The "Eloquence" of Robert J. Hawke:
United States informer, 1973–79

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In the 1970s, the leader of the Australian Council of Trade Unions (ACTU) and future Prime Minister of Australia, Robert J. "Bob" Hawke, was an informer of the United States of America. Using diplomatic cables from official archives, this article shows that Hawke gifted information about the Australian government, the Australian Labor Party and the labour movement, assisting the intelligence gathering efforts of the foreign power. In turn, the relationship influenced the development of Australian policy, including the abandonment of Keynesian economics and embrace of neoliberalism. His discreet relationship — discussed in detail for the first time — was not unusual among elites in the post-war period. However, Hawke was especially entrenched in the practise. This article will also show, through historiography and memoir, that the act of informing by elites began in the 1940s, as the United States was becoming Australia's key strategic ally.

Robert J. Hawke was a major figure of Australian politics in the 1970s. For much of the decade he was president of the Australian Labor Party (Labor) and the Australian Council of Trade Unions (ACTU). Such was his prominence, there were biographies written of Hawke before he became the 23rd Prime Minister of Australia in 1983. Scholars and biographers have covered this period of Hawke's life extensively and it has also been the subject of documentaries and depicted in films. What has been overlooked is his secretive relationship with the diplomatic missions of the United States of America at a time of considerable turbulence in the bilateral relationship. Using official cables dispatched between 1973–79, this article will show that Hawke operated as an informer. During this time, he divulged information about the Whitlam government (1972–75), the Fraser government (1975–83), Labor, and the labour movement. This article considers the cables in light of what is already known about Hawke from this time. It will discuss what he was reported to have told diplomats and contextualise that information in relation to three policy areas: industrial relations; macroeconomics; and Australian foreign policy. The article will then discuss what the

diplomats thought of Hawke and the value they saw in him, both immediate and apparent.

On the evidence, there are two reasons why the United States cultivated a relationship with Hawke. The first was the immediate value he possessed as someone familiar with the machinations of Labor, the labour movement and the Australian government, at a time when Labor had regained political prowess after some twenty-three years out of office. When Hawke was concurrent president of the ACTU and Labor, he spoke of his attempt to "ride two horses". [2] However, his success had ramifications beyond domestic politics. The United States wanted to protect its interests and understood that the stability of Australia — especially its economics and politics — was pivotal to this. Its diplomats were in regular contact with Hawke, particularly during times of heightened activity in these policy areas and whenever Labor was embroiled in political turmoil. The second was the potential value Hawke posed as a possible future Labor leader and prime minister. Not unlike many contemporaries, the diplomats believed he would one day be a successful politician.[3]

Hawke was a widely admired figure in Australia and, early in his term, its most popular prime minister.[4] His actions in the 1970s, as recorded in the cables, reveal a more complicated character than the one observed in public; the "boozy, aggressive and randy union leader of the 1970s" who become a "more mature, self-controlled, statesmanlike figure" by the 1980s.[5] Hawke's justification for informing over a course of years is not known, nor do the cables provide insight as to his motivations. To this end, the scholarship shows that Hawke had a steely commitment to the bilateral relationship between Australia and the United States. Scholars acknowledge debate surrounding his "alleged subservience to the United States" and that his government (1983–91) depoliticised the bilateral relationship; by the time it left office it "had virtually outdone previous conservative governments in proclaiming its support for

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[2] Robert Pullan, *Bob Hawke; a portrait* (Sydney: Methuen, 1980), p. 118; Jim Hagan, *The History of the ACTU* (Melbourne: Longman, 1981), pp. 414–5.
[3] Frank Bongiorno, *The Eighties: The decade that transformed Australia* (Melbourne: Black Inc., 2015), p. xii.
[4] Paul Strangio, "Bob Hawke: a man of great Labor, and leadership," *Monash University*, 17 May, 2019, https://lens.monash.edu/@politics-society/2019/05/17/1375031/bob-hawke-a-man-and-pm-of-great-labor.
[5] Bongiorno, *The Eighties*, p. 1.

