

US cables point to intense Washington involvement in the lead up to the 1975 Canberra Coup

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2 August 2021

This is the second 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 one was published on July 20, and part three on August 9.

Today, the population of Australia is being subjected to a constant barrage of totally unsubstantiated claims by the media, intelligence agencies and politicians of Chinese “interference” in Australian politics. This is in line with the drive by US governments to confront Beijing and reassert Washington’s global hegemony.

But the almost daily reports from the Canberra embassy in 1974–75 on the unprecedented political crisis that developed during that time demonstrate that the main source of “foreign interference” in Australia since World War II has been US imperialism.

Washington’s active intervention culminated in the veneer of parliamentary democracy being torn aside to remove an elected government in November 1975, provoking massive opposition throughout the working class.

The embassy’s secret consultations with Labor and union leaders, notably Australian Council of Trade Unions (ACTU) and Labor Party president Bob Hawke, throughout this period were not the actions of a passive observer. US officials, from the White House down, were involved in intensive intrigues, especially about how to contain workers’ opposition, as the political crisis escalated to the point of destabilising and ousting the Labor government of Prime Minister Gough Whitlam.

Declassified US State Department cables show that by mid-1974, Washington was increasingly alarmed about two interconnected developments in Australia—the inability of the Labor government to control the eruption of militant wages struggles by workers, and growing popular criticism of the government’s retention of US military-intelligence bases in the country.

This was in the context of the explosive international working class struggles and political tumult that saw both President Richard Nixon and British Prime Minister Edward Heath forced out of office that year, and a huge international protest movement against the Vietnam War, including in Australia.

As the US faced defeat in Vietnam, the American embassy in Canberra assessed the politically unstable situation in Australia as a grave concern, because it was a key pro-US ally and bulwark in the Asia-Pacific region.

Adding to the anxiety in ruling circles was the development of what was then the worst global recession since the Great Depression of the 1930s, accompanied by soaring oil prices, rising inflation and share market plunges.

Throughout 1974 and 1975, Hawke and other Labor and union informants conducted frequent discussions with US ambassador Marshall

Green and other US officials, especially the US Labor Attaché, who was almost certainly a CIA officer, on the crisis confronting the Labor government and the need to develop alternatives, including the possibility of a “national unity” government led by Hawke.

The cables released to the US national archives are only the tip of the iceberg. Other intelligence and Pentagon documents no doubt exist. Moreover, numerous State Department cables are noted as remaining classified. For example, an August 1974 report from the embassy in Canberra refers to another document that remains top secret. It was the Labor Attaché’s report of “remarkable session with Hawke this morning.”

Another still-classified cable, dated July 30, 1975, was titled: “RIMIN confides his views on internal Australian scene.” (The reference to RIMIN is not clear.) One more, sent on September 5, 1975, was labelled “Newspaper speculation on future role of Australian trade union leader Hawke.” No explanation is provided for this continued secrecy. Instead, these and other documents are simply described as “Not releasable under either Executive Order or other law or regulation.”

Hawke conspires as Labor government implodes

As early as October 1973, Hawke was briefing the US embassy on the turmoil surrounding the Whitlam government’s bid to contain workers’ wages struggles by introducing a constitutional amendment to acquire the power to control wages and prices. The referendum suffered an overwhelming defeat in December of that year.

An October 3 cable reported: “Hawke rejects out of hand idea that Whitlam is being astute on prices and wages question... he evidently feels Whitlam is becoming bloody-minded about taking advice and needs to be pulled up short.”

The Labor Attaché commented that the future of the government was in doubt. “It is predictable that the parliamentary Labor party is in the classic situation of most socialist governments which ultimately find themselves in collision with their trade union supporters.”

The Attaché recalled the “fate of several British governments which fell as result of similar experience. If Whitlam government [is] to survive it must make compromise to remain in office as Australian trade union movement has arrived at its sticking point much sooner than could have been anticipated in weeks following December 1972 election.”

