

# Bob Hawke, former Australian Labor prime minister, 1929-2019

## Ruling elites pay tribute to a favourite servant

**Nick Beams**  
18 May 2019

Leading political figures from around the world have responded to the passing, on Thursday evening, of former Australian prime minister and trade union leader, Bob Hawke, with messages of acclaim. Some of the most hated figures in world politics have united to heap praise on Hawke and laud his achievements.

Former British Labour Prime Minister, Tony Blair, a man reviled by broad masses in the UK as a war criminal for his role in the US-led invasion of Iraq in 2003, and, consequently, unable to appear in public, authored one of the leading international tributes.

“Bob Hawke was a huge figure and someone I deeply admired, liked and learned from, a genuine giant in anyone’s politics ... someone who impacted on us round the world who were looking for a sustainable model of government,” he wrote.

James Baker, close confidant of the Bush family in the US and secretary of state between 1989 and 1992, praised Hawke as a “visionary” who “understood the power of free markets” and was a “staunch ally of the United States.”

Another US secretary of state, George Shultz, who knew Hawke from the 1970s, recalled that he had been the first to “reassure” his colleagues in the Reagan administration when Hawke became prime minister in 1983, telling them: “I just knew he’d be good.”

Canadian prime minister from 1984 to 1993, Brian Mulroney, extolled Hawke for having transformed the Australian economy, and maintained that he was “very admired and listened to” because of that. He recalled that the late US presidents Reagan and George H. W. Bush both “spoke very highly of Hawke.”

Australian political leaders—both past and present—have been no less effusive in their praise.

Liberal prime minister Scott Morrison said Hawke had a great intellect, enormous passion and courage and that, as “Australians ... we rejoice in the life of Bob Hawke.”

In a comment, widely attacked on social media, because it all too clearly pointed to the real nature of Hawke’s key role in “transforming” the Australian economy, former Liberal prime minister Tony Abbott remarked that the former Labor prime minister’s role in financial deregulation and privatisation “went against the Labor grain.” Hawke had a “Labor heart but a Liberal head,” Abbott said, and the Coalition had supported his big reforms “helping to make his tenure a time of economic revitalisation.”

Former Liberal prime minister John Howard praised Hawke as a “very fine prime minister” and the best produced by the Labor movement, also citing his economic reforms, which were supported by the Liberals, as a major achievement.

Paul Keating, Hawke’s treasurer and successor as prime minister, said the country was “much poorer” for Hawke’s passing.

Present Labor leader Bill Shorten, who, like Hawke, made his entry into politics via the trade union movement, and is hoping to follow his path to the prime minister’s office in today’s election, said the labour movement saluted “our greatest son” and “Australians everywhere would remember and honour a man who gave so much to the country.”

And the list, along with the hagiography, goes on... and on ... and on.

### Defender of US imperialism and the Australian ruling elite

So what, precisely, is it that brings this throng of capitalist politicians together to turn Hawke into a “legend” as a “workers’ leader” and “man of the people.” The answer lies in the key role he played, throughout his life—initially in the trade union movement, and then as a four-term prime minister.

Hawke unerringly responded to every major challenge, turning point and crisis as the staunchest defender of US imperialism and its Australian alliance, and the strongest advocate and enforcer of the class interests of the Australian ruling elites, particularly when the latter’s interests were threatened by a movement of the working class.

Distance sometimes helps to reveal the more essential aspects of a phenomenon, and so it is in this case. In its obituary of Hawke, the *New York Times* noted that Hawke “revolutionised the economy,” “privatised state-owned industries,” and “reined in powerful unions.”

On the international arena, the “newspaper of record,” in the United States declared, Hawke “solidified Western military alliances.”

It continued, “Despite wide antinuclear sentiment in Australia, Mr Hawke endorsed American bases in the outback that provided early warning against Soviet attacks, satellite military intelligence on China and the Soviet Union, and communications for America’s Pacific and Indian Ocean fleets.”

While the NYT refrained from mentioning it, Hawke played a key role by aligning unconditionally with the US in the first Gulf War and dispatching Australian armed forces to the Middle East. That criminal US-led invasion of Iraq was to open up a quarter century of devastating wars in the region.