Washington".[6] Others have also acknowledged this commitment. The government's first foreign minister, Bill Hayden, wrote in 1996 of Hawke's "uncritical support for the USA".[7] Hawke, himself, made plain in 1994 his belief in the United States, "whatever its mistakes".[8] Given the frequency of conversations with diplomats, it is reasonable to assume that there was some benefit to obtain. As an informer Hawke persuaded the United States that he could be a trusted as leader, but this was not the only objective. Frank Bongiorno argues:

> Bob Hawke was the most strongly pro-American Labor leader of the post-war era, an attachment indebted to political calculation — his dependence on the pro-US Labor Right and his sensitivity to public support for the alliance — as well as to political conviction.[9]

At the same time, the discreet nature of the relationship suggests Hawke thought informing was unpalatable to sections of the public. Although the cables were sent during the Cold War *détente*, there was a widely perceived ideological contest, in addition to the geopolitical one, between the United States and the Soviet Union. Hawke, who had appeared to many as "crypto-communist" and "anti-American" in the 1960s, came to be associated with the politics of the Labor Right in the 1970s.[10] It is therefore conceivable that he gave information to the United States as a result of ideological change, in addition to his political manoeuvrings as he prepared to enter parliament.

What can be determined are his actions and the conversations he had with United States diplomatic officials. But there has been no comprehensive scholarly or biographical account of these interactions. This can be explained, in part, by his own failure to discuss the *de facto* role in his 1994 memoir. Other accounts of his life are similarly silent. Notably, the writer Blanche d'Alpuget, who wrote the 1982 official biography

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[6] Frank Bongiorno, "Vale Bob Hawke, a giant of Australian political and industrial history," *The Conversation*, 16 May, 2019; James Curran, *Unholy Fury: Whitlam and Nixon at War* (Melbourne: Melbourne University Press, 2015), pp. 308–9, p. 311; See also, Clinton Fernandes, *Island Off the Coast of Asia: Instruments of statecraft in Australian foreign policy* (Melbourne: Monash University Press, 2018), pp. 149–50; Ross McMullin, *The Light on the Hill: The Australian Labor Party, 1891–1991* (Oxford: Oxford University Press, 1991), pp. 424–5; Clinton Fernandes, *What Uncle Sam Wants* (Singapore: Palgrave Pivot, 2019), p. 80.
[7] Bill Hayden, *An Autobiography* (Sydney: Angus & Robertson, 1996), p. 341.
[8] Bob Hawke, *The Hawke Memoirs* (Melbourne: Heinemann, 1994), p. 185.
[9] Bongiorno, *The Eighties*, p. 91.
[10] Blanche d'Alpuget, *Robert J. Hawke; a biography* (Melbourne: Schwartz, 1982), pp. 87–8, p. 166, 331.

of Hawke while in a close personal relationship with him did not discuss it; neither does the 2019 edition. Hawke described the biography as "the fullest account of my early life".[11] This oversight in the recent edition occurred despite journalistic coverage of some of the cables pertaining to Hawke.[12] In fact, Hawke knew cables existed because he was asked in 2017 about one pertaining to his lifestyle.[13] Beyond biography, this article will demonstrate that the cables are of broad use to scholars researching histories of labour, economics and politics in the 1970s and 1980s.

It is important to understand that Hawke was one of a number of notable Australians who maintained discreet relationships with United States officials in the 1970s. These included Don Willesee, the foreign minister; Billy Snedden, the Liberal leader; Barrie Unsworth, the future New South Wales premier; Don Dunstan, the South Australian premier; B. A. Santamaria, the anti-Labor and anti-communist political operative; as well as future heads of the Department of Foreign Affairs such as Peter Wilenski. One of the few to acknowledge such a relationship is Hayden — a former Labor leader and Governor-General of Australia — in his 1996 memoir.[14] Hawke's actions were nevertheless unusual because he was especially entrenched in the practice as evidenced by the sheer volume of cables pertaining to his dealings with diplomats.

