

US cables show reliance on trade unions to suppress working-class unrest in Australia

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This is the first in a three-part series on US diplomatic cables which reveal the collaboration of Bob Hawke and other Australian Labor and union leaders with the US embassy to suppress working class struggles throughout the 1970s. Part two can be accessed [here](#), and part three [here](#).

Declassified US diplomatic cables from the 1970s have revealed the intense, daily preoccupation by the American State Department—and its many informants throughout the Labor Party and trade union leadership—with how to contain and quash the eruption of potentially revolutionary working-class rebellions in Australia and internationally.

The extremely limited media coverage of a recently-published study of the documents has focused on the revelation that Bob Hawke, who later became a Labor Party prime minister, was a highly-valued and constant “informer” to the US government while the head of the Australian trade union movement and president of the Labor Party during the 1970s.

But the partly-released secret cables from 1973 to 1979 point to much more than that. It was not just Hawke scheming with US ambassadors and labour attachés. A roll call of Labor and union leaders were secretly consulting with US officials throughout this convulsive period of mass working-class upsurges. They included future Labor leader, foreign minister and governor-general Bill Hayden, future New South Wales premiers Barrie Unsworth and Bob Carr—later a foreign minister—and South Australian Premier Don Dunstan.

That level of collaboration has no doubt intensified in recent years as working-class struggles have re-emerged under conditions of soaring social inequality, the escalating US conflict with China, and now the global COVID-19 disaster.

The cables do not simply expose the collaboration of individual Labor and union leaders. They underscore the transformation of Labor and the unions from organisations that once sought to extract concessions from the capitalist class—always in order to maintain the system of wage labour itself and head off working-class support for socialism—into political and industrial police enforcing the gutting of workers’ conditions to satisfy the profit demands of employers under conditions of globalised production.

It must be borne in mind that the documents released to the US archives are only the declassified State Department cables. Numerous others remain secret—marked as still classified—especially covering the lead-up to the US-backed 1975 dismissal of the Whitlam Labor government. As well, other highly sensitive documents will undoubtedly exist in the vaults of the intelligence and military agencies.

The CIA’s global trade union networks

The US embassy’s grooming and promotion of Hawke and many other union apparatchiks was part of far wider operations, conducted globally, to utilise the trade unions as apparatuses to systematically block or stifle workers’ struggles.

These worldwide activities commenced in earnest after World War II, which left US imperialism as the dominant capitalist power, assuming the role of the global policeman of corporate interests. Alongside conducting

coups, assassinations and dirty wars and sponsoring vicious dictatorships, the Central Intelligence Agency (CIA) was heavily involved in cultivating union leaders.

As documented by the 2008 book, *The Mighty Wurlitzer: How the CIA Played America*, by Hugh Wilford, millions of dollars were funnelled by the CIA, via anti-communist US union operatives like Jay Lovestone and his protégé Irving Brown into unions all over Europe, such as Force Ouvrière in France, the Confederazione Italiana Sindacati Lavoratori in Italy, and the Central Organisation of Finnish Trade Unions, as well as union confederations elsewhere, including the All-Indonesian Central Labor Organisation.

By the end of the 1950s, American Federation of Labor and Congress of Industrial Organizations (AFL-CIO) was commonly referred to as the AFL-CIA.

These worldwide operations played a role, with the help of the Stalinist regimes in the Soviet Union and Eastern Europe, in stifling the insurgent struggles of workers immediately after World War II and creating the conditions for the re-stabilisation and boom years of the 1950s and early 1960s.

But as that post-war economic growth faded, a new period of working-class radicalisation and unrest exploded. It was signaled by the May–June 1968 general strike in France, and the 1969 “hot autumn” of mass strikes in Italy, followed by the miners’ defeat of the Heath Tory government in Britain and the collapse of the Nixon administration in the United States, both in 1974, and the downfall of the longstanding US-backed dictatorships in Portugal, Greece and Spain in 1974–75. In Southeast Asia, US imperialism was suffering an historic defeat in Vietnam.

Confronted by this global tumult, the CIA and other US agencies could no longer rely solely on their openly right-wing, anti-communist trade union agents to suppress workers’ struggles. In Australia these agents were personified by John Ducker, the president of New South Wales (NSW) Labor and a member of the Australian Council of Trade Unions (ACTU) executive, ironworkers’ union boss Laurie Short and the “groupers”—supporters of B.A. Santamaria’s National Civic Council—who controlled an array of unions allied to the Democratic Labor Party, a 1950s split-off from the Labor Party.