### The wages system, working class militancy and the ACTU

Hawke was born the second son of Clem and Ellie Hawke in Border

Town, South Australia, in 1929 on the eve of the Great Depression. His father was a minister in the Congregational Church and his mother a former school teacher. In 1939, after the death of the first born son, the family moved to Perth, Western Australia, where Hawke obtained a scholarship to Perth Modern School. He was connected by family ties to the Labor party as Albert, Clem's brother, was a minister in the state Labor government, later to become premier of the state.

He graduated from high school in 1946 and went on to study law at the University of Western Australia. Active in the Labor Club at the university, in 1952 Hawke was awarded a Rhodes scholarship to study at Oxford, arriving there the following year. He completed Bachelor of Letters in 1955, and in 1956 went to the Australian National University in Canberra, where he completed a doctorate on the Australian wages system.

In 1958, Albert Monk, the prominent, right-wing leader of the country's peak union body, the Australian Council of Trade Unions (ACTU), recruited Hawke to become its research officer and advocate, before the country's Arbitration Commission.

The Australian wages system had been centralised under federation in 1901. The key determinant was the so-called basic wage, which provided the platform for wage levels across the economy. These were enshrined in a series of state-sanctioned agreements, known as "awards." A rise in the basic wage would be followed by an upward adjustment for other areas.

Under Hawke's advocacy, the union movement secured some significant improvements. In the final analysis, however, these were due not to his arguments, complex and detailed as they were. Rather, the Commission's response was to the growing upsurge of the Australian working class in the 1960s, which was part of an emerging international phenomenon.

In 1966, the ACTU won a significant wage rise. But employers in the metal trades, which had been forced to make over-award payments in many areas, decided that, contrary to previous practice, they would not pass the increase on. A series of militant struggles ensued, particularly in the highly industrialised western suburbs of Melbourne, and the employers were pushed back.

### **The CIA and Hawke's rise to ACTU president**

These turbulent events continued, culminating in Hawke being voted in as president of the ACTU.

Militant sections of the working class had been chafing under the Arbitration Commission's harsh penal powers, which had been utilised to shackle industrial action, and so, after their wage victories of 1966 and 1967, they began looking for an opportunity to get rid of them.

Opportunity struck in May 1969, when Victorian tramways union official Clarrie O'Shea was jailed for the non-payment of a fine that had been imposed on his union. Industrial action erupted, culminating in an unofficial three-day near general strike, which only ended when an anonymous "lottery winner" paid his fine, thus freeing O'Shea from jail.

The right-wing Monk leadership of the ACTU, which had been the chief enforcer of the Arbitration Commission's decisions, opposed the strike. Recognising that, under conditions of rising working class militancy his time was up, Monk decided to step down and an election was called for a new ACTU president. Hawke stepped forward as a "left" candidate—backed by the Stalinist Communist Party, whose members held significant positions in the trade unions—against the representative of the old guard, Harold Souter, then ACTU secretary.

Hawke was also endorsed by the labour attaché at the US embassy, a CIA operative. Over the years, successive attachés had cultivated Hawke,

with one reporting in 1966 that he was regarded by "some people even as a future prime minister of Australia." A report from the embassy on the 1969 ACTU presidential election concluded that "both Souter and Hawke can be considered friends of the US."

Well before he became prime minister, Hawke demonstrated that the CIA's faith in him had not been misplaced.

### **Hawke, Whitlam and the Canberra coup**

By November 1975, the world economy was experiencing its most serious economic downturn since the Great Depression. Whitlam's Labor government had been unable to contain the rising anger and militancy in the working class. This led Governor-General Sir John Kerr to sack the government over its inability to secure the budget's passage through the Senate, due to Liberal party opposition.

This was the background to the infamous 1975 Canberra Coup—a conspiracy involving the highest levels of the Australian state, including the military, as well as the CIA. A government, which the working class had elected twice in the space of three years, was simply ousted by the head of state, the Queen's representative in Australia. Hawke, together with his Stalinist Communist Party supporters in the trade union apparatus, worked to prevent the eruption of a general strike, as workers throughout the country downed tools and walked off the job in response. Both Whitlam and Hawke were acutely aware that a general strike under such fraught conditions would have moved far beyond the framework of parliamentary politics.

Whitlam accepted his dismissal noting, in his later account of events, that had he continued to remain in the parliament Kerr "would call out the troops."

With Whitlam, Hawke played the key role in suppressing the working class. As millions of workers waited for the call to take action, Hawke, at a press conference, declared, "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 should respond to leadership."