Cables and informers

Scholars have understood the value of the diplomatic cables as a source of evidence, especially as a repository of views of Australia and Australians shared within the key strategic ally. Historiographically, the cables have been instrumental in revealing various informers. In 1979, P.G. Edwards used the cables and personal correspondence to reveal the opinions of United States officials in the 1940s and their "good sources of information", like the future Labor leader Arthur Calwell.[15] In more recent years, the cables have become more frequently used by scholars. Laurence W. Maher, using the

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[11] Hawke, *Memoirs*, p. xi.
[12] Philip Dorling, "Hawke and Carr were US sources on Whitlam turmoil," *Sydney Morning Herald*, 9 April, 2013, https://www.smh.com.au/politics/federal/hawke-and-carr-were-us-sources-on-whitlam-turmoil-20130408-2hhe5.html; Paul Toohey, "Wikileaks: Bob Hawke dished the dirt to America," *News.com.au*, 13 April, 2013, https://www.news.com.au/technology/wikileaks-bob-hawke-dished-the-dirt-to-america/news-story/b62e244c0ed87f19d58792568643d0e6.
[13] ABC, *Hawke: The larrikin and the leader* (Directed by Bruce Permezel, 2017).
[14] Hayden, *An Autobiography*, p. 340.
[15] P.G. Edwards, *Australia Through American Eyes, 1935-1945* (Brisbane: UQ Press, 1979), p. ix, 5, 8, 13, 19, 71.

cables, showed that the eminent jurist Owen Dixon was an informer in the 1940s, as was then ACTU president P.J. Clarey.[16] David McKnight wrote of cables which revealed informers operating in the 1960s, including Hawke[17] and David Horner used the cables to show the existence of informers in the 1950s.[18] The same series of cables used in this article was utilised by James Curran to show what diplomats thought of Australian politicians in the 1970s.[19] A recent series of cables, between 2005–10 and leaked by Wikileaks, allowed Clinton Fernandes to demonstrate the influence United States diplomats exerted over former prime ministers Kevin Rudd and Julia Gillard, former Labor leader Kim Beazley and others.[20] Fernandes also mentions Hawke's activities in the 1970s.[21]

Other scholars also acknowledge the presence of informers without recourse to the cables. In the 1970s, Robert Murray and John Warhurst wrote about assistance rendered by diplomats to anti-communists in the 1950s.[22] Humphrey McQueen wrote in 1983 that Hawke's election as ACTU president was endorsed by the US labour *attaché*, a mid-level diplomatic role concerned with industrial relations.[23] In 1994, David McKnight mentioned activities of successive United States labour *attachés* — explaining that the position has long been occupied by intelligence officers — and their efforts to cultivate relationships in Labor and the Democratic Labor Party.[24] More recently, Stuart Macintyre refers to a number of conservative informers from the 1940s,[25] while John Blaxland also provides examples of United States diplomats approaching Australian bureaucrats.[26] It can therefore be seen that a thread runs through

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[16] Laurence W. Maher, "Takes of the overt and the covert: Judges and politics in early Cold War Australia," *Federal Law Review* Vol 21, 2 (1993), pp. 169–70, p. 173.
[17] David McKnight, "Labor and the Quiet Americans," *DavidMcknight.com.au*, 27 August, 2005, https://www.davidmcknight.com.au/archives/2005/08/quiet-americans.
[18] David Horner, *The Spy Catchers*, vol. 1 of *The Official History of ASIO*, ed., David Horner (Sydney: Allen & Unwin, 2014), p. 174.
[19] See Curran, *Unholy Fury*.
[20] See Fernandes, *What Uncle Sam Wants*.
[21] *Ibid*., p. 80.
[22] Robert Murray, *The Split: Australian Labor in the fifties* (Melbourne: Cheshire, 1970), pp. 265–66; John Warhurst, "United States' Government assistance to the Catholic Social Studies Movement, 1953–4," *Labour History* No 30*, May* (1976), pp. 39–41.
[23] Humphrey McQueen, "The pain of coming home to deficit government," *Australian Society*, December (1983), p. 27; Humphrey McQueen, "What's good for Bechtel…," *Australian Society*, February (1990), p. 58.
[24] David McKnight, *Australian Spies and Their Secrets* (Sydney: Allen & Unwin, 1994), pp. 292–3.
[25] Stuart Macintyre, *Australia's Bold Experiment: War and reconstruction in the 1940s* (Sydney: NewSouth Publishing, 2015), pp. 451–2.
[26] John Blaxland, *The Protest Years*, vol. 2 of *The Official History of ASIO*, ed. David Horner

the scholarship hinting at a greater truth: informers have long been a feature of the bilateral relationship.