By August 19, 1974, the defeat of the referendum had accelerated the wages movement, causing the Labor Attaché to declare that the political crisis was also a “test” for Hawke. “LABATT [Labor Attaché] thinks shifting political colors in worker spectrum far from falling in established patterns, and may test to utmost even experienced chameleon like Bob Hawke.”

This was a reference to Hawke’s need to adjust his rhetoric to take into account the crucial role of the “left” and leaders of the Stalinist

Communist Party of Australia (CPA), such as John Halfpenny and Laurie Carmichael of the Amalgamated Metal Workers Union (AMWU), in constraining workers, while backing demands for wage increases of up to \$40 a week in order to do so.

On August 24, in the report mentioned earlier, which referred to a confidential “remarkable session” with Hawke, the Labor Attaché said the Labor Party was “undergoing a crisis of leadership.” Whitlam’s leadership had been “seriously undermined” over the previous month by its struggles to stem “cumulative, extravagant wage demands by major unions and persistent debilitating strikes.”

This had “worrisome implications for US. We have relied upon his basic moderation and his support of US defense facilities and other US interests.”

Hawke defends US bases

Amid this escalating political crisis, Hawke also worked closely with the US embassy to head off working-class opposition to the US military alliance and Washington’s interference in the developing political crisis.

An early cable reveals that the US embassy relied on Hawke, who in turn depended on one of Western Australia’s most prominent members of the Stalinist CPA, maritime union leader Paddy Troy, to prevent possible industrial action affecting the North West Cape military base, a highly-classified communications station for the US nuclear submarine fleet.

The document, dated October 18, 1973, records that the US Labor Attaché contacted Hawke, who “volunteered to intervene informally” and said he shared the embassy representative’s “concern and surprise” at the “degree of militancy” involved.

Hawke assured the embassy that he did not feel the circumstances “would call for strike action and certainly not at this juncture when whole question of bases under review.” That was a reference to the public demands mounting, including in the working class, for the Whitlam government to end the agreements to host crucial US bases, notably North West Cape and the Pine Gap satellite communication facility in central Australia. These calls had grown as widespread opposition developed to the Vietnam War.

Hawke referred the Labor Attaché to Troy, who was then the acting president of the Western Australian Trades and Labor council. The Attaché then called Troy in Perth, whereupon Troy agreed to intervene and promised to meet the Attaché several days later.

The outcome of that meeting is not recorded in the cables but no industrial action took place that interfered with the announcement in January 1974, just three months later, that the US and Australian governments had agreed to the continuation of the base’s operations, under the pretence that it would become a “joint facility.”

The sensitivity of this issue was confirmed by Vietnam War-era White House tapes in the Nixon Library, reported in 2012. They documented initial terse exchanges between the US Nixon administration and Labor Party Prime Minister Gough Whitlam’s government, including over the aspects of the Vietnam War, such the wisdom of the barbaric bombing of Hanoi and Haiphong in December 1972, just after Whitlam took office.

But by the time Whitlam was granted an audience with Nixon, in Washington in July 1973, the Australian prime minister had done everything he could to show that he had fallen into line with US policy. He reassured Nixon that “Australia’s effectiveness in its relations with Asia depends upon good relations with the US.”

Whitlam had also assuaged American concerns that a Labor government would rescind the agreements over the US installations in Australia, even though Washington made no substantive concessions over the question of Australian access to the bases and control over their use.

Nevertheless, concerns remained in Washington that Whitlam’s government could not hold the line on the bases, or control the upsurge of workers’ struggles. Just a month before the Watergate affair forced him from office in August 1974, the US president ordered a secret study of

American relations with Australia, asking officials to explore options for relocating US intelligence facilities elsewhere.

A March 28, 1974 cable reported on Hawke’s efforts to stifle protests against the Whitlam government’s plan to expand the navy by purchasing two patrol frigates from the US.

Hawke reassured the Labor Attaché that a Hawke-led Australian Council of Trade Unions (ACTU) delegation to Defence Minister Lance Barnard was “designed really to defuse worker protest which otherwise might take on political implications if left-wing unions decided to blow up issue.”

Hawke promised to “keep LABATT advised on situation.”

