

# US cables highlight role of Hawke, Labor and unions in suppressing workers' opposition after 1975 "Canberra Coup"

Mike Head  
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*This is the conclusion of 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 two on August 2.*

Declassified US State Department documents shed fresh light on the November 11, 1975 dismissal of the elected Labor Party government of Prime Minister Gough Whitlam by Governor-General John Kerr, the constitutional representative of the British monarch, Australia's head of state, using the anti-democratic royal "reserve powers" vested in his position.

In particular, the cables sent from the US Embassy in Canberra show Washington's appreciation of the pivotal role of Whitlam himself, along with the then Australian Council of Trade Unions (ACTU) president Bob Hawke, assisted by the Stalinist leaders of key unions, in blocking workers' demands for a general strike.

The "Canberra Coup" tore open the façade of the parliamentary system, and revealed that standing behind it is a ruling class prepared to resort to outright dictatorship when it considers that its interests require such methods.

It was part of the response in the ruling classes internationally to the global upsurge of the working class and potentially revolutionary struggles that initially erupted with May-June 1968 general strike in France. That was followed by the "Hot Autumn" in Italy in 1969, a general strike in Australia in May 1969, a wave of struggles in Britain, culminating in the bringing down of the Heath government in 1974, the downfall of the Nixon administration in the US in 1974, the final defeat of the American military in Vietnam in 1975, and the ousting of dictatorships in Portugal, Greece and Spain from 1974 to 1976.

There is no doubt that US Ambassador Marshall Green, the White House and the CIA had a hand in the destabilisation of the Whitlam government that preceded its dismissal. That included businessmen with various intelligence connections embroiling the government in a scandal involving overseas loans. This "loans affair" provided the pretext for the Liberal-Country Party opposition to block the government's 1975 budget in the Senate, depriving it of funds, which in turn became the justification for Kerr to sack Whitlam.

Kerr himself retained intimate links with the Australian, British and US spy agencies, as well as with the Australian military forces, which he placed on alert during the coup. US intelligence whistleblower Christopher Boyce later reported that senior CIA officials referred to the governor-general as "our man Kerr."

The dismissal sparked days of mass strikes and huge protests. Acutely conscious of the danger of a working-class revolt, Whitlam and the Labor leaders immediately did everything they could to assist the governor-

general's coup. In fact, Labor senators swiftly ensured the passage of Supply providing funds to the "caretaker" Liberal-Country Coalition government that Kerr had installed. Whitlam kept the fact of his sacking from the Labor senators for several hours. As a result, they quickly voted for the appropriation bills, apparently assuming that the Coalition had given in.

Whitlam's much-touted "maintain your rage" call, uttered on the steps of parliament house after Kerr had sacked his government, was directed to "the campaign for the election now to be held and until polling day." In other words, Whitlam insisted that his sacking had to be accepted, and the widespread popular outrage channeled back behind re-electing a Labor government in a month's time.

That acquiescence was certainly welcomed by Kerr. As the "Palace Papers" released last year show, he reported to the Palace officials in London on November 17: "The leaders of the Labor Party appear to want to cool things." On November 20, he reported: "I believe the Labor Party is trying to keep street violence and other forms of unsavoury demonstrations at low ebb."

Together with the US-backed military coup in Chile in September 1973, the Labor government's dismissal was one of the first acts in what became an international counter-offensive against the working class, spearheaded by figures such as Reagan in the US and Thatcher in Britain. The suppression by Whitlam, Hawke and the unions, of the working-class response, together with similar responses internationally, buoyed the capitalist class worldwide.

As *The Historical and International Foundations of the US Socialist Equality Party* published in 2008 stated, the craven capitulation of the labour bureaucracies to events such as the coup in Australia "served only to encourage the international bourgeoisie that it could attack the working class with impunity."

Domestically, the ousting of the Whitlam government was aimed at bringing the tumultuous movement of the working class of 1969 to 1975 to an end. As documented in the first part of this series, the Labor government was removed because it had failed to contain this movement, not because it represented any challenge to the capitalist order or the US alliance.

While the military was placed on alert to deal with workers violently if necessary, the coup's success relied above all on the collaboration of the Labor and union leaderships, particularly their so-called "left" factions, and the Stalinists of the Communist Party of Australia (CPA). As they had done before Whitlam's dismissal, they worked together to prevent a political general strike that was spontaneously developing across the country. They insisted that workers passively await the outcome of a new election.

Hawke spelled out the position of the labour bureaucracy on the day of

the coup, opposing what he called “violence in the streets.” He 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 respond to leadership.”

