ASIO about the activities of fascist Croatian terrorist groups operating in Australia. He was responsible for important legislation, including the establishment of the Family Court of Australia, the *Trade Practices Act* and the *Racial Discrimination Act*. Don Whittington, a mate of Murphy's after he became Attorney-General and Customs Minister, found him a source of good copy for *Inside Canberra*. Don and I enjoyed many lunches and dinners with Murphy—an entertaining and informed conversationalist on many topics. At Sydney University, he combined a Bachelor of Law Degree with a Bachelor of Science. One of the weaknesses of postwar Cabinets has been their domination by lawyers and the lack of representation of people with skills that really matter such as social workers, scientists, engineers and businesspeople.

So incensed were the Liberals at Murphy's elevation to the High Court that, in an act of bastardry and spite, the NSW lightweight Premier, Tom Lewis, tore up a longstanding convention dealing with filling Senate vacancies. The Constitution gives the power of filling vacancies to the Parliament (in effect, the Government) of the State the departed Senator represented. It had long been a convention that the vacancy would be filled by the nomination of the party of the departed Senator. Rather than adhere to the convention, Lewis appointed Cleaver Bunton, a former Mayor of Albury, as a non-Labor replacement.

This was important, since the Senate numbers were unchanged by the 1974 double-dissolution election. The Coalition did not have sufficient numbers to block supply and, to everyone's surprise and despite Lewis's despicable act, Bunton voted with the Government on supply. It was the death of Queensland Labor Senator Bert Milliner that instead led to the dismissal of the Whitlam Government. Tom Burns, then leader of the Queensland parliamentary Labor Party, insisted that the replacement should be Malcolm Colston, who had just missed election in 1974. Colston eventually made it into the Senate, ratted on Labor in 1999 and disgraced himself when it was revealed he had been rorting his travel allowances, after initially blaming his secretary.

In an act far more reprehensible than what Fraser could find against the Whitlam Government, the Queensland Premier, Joh Bjelke-Peterson, tossed convention to the wind and appointed a complete unknown to replace Milliner: Albert Field, who despised Whitlam, yet was claimed by Bjelke-Petersen to be a Labor man. Graham Freudenberg is critical of Labor tactics, despite the dirty tactics of the Queensland Premier.⁹ He believes if Labor had been more flexible on this matter of principle, the Coalition could have been denied the vital extra vote. Burns rejected an invitation from the Bjelke-Petersen Cabinet to submit a panel of names. There is, of course, no guarantee that, had the panel been provided, the awful Bjelke-Petersen would suddenly act decently. Although appointed to fill the vacancy, Field failed to take his seat in the Senate.

A High Court challenge was launched and he simply absented himself from Senate sittings. The 1975 double-dissolution election aborted any political career he might have had. His failure to turn up in the Senate was no help to Labor. Because a Labor nominee did not fill the Bert Milliner vacancy, the Coalition in the Senate had the numbers to block supply. 'They did it over a dead senator's corpse', declared independent SA Senator Steele Hall, a former leader of the SA parliamentary Liberal Party (1968–70), describing how supply was blocked. Although Fraser was the beneficiary of Bjelke-Petersen's act of bastardry, he in effect admitted the unfairness of how he got to the Lodge by passing in 1977 the Constitutional Alteration (Senate Casual Vacancies) Bill to ensure casual vacancies are filled by representatives of the same political party as the senators they replace.

Supply was to run out on 20 November. The Senate repeatedly sent the supply legislation back with the demand Whitlam call an election. Whitlam refused, with the total backing of his party and, privately, the near-unanimous support of the gallery. The Government was making arrangements with the banks for temporary assistance should supply run out. The Whitlam camp and most members of the gallery believed Fraser would not be able to hold his troops solid in the Senate as the pressure came and several would crack. It would require only one to do so for the budget to pass. Fraser stalled a vote in the Senate, knowing that in the event of being asked to actually reject supply, several of his senators would rebel. Graham Freudenberg and many others believe Fraser was about to lose these senators in the very week that Kerr dismissed Whitlam.

John Menadue, CEO of News Limited's Australian operations before heading the Prime Minister's Department, wrote of Rupert Murdoch's highly partisan actions in supporting the Kerr dismissal.¹⁰ In the gallery there was much discussion about Murdoch's behaviour and News Limited journalists in Sydney held

⁹ Freudenberg, *A Figure of Speech*, p. 176.