A turn had to be made to also cultivate “chameleons” such as Hawke, who, though equally right-wing, could work with the “left” and Stalinist union leaders to head off the most militant sections of workers.

Significantly, Hawke had been recruited to the ACTU in 1958 as a research officer by Albert Monk, the longtime right-wing ACTU president, but relied almost entirely upon the votes of the “left” and Stalinist union bureaucrats to narrowly win a vote to replace Monk as president in 1969.

That year had seen a near-general strike erupt quickly against the jailing of a Victorian tramways union official Clarrie O’Shea for breaching the anti-strike laws known as the penal powers. That movement, coming as part of the international working-class upsurge, effectively overturned the

penal powers and the capacity of right-wing figures, such as Monk, to suppress workers' struggles.

The State Department was acutely aware of Hawke's reliance on the "left" and Stalinist union leaders to perform this function, and therefore his need to frequently adjust both his public rhetoric and his tactical alliances within the union apparatus.

A 1978 US embassy profile of Hawke, prepared as a background briefing on one Hawke's visits to the US, noted: "He won the ACTU presidency in a closely contested election in which support from the radical left was a deciding factor."

Hawke, Marshall Green and the 1973-74 working-class upsurge

The fear in US and Australian ruling circles of rising working-class discontent intensified following the election of the Whitlam Labor government in 1972, which finally ended 23 years of Liberal-Country Party Coalition rule.

A July 1974 cable typified that alarm. "Australia, not uniquely among industrial nations, is heading for stormy economic passage. As with many past Labor governments here and in other countries, present ruling party could very well founder on trade union rocks which form its base."

The concern was that the Whitlam government, while regarded as loyal to capitalist rule and the US alliance, was proving incapable of containing the working class, despite the "trade union rocks" on which it rested.

As the embassy said in another cable: "Whitlam's weakened position within ALP government has worrisome implications for US. We have relied upon his basic moderation and his support of US defence facilities and other US interests."

Reflecting the global upsurge underway since 1968, workers had taken the return of a Labor government as a signal to seek to regain lost living standards and demand better social conditions, beyond the limited reforms offered by the new government.

In 1972, 2 million working days were lost as a result of strikes, and by 1973, this began to rise, reaching 2.6 million. In response, in December 1973, Whitlam's government conducted a constitutional referendum to legalise government controls over wages and prices.

But the opposition of workers led to the referendum's resounding defeat. The Socialist Labour League (SLL), the forerunner of the Socialist Equality Party (SEP), called for a "no" vote, explaining that the proposal's real thrust was to cut real wages.

That defeat set off a wages' offensive. By 1974, strike days lost soared to almost 6.3 million. Wage claims leapfrogged as workers won first \$15 per week, then \$24 and even \$40 increases.

This was the greatest industrial and political turmoil in Australia since 1919 following the horrors of World War I and the inspiration of the 1917 Bolshevik-led revolution in Russia. And it was occurring in a country regarded by Washington as a critical base in conditions of worldwide instability and looming US defeat in Vietnam and across Indochina.

A sure sign of the alarm bells in Washington was the appointment of Marshall Green as the US ambassador in Canberra in mid-1973. The SLL and its newspaper *Workers News* immediately warned that Green had a record as a coup master. He had headed the US embassies in South Korea during General Park Chung Hee's 1961 US-backed military coup, and in Indonesia during the 1965-66 military coup and massacres that placed General Suharto's brutal junta in power.

Significantly, among Green's first activities upon arriving in Australia was to visit Melbourne on July 17 and 18 for meetings with business chiefs, followed by discussions with Labor and union leaders, during which Hawke pledged his personal assistance.

On the first day: "The ambassador was guest of honor at luncheon on July 17 hosted by Sir Ian McLennan, chairman of Broken Hill Proprietary Ltd (BHP), the largest and most important purely Australian corporation. A dozen Australian leaders, representing a cross section of the business and financial community at the most senior level were present."

The next day, "the ambassador had particularly useful separate meetings with president of the ACTU and ALP, Bob Hawke, and with Clyde Holding, leader of the opposition (ALP) in Victoria... During two-hour meeting with Hawke, latter was most friendly, frank and impressed upon the ambassador that he was available at any time to assist; he gave his private office and home telephone number to ambassador with the advice that he should not hesitate to use it at any time.