That "leadership" consisted in shackling the working class behind the parliamentary set-up, thus enabling the coup to succeed and prepare the way for the victory of the Liberal party, under the newly installed prime minister Malcolm Fraser, at the December 13 election.

### **The origins and impact of the Prices and Incomes Accord**

Significantly, in all the recent effusive commentary, no reference has been made to Hawke's treacherous role in the events of 1975. Even after the passage of nearly 44 years it remains unmentionable, because of what it exposed about the real nature of so-called constitutional rule and bourgeois "democracy."

In the aftermath of the Canberra coup, and the invoking of the anti-democratic emergency powers embodied in the governor-general, the Labor and trade union leaders drew certain conclusions: that they needed to develop new mechanisms to suppress challenges to capitalist rule by the working class.

This was the origin of the Prices and Incomes accord, which became the centrepiece of the Labor government, installed in 1983, of Prime Minister Hawke.

Under Fraser's government, Hawke had become known as the

“industrial fireman,” for his skill in hosing down and selling out industrial struggles, especially when they threatened to politically challenge the government. For his part, Whitlam later wrote that the chief economic failing of his government “resulted from the wage explosion of 1974.”

The Fraser government was increasingly unable to control the working class, after a series of wage and job cuts were implemented, creating rising class tensions. The ruling elites began to search for an alternative—a government that could implement a program akin to the class war agenda being implemented at the time in the US under Reagan, and in Britain under Thatcher.

On the very day Prime Minister Fraser moved to call an election, in February 1983, then Labor opposition leader Bill Hayden was persuaded, under great pressure, to stand down and create the conditions for Hawke to lead the Labor Party to what was always going to be an easy victory.

This was an inner party coup, orchestrated by the media and its endless commentary opinion polls in favour of Hawke, along with considerable support from big business leaders, on the one hand, and the Communist Party Stalinists, on the other.

Five weeks after winning office, on March 5, 1983, Hawke convened an economic summit, before parliament had even met, comprising the trade unions, big business and social welfare organisations, to enshrine the “Accord.”

ACTU secretary Bill Kelty opened the summit, telling employers that the trade unions were not “ideological lemmings” and accepted the need for enterprises to make a profit, which would be achieved through the cutting of real wages.

Hawke later commented that the summit “took the employers somewhat by surprise, for they were not quite used to the idea of trade unionists agreeing to wage restraint, let alone urging it.” Little wonder that transport mogul Sir Peter Abeles, a long-time confidant of Hawke, called for employer groups to join the Accord.

### **Accelerating attacks on the working class**

The Accord succeeded in its remit. In the course of five years it cut real wages by 7 percent.

Any sections of the trade union movement whose membership opposed the Accord were destroyed—for example, the militant Builders Labourers Federation, metal trades shop committees, whose semi-independent organisations came under attack by their own unions.

Hawke spearheaded these attacks, which were part of an international offensive by the ruling classes around the world. While Reagan and Thatcher have gone down in infamy, Hawke’s role, on behalf of Labor and the trade unions, while equally destructive of the organised working class, is less well known.

This class war offensive culminated in 1989 when the Australian Federation of Air Pilots issued a claim for a wage increase to make up for wages lost under the national wages system and to initiate industrial action to back their demands. Hawke’s government, along with the ACTU and airlines boss Abeles, launched legal actions carrying huge punitive fines. When the federation rejected Hawke’s terms, he declared: “It’s war.”

His Labor government brought in the air force to break the strike, the first time troops were used in an industrial conflict since Labor Prime Minister Ben Chifley had called in soldiers to break a coal miners’ strike in 1949.

The ferocity of the Hawke government’s action was received with shock, even by extreme right-wing organisations. Former treasury secretary John Stone, writing on behalf of the anti-working class H. R. Nicholls Society, wrote: “Mr Hawke’s zeal in all these matters... went

even further than our own. The H. R. Nicholls Society had never argued that a body of employees should not have the right to be represented by a union (or association) of their own free choosing, a basic right which Mr Hawke and Sir Peter Abeles were determined to deny to the pilots.”

### **The deregulation of the Australian economy**

The forcible suppression of wages was only one part of Hawke’s agenda. Central was the much-touted “opening up” of the Australian economy to international finance capital. Within weeks of taking office, Hawke’s government floated the Australian dollar, and privatised key state-owned corporations, such as the airline Qantas and the Commonwealth Bank.