¹⁰ Menadue, *Things You Learn Along the Way*, pp. 156–7.

several stoppages as a protest against Murdoch's stand. What was not generally known was the childhood connection between Fraser and Murdoch. Fraser's father grazed the Victorian Western District property 'Nareen' and Murdoch's father, Keith (later Sir Keith), owned an adjoining property. As small children, Malcolm Fraser and Rupert Murdoch shared the same nanny.

With the crisis building, Menadue organised a lunch with Murdoch and News Limited head, Ken Cowley, in a Kingston restaurant on 7 November 1975. Complaining to them both about the coverage of the crisis, he told Murdoch he had cancelled his subscription to *The Australian*. 'This didn't put him [Murdoch] off his lunch,' Menadue says. On 11 December, Menadue made a written record of the lunch five weeks earlier, and he wrote:

Rupert Murdoch told many of his friends that Mr. Fraser had informed him that the Governor-General had given him [Fraser] an assurance that if he hung on long enough there would be a general election before Christmas...although I have no direct information. He did tell me, however on 7 November that he was quite certain there would be an election before Christmas and that he would be staying in Australia until this occurred. He was very confident of the outcome of any election and even mentioned to me the position to which I might be appointed in the event of the Liberal victory—Ambassador to Japan.

Murdoch was right about that. Menadue was appointed as Ambassador to Japan and Murdoch could only have got that information from Fraser. When Murdoch later denied this account of the lunch, Menadue stated: 'I stand by it.' Having known Menadue well since the 1960s, the author has not the slightest doubt his was the truthful account.

Books have been written about Kerr's dismissal of the Whitlam Government—the most dramatic peacetime political incident since Federation. It became a talking point, somewhat like the assassination of US President John Kennedy: 'where were you when it happened?' I was in the non-members' dining room at lunch with Don Whittington and some other journalists when David Halpin, a ministerial press secretary, rushed in, ashen face. 'We've been dismissed by Kerr', he said. Those at the table retorted 'bullshit'. 'No, it's true, there's a statement in the boxes', said Halpin. We all rushed from the dining room. On the front steps of Parliament House, one of the shortest and most historically important speeches ever made in Australia came from Whitlam.

On the road directly in front of Parliament House, a gathering crowd of tourists and public servants watched Kerr's secretary, David Smith, who had mounted the front steps, read the proclamation of the Governor-General dissolving Parliament. The steps behind Smith were crowded with journalists, MPs and

staffers. Whitlam was slightly behind the Governor-General's secretary, looking over his shoulder. Smith ended the proclamation with the words 'God save the Queen'. Whitlam, exuding confidence, stepped forward and declared:

Well may we say 'God save the Queen' because nothing will save the Governor-General. The proclamation you have just heard read was counter-signed by Malcolm Fraser, who will undoubtedly go down in Australia's history from Remembrance Day 1975 as Kerr's cur... Maintain your rage and enthusiasm through the campaign for the election now to be held and until polling day.

Apart from the boos at the mention of Fraser, all this was said to wild applause and cheers. Many voters maintained their rage, but not enough to save Whitlam at the election. A greater number decided not to vote for a prime minister dismissed by the Governor-General. It might not have been clear to voters just why he was dismissed, but the very fact of the dismissal was fatal to Whitlam. There had never been any doubt Kerr had the reserve power to dismiss a government; Whitlam at no stage contested this. The argument was about the circumstances and justification of the use of this ultimate extreme power.

After his dismissal, Whitlam asked for and received two motions of confidence from the House of Representatives, and the Speaker, Gordon Scholes, rushed to get to Kerr a motion carried by the house reaffirming Whitlam as Prime Minister. How could it be that the Governor-General could sack a prime minister who retained the confidence of the house? Here was a constitutional crisis, with the Prime Minister twice reaffirmed in his position by the house after being sacked by the Governor-General. Scholes, upon arriving at the gates of Government House in his official car, was locked out. The gates were shut and were not to be opened.

A very angry Speaker returned to Parliament House and delivered a fiery speech denouncing this treatment. It was not until late in the afternoon that Kerr finally agreed to see Scholes. When he did, Kerr dismissed the motion of confidence in the Government as irrelevant, because he had already dissolved the Parliament. There was no constitutional provision for this action to be reversed, nor was there any constitutional provision for the Governor-General to ignore motions of confidence in his prime minister.