"Hawke sharply criticized union leadership involved in Ford strike, saying it was a classic case of union bungling. He hoped to make an announcement on July 18 which would assist in reaching a solution."

Hawke, Carmichael and the 1973 Ford strike

That reference to the two-month Ford strike (see video) reveals the anxiety in the US embassy, as well as the ACTU, both about the potential international impact on a major US multinational and the spark that the autoworkers' revolt at the company's assembly plant in Broadmeadows, Melbourne could provide in shattering the tenuous hold of the unions over workers in Australia.

Of particular concern was that the lowly-paid and largely immigrant workers at Broadmeadows had defied not just the right-wing, US-supported leadership of the Vehicle Builders Employees Federation (VBEF) but the prominent Communist Party of Australia assistant national secretary of the Amalgamated Metal Workers Union (AMWU), Laurie Carmichael, who had been called in to try to end the strike.

On 18 May, the 3,000 Ford assembly line workers had rejected the VBEF's proposal for short "guerrilla" stoppages for a \$6 a week pay rise. They voted for an immediate indefinite strike, demanding \$17 a week.

After four weeks on strike, Ford offered \$4 a week and minor concessions in the form of improved work conditions. At a mass meeting at Broadmeadows Town Hall on June 11, the union officials, including Carmichael, recommended a return to work. After a hotly-contested vote, Carmichael ruled the return to work was carried.

Workers, many from Greek, Italian, Turkish and Yugoslav backgrounds, were so enraged that they rushed the stage. In a subsequent confrontation, Carmichael's coat was ripped.

A US cable nervously reported: "Laurie Carmichael, assistant federal secretary of AMWO (sic) and executive member of Communist Party of Australia, was rushed from meeting after having coat torn by irate strikers."

The union officials called another Ford mass meeting for June 15 and agreed to an indefinite strike, with Carmichael having to apologise for his previous "mistake."

As Hawke told Green, he finally concocted a plan to end the strike with the help of union shop stewards. A July 19 cable stated: "Following his meeting with federal union officials on July 18, Australian Council of Trade Unions (ACTU) president, Bob Hawke, called on the 3,000 striking Ford workers to return to work.

"Shop stewards of the unions involved will meet July 19 to decide on recommendations to be put to a mass meeting of strikers at 10 a.m. on July 23."

A passage marked "confidential" added that during ambassador Green's visit to Hawke on July 18, Hawke had denounced the "union bungling" as being due to "union officials being out of touch with the migrant element in their membership and then bowing to their demands without thinking the problem through."

Finally, on July 23, after isolating the Ford strikers for weeks, and keeping production going at General Motors and other car plants, the unions managed to claim a majority for going back to work, despite Ford's "offer" only slightly changing.

One apparent result of this experience was an invitation for Carmichael to pay a visit to the United Auto Workers union in the US. Hawke personally supported Carmichael's July 1974 visa request for the trip. He told US officials the visit might "do Carmichael some good" as the

“bastard might learn something about running a trade union.”

(The role of the Stalinist leaders like Carmichael and their relations with Hawke and the US embassy will be examined in a later part of this series).

Closer US, ACTU and AFL-CIO relations

The insurgent movement of workers developing at Ford and elsewhere saw Green broaden and intensify his relations with union leaders.

An October 30, 1973 cable reported that Green, on another visit to Melbourne, held a “breakfast meeting with Victoria Trades Hall Council officials close to Labor Party (ALP) and ACTU president Bob Hawke.” The meeting “reflected Labor’s concern with Australia’s inflation and attendant labor unrest.”

During the meeting, Victorian Trades Hall secretary Ken Stone “forecasted privately” the likely defeat of the Whitlam government’s prices and incomes referendum.

By 1974, following the defeat of the referendum, Hawke was increasingly involved in confidential discussions with Green and US labor attachés, who are invariably CIA operatives, about possible plans to replace the Whitlam government.

Because “global industrial relations” were of “vital concern” to the United States, these collaborations also featured efforts to establish closer relations between the ACTU and the AFL-CIO. In 1973, the labor attaché suggested to Green that he share his highly favourable “early impressions of [the] Australian labour movement and particularly Hawke” with AFL-CIO representatives.

Hawke said he was “very pleased” with these arrangements, especially after a trip to the US in 1974, which Green had carefully prepared. The AFL-CIO also kept US diplomats informed of their conversations with Hawke.

These relations intensified during 1974 and 1975, in the lead-up to the ouster of the Whitlam government in November 1975, as will be reviewed in the next article.

To be continued



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