Hawke defends the US ambassador

Shortly after that, the government survived a “double dissolution” election of both houses of parliament in May 1974. Less than 18 months after the Labor government had been initially elected in December 1972 after 23 long years of conservative rule, the Liberal-Country Party Coalition had blocked a number of bills in the Senate, marking the first bid to bring down the government.

Rather than confront the Coalition by demanding the passage of the bills and appealing for popular support, which could have led to the opposition in the working class erupting outside the control of the unions and the parliamentary framework, Whitlam went back to the polls to divert workers’ unrest into purely electoral channels.

This was in keeping with Whitlam’s lifelong devotion to what he regarded as his central political mission, to prevent workers’ opposition from taking potentially revolutionary directions, and preserve the parliamentary order of capitalism. As he was to declare in a speech in October 1975, just two weeks before his removal: “I would not wish upon any future leaders of the Labor Party the task of having to harness radical forces to the restraints of the parliamentary system if I were now to succumb in the present crisis.”

The Whitlam government won the 1974 election, but the signs of political destabilisation linked to the US were already evident.

Senator Bill Brown, a member of Labor’s Victorian “socialist left” faction, denounced Green, the ambassador, as “the top US hatchet-man,” saying he was in Australia simply to protect American financial interests and the maintenance of US military installations.

Those allegations were certainly true, as evidenced by Green’s record of involvement in the US-backed military coups in South Korea in 1961 and Indonesia in 1965–66 in which more than half a million Indonesian workers, peasants and Communist Party members were slaughtered.

Whitlam at first tried to ignore the situation, then, under media and political pressure, publicly rebuked Brown. Other Labor and union leaders also lined up to condemn Brown, leaving him politically isolated within the Labor and union apparatus.

Notably, Hawke stridently attacked Brown and attempted to ridicule the accusation. Green visited Hawke’s home to personally thank him for this. On July 11, during a “useful two-hour” talk with Green and other US officials, Hawke said Brown’s charges against Green had been a “complete fizzle.” Yet he was still concerned about broader opposition.

Hawke warned Green: “Certain issues involved such as US bases and multinational corporations remain alive and could prove troublesome if raised by less disreputable voices.”

On July 31, a report signed by US Secretary of State Henry Kissinger noted that during a US visit, Hawke had called on his deputy Robert Ingersoll, the Acting Secretary of State, for discussion focussed on “US-Australian relations and on Australian politics as influenced by current economic situation.”

The report stated: “Hawke felt US-Australian relations were now on sounder and more mature long-term basis than before Labor government took power despite some tensions during last few years.”

Referring to his defence of Green, “Hawke said he had high personal

opinion of ambassador and added that attack may have been good thing since Brown's position was shown to have no support."

Murdoch predicts Whitlam's defeat

By November 1974, Hawke, Rupert Murdoch and other corporate figures, notably TNT boss Peter Abeles, were conspiring with the US embassy about the possibility of Hawke replacing Whitlam and forming a national unity government.

On November 12, LABATT reported that he had met with Hawke, who said he had held several long talks with Whitlam and his advisers, during which Hawke had made "crystal clear" that there was "growing worker concern" that the government was not meeting its obligations to the people who had elected the government.

Hawke "clearly disassociated himself from such a narrow point of view but says he is working under pressure, particularly from manufacturing unions to get government to change its policies and to change them quickly."

By this time, Whitlam's mildly reformist program, which had included universal health insurance and abolition of university student fees, was being torn apart by a global recession and international corporate restructuring, reflected in the sharp cuts to social services in the 1974 austerity budget.

Four days later, on November 16, media magnate Rupert Murdoch had a "wide-ranging" and "very candid" conversation with Green and other US officials outlining a scenario quite similar to that was to play out a year later when Governor-General John Kerr dismissed the Whitlam government.

Murdoch, who was described as "well informed and extremely influential," told Green: "Australian elections are likely to take place in about one year, sparked by refusal of appropriations in the senate."

Murdoch said he had swung his newspaper chain's support behind Labor for the 1972 election, because the Liberal-Country Party leadership had become "weary intellectually," but he was "disappointed by Labor's performance."