Corporate tax rates were cut as well as the top levels of income tax. Dividend imputation was introduced, so shareholders could claim tax deductions from dividend income, already taxed at company level, aimed at boosting investment in the stock market.

Financial deregulation generated a share market and financial boom as the economy was opened up to plunder by international finance—in the much vaunted “revitalisation,” a central feature of the current Hawke hagiography. These “free market” measures initiated processes whereby the financial system became a mechanism for siphoning wealth up the income scale, while wages and social conditions stagnated or worsened.

Its impact reached down to every factory and workplace. In 1987, the ACTU adopted a report, entitled *Australia Reconstructed*, prepared mainly by leading Stalinist and “trade union strategist” Laurie Carmichael, arguing that the globalisation of production and global finance meant the trade unions could no longer function as defence organisations of the working class.

As ACTU secretary Bill Kelty said, “structural change and the promotion of a productive culture are necessary to enhance our international competitiveness.” Henceforth, the unions had to respond to “international pressures,” i.e., enforce the drive by global capital and the financial markets for increased profits, at workers’ direct expense.

### **Hawke’s “foreign policy”**

Hawke’s domestic role was replicated in his foreign policy. As the *New York Times* noted, he was a key defender of the US alliance and a supporter of its global offensives.

A crucial turning point was first Gulf War against Iraq in 1990. Seeking to take advantage of the deepening crisis of the Soviet Union, which led to its dissolution in 1991, the first Bush administration launched war against Iraq on the basis, as Bush put it, of constructing a “new world order” based on US military domination in every corner of the globe.

In line with his life-long collaboration with US imperialism, including his fulsome backing for its gendarme in the Middle East, Israel, Hawke was an enthusiastic supporter.

As Paul Kelly, international editor of Murdoch’s *Australian*, noted in his obituary, while Australia’s contribution only consisted of three ships, it was a turning point for the Labor party and the left, still shaped by the experience of the Vietnam War. “While Australia’s contribution was small, the significance of the decision was great—the nation had moved beyond the psychology of Vietnam.”

In other words, the Hawke government had ridden over anti-war sentiment, opening the way for the full participation of Australian

imperialism in the military operations of the US—a collaboration which has only deepened in the succeeding years.

Much has been said, in the Hawke obituaries, about his opposition to racism, expressed in his hostility to the apartheid regime in South Africa. But this opposition was completely in line with the interests of international capital, which had concluded that, in the era of globalisation, apartheid was a barrier to the opening up of South Africa; and that Nelson Mandela should be released and the African National Congress take power, or apartheid would be ended by social revolution.

On the home front, while voicing his opposition to racism, Hawke, like government leaders before and after him, did nothing to lift the conditions of the country's indigenous population, burdened with impoverishment.

In the 1990 election campaign, he pledged that no child would live in poverty. Today, as a consequence of the measures he initiated, one in six children live below the austere poverty line.

In 1989, Hawke wept on national television over the Tiananmen Square massacre carried out by the Chinese regime as it turned ever more sharply to the restoration of capitalism. But Hawke soon came to recognise, in line with international capital and finance, that the brutal suppression of students and the accompanying attacks on the working class in the country's industrial centres, provided new openings.

After his replacement by Paul Keating as prime minister in December 1991, Hawke retired from parliament in February 1992. He began a new career in fostering business ties and connections with China with a range of consultancy ventures, from which he acquired considerable wealth.

The tributes to Hawke reflect the crucial service he rendered to the ruling classes in Australia and internationally in periods of great economic and political turbulence. Part of the current "mourning" is the recognition, within ruling circles that those props, such as Hawke, on which they have relied in the past, have been considerably weakened.

Nonetheless, recognising the rapid approach of even greater storms, Hawke, in his final days, on the eve of the election, sought to render one last service, by burying the hatchet with Keating, after 28 years of hostility, to issue a joint statement endorsing Labor leader Bill Shorten to continue his agenda.

It will be up to the working class to ensure that this objective is not met, and that, in the coming class battles it will finally break free from the straitjacket of Laborism, which Hawke both represented and defended, and advance its own independent struggle against the depredations of capitalism, through the political struggle for socialism.



To contact the WSWWS and the  
Socialist Equality Party visit:

**[wsws.org/contact](http://wsws.org/contact)**