

Former Australian union chief appeals to big business to rely on Labor

Terry Cook
31 May 2012

An address by former Australian Trade Union Council (ACTU) secretary Bill Kelty to a lavish formal dinner at the ACTU Congress on May 16 provided a revealing insight into the anti-working class agenda of Labor governments, present and past, and the role of the unions in propping them up.

The ACTU Congress took place amid a deepening political crisis of the minority Labor government of Prime Minister Julia Gillard, beset with multiple corruption scandals and confronting electoral oblivion with opinion polling at record lows. The affair involving Labor MP and former health union national secretary Craig Thomson has also exposed the inner rot of the trade unions, riddled with factional infighting and totally divorced from their members and the working class.

In this context, Kelty stepped in to offer his own words of advice. Beneath his empty blather presenting the unions as “warriors” fighting for the “underdog”, the underlying purpose was to stiffen the backs of the assembled union functionaries and rally them behind the austerity agenda that the corporate elite is demanding of the Gillard government.

Kelty is well aware that the government’s big business policies are deeply unpopular. He openly warned that the current “transition in Australian economy”—Gillard’s term for her government’s sweeping pro-market restructuring—“for many people will be very hard.” In a direct appeal to big business, Kelty then declared that “the very best people to manage that transition is the Labor Party, is the unions, is managing it the Labor way.”

To support his argument, Kelty presented the record of the ACTU and the trade unions during the Labor governments of prime ministers Bob Hawke and Paul Keating between 1983 and 1996. He boasted that the industrial and political wings of the official labour movement had been “romantic warriors” fighting for the national interest. The Hawke-Keating years proved that “the Labor model worked,” he said. Kelty declared that there had been “hard changes” and “hard calls”, adding “we did it Labor’s way ... we did it with the unions.”

What Labor and the unions carried out between 1983 and 1996 was the wholesale restructuring of the Australian economy in favour of the banks and big business and a relentless assault on the conditions of working people, bringing about the greatest redistribution of wealth to the upper echelons of society in history. Hawke and Keating carried out the same socially regressive, pro-market agenda that had been implemented by President Reagan in the US and Prime Minister Thatcher in Britain.

The ACTU, via the Prices and Incomes Accord with the Labor government, was instrumental in imposing these policies and overcoming the resistance of workers. The trade unions broke up the main centres of workers’ militancy, isolated and betrayed every strike, witch-hunted militant workers and blocked every avenue for the rank-and-file to have a say. That is Kelty’s legacy: the transformation of the unions into bureaucratic apparatuses that function as industrial policemen for government and big business.

In his speech, Kelty recalled a conversation he had in 1983 with Bob Hawke. The incoming prime minister told him: “Bill, I’ve a few hard issues for you to sort out. Wage rates are too high. We have to make all these changes to get employment up. And by the way we’ll have the Medicare but you [that is workers] will have to pay for it.”

Kelty’s reply: “No problems.”

Kelty could have elaborated the list of anti-working class measures that the unions assisted the Labor government to impose. Not only did the ACTU help to slash real wages, but it collaborated in the destruction of hard-won working conditions, in the name of boosting “flexibility” and the “international competitiveness” of Australian corporations.

Hawke never “got employment up.” His government’s “steel plan” and “car plan” set the pattern for wholesale job destruction across the manufacturing sector. In place of full-time jobs, employers were given a free hand to exploit cheap, casual and contract labour further undermining wages and

working conditions. Labor was also responsible for initiating the privatisation of state-assets, including of the Commonwealth Bank and Qantas, paving the way for more mass layoffs.

Kelty notably expressed his admiration for two former leading Stalinist union officials—Laurie Carmichael and Tom McDonald. He hailed them as his heroes, “notwithstanding the fact that they were in a different political party... when you talked to them, they believed in one thing and that is working people.”

This praise underscores the political dependence of the Labor rightwing, to which Kelty belongs, on the Labor “lefts” and especially the Stalinists, who postured as defenders of workers all the better to betray them. Without Carmichael, who co-authored the Accord with Kelty, the ACTU could not have imposed its diktats on militant sections of metal and manufacturing workers, many of whom distrusted right-wing figures like Kelty and looked to the Communist Party of Australia to lead their struggles. Carmichael was the national secretary of the Amalgamated Metal Workers Union and the ACTU assistant national secretary, alongside Kelty.

Without McDonald, who headed the Building Workers Industrial Union (BWIU), the ACTU could not have enforced the deregistration of the Builders Labourers’ Federation (BLF) in 1986. BWIU officials isolated the BLF and collaborated with the police to force builders’ labourers, one of the most militant sections of the working class, to quit the BLF. The smashing of the BLF was a key turning point in the disciplining of the unions and the working class.

Both Carmichael and McDonald used their powerful apparatuses, including extensive networks of union yes-men, to hammer down all opposition to the Accord process and hound out union delegates and workers who resisted. In the process, the extensive system of union shop committees that once exercised a degree of independence and reflected to some degree the sentiments of the rank-and-file was destroyed.

What Kelty presided over was a fundamental transformation of the trade unions that was driven by the globalisation of production from the 1980s, which shattered the basis for all programs based on national economic regulation. While the collapse of the Stalinist regimes in Eastern Europe and the Soviet Union expressed this most sharply, the same processes undermined the national reformist program of the Australian Labor Party and trade unions.

The labour bureaucracy abandoned any even limited defence of the basic rights of the working class and instead functioned on behalf of big business, imposing its demands for lower costs

and higher productivity to boost “international competitiveness.” This is a never-ending process, and now, amid the worsening global economic crisis, the corporate elite is demanding another round of cost-cutting restructuring measures.

The ability of the Labor Party and the unions to impose these dictates has been severely eroded in the last period. The profound alienation of the working class from the labour apparatus is reflected in historically low polling figures for the Labor Party and in the continuing decline in union membership. Moreover, all of the “left” props on which previous Labor governments relied have either collapsed, as in the case of the Carmichael’s Communist Party of Australia, or are indistinguishable from the Labor rightwing that they claimed in the past to oppose.

As a result, there was an element of delusion in Kelty’s speech. He hailed the Gillard government’s policies as “visionary”, then expressed amazement that the Labor Party could be so unpopular. These “visionary” policies, however, are antithetical to the interests of the majority of the population and thus are impossible to implement, by any government, without provoking bitter opposition and resentment.

The conclusion that workers need to draw is the necessity for a break from the Labor Party and the trade unions. As the unions prepare to implement another round of restructuring on behalf of big business, workers can only begin to defend their basic rights by mobilising independently and turning to their class brothers and sisters in Asia and internationally to wage a joint struggle for a world’s planned socialist economy. In opposition to the Gillard government and the unions, the demand must be raised for a workers’ government to implement socialist policies.



To contact the WSWS and the
Socialist Equality Party visit:

wsws.org/contact