In reality, Murdoch and other key figures in the ruling class had backed the election of the Labor government in 1972 because they viewed it as the best option to bring the rising movement of the working class, which had virtually paralysed the previous McMahon Liberal-Country Party government, under control.

The failure of the 1973 referendum to achieve that outcome produced a shift by Murdoch and others in the corporate elite.

Reflecting the worldwide recession and instability, Murdoch told Green he was "deeply pessimistic about the global economic situation." The US was "the only society and the only economy of sufficient stature to provide world leadership in these parlous times."

Murdoch said Hawke was "fiercely ambitious to become prime minister of Australia and could make it some day." Hawke, who was "essentially moderate," was "now talking 'national government', which would give him the best chance personally. He sees the ALP going down to defeat and does not want to board the sinking ship."

The cables that have been released reveal nothing further about Hawke's proposal for a "national government." It appears to have lost favour as Hawke himself had increasing difficulty in suppressing working class unrest.

Protests mount against moves to oust Whitlam

The declassified cables indicate that Hawke and other Labor and union leaders continued to collaborate with the US embassy as the political crisis intensified during 1975.

On August 5, Hawke told LABATT: "Not sure Whitlam can be trusted to run economy 'any place but down.'"

During the growing tumult, both Hawke and Whitlam relied on the Stalinist leaders of the metalworkers and other unions to constrain workers.

On September 15, a cable reported that the full bench of Australian Arbitration and Conciliation Commission, after hearings lasting eight weeks, had announced a quarterly wage rise of 3.5 percent for many workers on industrial awards.

This was an attempt to stifle, with the help of the unions, the strikes and wage demands that had escalated since the 1973 referendum defeat.

"Prime Minister Whitlam, coincidentally addressing a ACTU conference within hours of commission's decision, made strong plea for trade union acceptance of commission decision," the cable reported. "[I]n the event, trade union conference accepted principle of wage indexation, but passed resolutions largely refusing to surrender trade union right for independent collective bargaining."

The "left" and Stalinist union leaders came to Hawke's aid: "Well-structured presidential address by president Bob Hawke, received endorsement even from militant, communist-dominated metal workers unions."

The political crisis was taken to a new level on October 15, when the Liberal-Country Coalition announced that it would block the financial supply bills in the Senate, as Murdoch had foreshadowed.

On October 24, a cable reported that Hawke had given a "fiery speech" outside parliament in Canberra, coming "dangerously close" to "threats of violence from workers if Liberal/Country Party Coalition continued to frustrate govt supply bills."

In that speech, Hawke had declared that if the Coalition blocked supply, the unions would cut off "their supply." He demagogically invoked the threat of a general strike in order to retain a grip over the outrage among workers at the moves underway to oust the elected government.

However, the cable reported, Hawke had since "been attempting to take back what he insists is misinterpretation of his remarks." His statements were "yet another attempt to bring some order and control in so far uncoordinated trade union actions in support of govt."

The Labor Attaché concluded that the general strike suggested in the media would not eventuate, although "Hawke's control may be difficult to maintain" because "militant leaders of some communist-dominated local unions will undoubtedly take advantage of present situation to deepen confusion and vitiate strength of moderates, both in Labor Party and trade union groups."

In the end, Hawke was largely able to maintain control, with the assistance of the Stalinist union officials, over the rising opposition in the working class to the operation underway, through the blocking of the budget's financial supply bills, to oust the government.

That created the political conditions for the "Canberra Coup" to proceed. Just over two weeks after this cable, on November 11, the Labor government was dismissed by John Kerr, the governor-general, who had life-long connections to the US-linked intelligence agencies. Kerr invoked the anti-democratic "reserve powers" of the monarchy that are entrenched in the 1901 Australian Constitution.

The next and final part in this series will review the role of Hawke and other Labor and union leaders in suppressing the general strike movement that erupted in the response to the dismissal of an elected government, and in shoring up the incoming Liberal-National government of Prime Minister Malcolm Fraser.

To be continued



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