Whitlam had accepted that the ultimate judgment had to come from the people. There is no doubt in my mind that Kerr's action was unforgivable: he deceived his prime minister, which he later admitted, saying he knew if he had warned Whitlam he was thinking of dismissing him, Whitlam would have beaten him to the punch and advised the Queen to sack Kerr. Whitlam denies he would have

contemplated such an action. Kerr should at least have told Fraser he would make no decision until the Senate had actually voted, one way or another, on supply instead of continuing to block it.

Apart from Fraser, the principal defender of Sir John Kerr's outrage was and continues to be Sir David Smith, but to borrow Mandy Rice-Davies' immortal quote, 'he would say that, wouldn't he'. Smith owes his knighthood to his luck. He was in the clerk's job in 1972 as Secretary of the Executive Council—a position below that of the Parliamentary Liaison Officer, in itself only in the middle ranks of the Prime Minister's Department. Smith was sent to Government House as Kerr's official secretary in 1973 and was attached to the Queen's household at Buckingham Palace in June–July 1975. In 1990, he was created a Knight of the Royal Victorian Order—an award within the Queen's personal gift.

Smith received the honour in recognition of his services to the Crown, both in Australia and in services rendered at Buckingham Palace. He owed this to former Labor leader Bill Hayden who was Governor-General courtesy of Prime Minister Hawke. Although the granting of imperial honours was barred by the ALP platform, Hayden as Governor-General personally intervened, urging the Queen to grant Smith the knighthood. Murray Tyrell, who preceded Smith as the Governor-General's secretary, was equally lucky in getting his Royal Victorian knighthood when the Coalition was in power. Tyrell was a lowly clerical assistant in the fourth division when he made it to Yarralumla, and the knighthoods for both Tyrell and Smith were treated as a great joke in the Prime Minister's Department.

It is no surprise, then, that Smith is a fervent monarchist and he probably got his gong as a result of a push from Bill Hayden. In spite of the fact Hayden would not have got the job as Governor-General but for Bob Hawke, Hayden renounced the policy of the party he owed so much to and, at the time of the republican debate, he outed himself as a monarchist. In the eyes of many Labor people, this marked the lowest point of Hayden's career.

In the wake of the sacking, some in Caucus raised the option of blocking supply to Fraser, who had guaranteed to Kerr he would have it passed. Whitlam rejected this on the grounds that, having fought the issue of the Senate blocking supply, it could hardly now adopt the same tactics used by Fraser. Clem Lloyd wrote the chapter on Gough Whitlam for *Australian Prime Ministers* in which he states there was some discussion by ministers about the prospect of Kerr using the Army if he was frustrated in this way. Labor minister Les Johnson recalls Whitlam asking Defence Minister, Bill Morrison, 'Who's got the army?' and Morrison replying, 'They do'.¹¹ Whitlam wrote that he believed Kerr would have used troops if Labor had attempted to keep the Parliament going.¹²

11 Grattan, Michelle (ed.) 2000, *Australian Prime Ministers*, New Holland, Frenchs Forest, NSW.

12 Whitlam, Gough 2005, *The Truth of the Matter*, Melbourne University Press, Carlton, Vic.

More than three decades on, the constitutional provisions and the reserve power of the Governor-General that led to the dismissal of the Whitlam Government are unchanged. The reserve power will probably be unchanged until Australia decides to become a republic, and even this would not alter the key point of the dismissal: the power of the Senate to block or reject supply. Removal of this power by a referendum would fail and it could not possibly gain the support of a majority of voters and a majority of the States. The smaller States would never agree. In 1987, Queensland Democrats Senator Michael Macklin, in a Private Member's Bill, put forward a workable solution to the supply problem. Macklin's proposal did not remove the right of the Senate to block or refuse supply, but rather, it changed the outcome should supply be blocked.

In short, if supply for a particular year is blocked or defeated, the amount of supply available to the Government for that year would revert to the appropriation of the previous year, thus not denying the Government sufficient money to carry out its ordinary executive services. Nor would Macklin's measure interfere with the double-dissolution provisions of the Constitution designed to deal with disagreements between the two houses. Although dying on the Senate notice paper, Macklin's bill still contains the core of an idea to fix the supply issue.