This response by Labor and the unions demoralised workers and convinced significant sections of the middle class that the coup conspirators were firmly in control. In the elections held on December 13, they swung behind the Liberal-Country Coalition’s promises of a return to stability.

#### **US embassy lauds Hawke’s role in defusing 1975 movement**

The US cables show how much Washington appreciated the role of Whitlam, Hawke and the unions, and how it worked intimately with Hawke and other Labor and union confidants.

A report on November 11 welcomed the coup, saying: “The governor general’s decision brought to a head Australia’s most difficult political crisis since Federation.”

It lauded Hawke’s intervention: “ACTU president Hawke made an impassioned radio plea asking trade union members to remain calm and indicated that he was not inclined to dispute the position taken by the governor general.”

Two days later, Hawke told the Labor Attaché “he had just returned from Canberra where he had hurriedly gone when governor general sacked Labor government on November 11. Hawke presided in Canberra at series of party leadership meetings.”

The Labor Attaché sought reassurances from Hawke that he and the rest of the Labor and union leadership could control the anger of the working class, which the US official depicted as “incitement of workers” by “communist” union leaders.

Hawke said they might “exploit” the crisis but “felt he had support from overwhelming majority who would heed his call to stay at work.”

Revealing his concern about the reaction of workers, however, Hawke said “he was boycotting any meeting identified as Communist dominated, including a mass rally in Melbourne called for November 14 by ultra-left unionists.”

After days of upheaval, the Stalinist “Communist” union leaders succeeded in heading workers back behind the Labor Party. They were assisted by the middle-class radical tendencies that downplayed the significance of the political crisis, thereby providing crucial support for the Labor and union leadership. The Socialist Workers Party, for example, opposed the call by the Socialist Labour League, the forerunner of the Socialist Equality Party, for a general strike on the grounds that it was “too advanced.”

#### **Shoring up the Fraser government**

As soon as the Liberal-Country Coalition won the December 13 election, Hawke moved, in close collaboration with the US embassy, to prop up the government by assisting it to deal with continued outrage in the working class.

A December 18 cable reported that LABATT [Labor Attaché] “had long talk with Hawke at Melbourne trade union council office on Dec 17. Labor leader had spent Dec 16 in Canberra meeting Prime Minister Fraser, Minister for Labor Street, former Prime Minister Whitlam.”

Hawke said the meeting with Fraser and his ministers was “as cordial” as the media had reported.

The cable continued: “At night Hawke spent several hours each with publishers [Rupert] Murdoch and [Kerry] Packer. Hawke noted that publishers had asked for meetings and he has been asked also to meet publisher Fairfax, completing trio who control Australian press and much commercial TV and radio.”

Between them, these magnates owned and controlled virtually all the media outlets in the country. For all their media power, however, they understood the critical importance of the role of Labor and the unions in

preventing resistance among workers.

By July 1976, that resistance boiled up in a 24-hour national strike against the Fraser government’s steps to emasculate the Medibank health insurance scheme introduced under Whitlam.

A cable on July 13, the day after the stoppage, which Hawke openly opposed, warned that the unions showed they had “ample power” to “resort to massive industrial action.”

According to the US embassy, Fraser had to be prompted to “resume meaningful discussions with ACTU president Hawke and other responsible leaders on Medibank and other basic issues.”

A special meeting of ACTU affiliates in Sydney on July 5–6 had endorsed Hawke’s call for “wage restraint in cooperation with govt as means of helping to resolve country’s economic problem.” Hopefully, it was “not too much to expect that two sides will soon see advantages of resuming high-level pre-budget discussions (as alternative to continuing industrial action).”

Significantly, other cables during that period show that the embassy was worried by Fraser’s counterproductive “union-bashing” and valued Hawke’s dampening of union wage demands. Australia remained a “highly volatile country.” Moreover, “the economy is not being managed any better [...] than it was under Whitlam.”

Despite the embassy’s faith in Hawke, he failed to end the next major working-class confrontation with the Fraser government—the 11-week strike by more than 2,000 electricity maintenance workers in Victoria’s Latrobe Valley for a \$40-a-week wage rise in 1977.

After seven weeks, the strike was causing power restrictions and factory shutdowns in Melbourne, the state capital. Moreover, the workers defied threats by the state Liberal Party government, backed by Fraser’s federal government, to declare a state of emergency and jail strikers.

A cable on October 28 of that year reported that Hawke, “Australian Labor’s most renowned ‘conciliator,’ entered the dispute at the request of both the Victoria state government and the federal Arbitration Commission” but “his recommendations were rejected by the communist-led militants.”

It ultimately took the Stalinist CPA union heads, such as John Halfpenny, assisted by CPA members like Sammy Armstrong on the local union committee, to sell out the strike. After the union officials had isolated the strike for weeks, it was shut down on October 25. Armstrong and the shop stewards met with Hawke and agreed to recommend a return to work to allow an Arbitration Commission “work value” review of their basic industrial award.

In one cable, the US ambassador Philip Alston described Armstrong as a “full, dues-paying, card-carrying member of the Communist Party of Australia.” Nevertheless, the US Labor Attaché urged appreciation of the part played by Armstrong and other “Communists” in the unions. It was they, not the invocation of “primitive and proscriptive laws” that had stopped the strike. He stated:

“One of the principal reasons Communists and other left-wing militants sometimes do well in non-communist political and industrial environments is because they make sure they are in the forefront of those who at least appear to be concerned about the plight of the little man.”

Four months later, the CPA-led sellout was consummated. The Arbitration Commission awarded the workers contemptuous pay rises of \$2 to \$5 a week, and giving nearly a third of the workforce nothing at all.

That betrayal underscored the reliance of the ruling class on Stalinist union officials and shop stewards to head off the most militant sections of the working class, when Hawke and the Labor-affiliated union bureaucrats could not.

#### **Working “furiously” to end the 1979 “winter of discontent”**

The betrayal of the Latrobe Valley strike temporarily gave the Fraser government an appearance of strength, and it exploited that by going to the polls and winning, with a reduced majority, the 1977 election.

However, the government's increasing inability to suppress the working class, despite the frantic assistance of the union leaders, was displayed in the winter of 1979.

A series of cables in July and August registered the alarm of the US embassy over an avalanche of industrial action, including "a nine-day nationwide strike" by port workers, a "crippling 10-week strike" by iron miners in Western Australia, and stoppages by Victorian power workers, building workers, metalworkers, postal workers and telecommunications technicians.

Workers from the Indian Ocean outpost of Christmas Island were holding a "hunger strike in a tent outside parliament house in Canberra," demanding "sizable wage increases."

In addition, "government employees were calling for nationwide stoppages if controversial legislation to suspend and dismiss public servants who engage in industrial action was used again. Transport unions were 'beating the drums' for a nationwide strike in support of a national award and bank employees warned of a series of statewide 24-hour strikes unless banks agree to a 10 percent wage increase."

An August 8 cable reported that there had been "some improvement" in the "winter of discontent" as a result of the efforts of Hawke and other union leaders. In particular, Hawke had "worked furiously 'around the clock'" to end the port workers' national strike, with the help of former Waterside Workers Federation federal secretary Charles Fitzgibbon.

Fitzgibbon had asked Hawke to "confirm" the "arrangements" to "work this out" and "Hawke had done so." That was another demonstration of Hawke's need to partner with the "left" union leaders to stifle the struggles of workers.

#### **The road to the Hawke government's Accords**

Despite surviving the 1977 and 1980 elections, largely due to the unions' containment of workers' struggles, the Fraser government's crisis came to a head in October 1982.

Amid another global economic slump, accompanied by widespread job losses, thousands of miners and steelworkers demonstrated outside parliament house, eventually bursting through the doors, in a protest against BHP's decision to sack 384 miners and more than 3,000 steelworkers.

In February 1983, with an election looming, Hawke was installed as Labor Party leader via a party-room coup. His essential task was to end this resistance to global corporate restructuring by implementing a "tripartist" partnership between the unions, big business and the government, as the US embassy had first suggested to him in 1974.

Carmichael, the CPA's leading union official, and ACTU secretary Bill Kelty became the chief ideological spokesmen for the fashioning and enforcing of the corporatist prices and incomes Accords between the Hawke-Keating government and the unions.

The basic purpose of the Accords, which were repeatedly renewed by the union bureaucrats, was to destroy all independent forms of workers' organisation in workplaces, and "restructure" working conditions in line with employer demands for ever-greater competitiveness in the globalised market.

This offensive led to the landslide defeat of the Labor government in 1996. By then the unions had been transformed into nothing more than industrial police forces, enforcing draconian anti-strike laws, and increasingly discredited and loathed by millions of workers.

As workers are once again coming into struggle, a study of the political lessons of this history is vital to their understanding of the poisonous role of the trade unions and Labor Party, along with all their pseudo-left apologists.

*Concluded*



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