By discussing recorded history and evidence coincidentally, it can be shown that the intelligence received by the United States diplomatic mission was reliable. This further helps mitigate potential exaggeration, misunderstanding and misinterpretation by diplomats and informers. The quotations in this article are almost entirely the words of diplomats, used in summation after conversations and when interpreting events. The precise words communicated by Hawke are, in large part, not recorded. However, it is a reasonable assumption that diplomats relayed faithful information, especially given the interests at stake. The series of cables considered in this article, sent between 1973–79, are available in full through the National Archives and Records Administration (NARA) in the United States, having been released between 2005 and 2014. The author has only considered this series because of its expansive size. Cables containing information gifted by informers — referred to within the cables as "informants" or "sources" — were marked with higher classifications of secrecy than cables that summarised press commentary. Mid-level diplomats — labour *attachés* and political and economic affairs officers — signed many cables; ambassadors signed cables less frequently.

Industrial relations

The 1970s is known for economic instability, as well as social and political change, in which a militant left wing tussled with a resurgent right wing within, and without, the labour movement.[27] Hawke was a conspicuous figure in the press and became synonymous with the ACTU itself, just as his power within the ACTU Executive also grew.[28] He is remembered as having been "the front man for industrial militancy", but one with "vigorous anti-communist […] opinions".[29] More generally, there was a resurgence in unionism and the unions experienced a period noted for their successes,

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(Sydney: Allen & Unwin, 2015), pp. 337–8, p. 445.

[27] Michelle Arrow, *The Seventies: The personal, the political and the making of modern Australia* (Sydney: NewSouth Publishing, 2019), pp. 4–5, p. 105, 110; Hagan, *ACTU*, p. 414, pp. 438–39.

[28] Hagan, *ACTU*, p. 377, 397, 436.

[29] Anthony Forsyth & Carolyn Holbrook, "The Prices and Incomes Accord," *The Conversation*, 24 April, 2017, https://theconversation.com/australian-politics-explainer-the-prices-and-incomes-accord-75622; Bongiorno, *The Eighties*, p. 21.

especially wage increases.[30] Publicly, Hawke was often in contest with the Whitlam government and would say the unions should not be its "automatic guarantors".[31]

The United States saw Hawke as being effective at grappling with the competing interests between labour, capital and the state.[32] The diplomats perceived that the ACTU's core tactic under his presidency was to maximise union self-preservation by allowing the Australian government, regardless of party, "to make [the] bulk of big, headline catching mistakes" with respect to industrial relations.[33] But they also believed that Hawke's political ambition would "make him jeopardize one presidency for the sake of the other".[34] With respect to the preservation of United States interests, Hawke was dependable. Hawke "promised" to keep diplomats abreast of matters that concerned the diplomats, including those of economic importance, and they came to expect it from him.[35] Hawke provided information about union disputes with multinational corporations operating in Australia, like the Ford Motor Company.[36] In 1974, he warned Ambassador Green that these corporations could be targeted by unions and activists.[37] Hawke forewarned diplomats on another occasion "that if the left-wing of the ACTU becomes more influential, his political survival could require him to adjust [his] own rhetoric to the prevailing line".[38] Diplomats lauded his ability to keep militant unions at bay and his ability to resolve disputes with what he "jokingly" called "my eloquence".[39] Hawke displayed a willingness to involve the United States in the machinations of the labour movement. Such was their confidence in him that, before the ACTU conference of 1973, one diplomat reported: "[c]onsidering role of ACTU in Australian politics and fact that its president, Robert Hawke, is personally involved, [the Attaché] expects to be deeply involved".[40]

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[30] Bradley Bowden, "The rise and decline of Australian unionism," *Labour History* No 100, May (2011), p. 52, pp. 66–7.

[31] Hagan, *ACTU*, p. 420.

[32] 26 October 1978, 1978CANBER08848, National Archives and Records Administration (henceforth NARA).

[33] 19 November 1976, 1976CANBER08408, NARA.

[34] 13 December 1974, 1974MELBOU01492, NARA.

[35] 28 March 1974, 1974MELBOU00333, NARA; 19 July 1973, 1973MELBOU00674, NARA; 18 June 1974, 1974MELBOU00691, NARA; 23 October 1974, 1974MELBOU01228, NARA.

[36] 19 July 1973, 1973MELBOU00674, NARA; 29 August 1973, 1973CANBER04792, NARA; 29 June 1973, 1973MELBOU00620, NARA.

[37] 1 July 1974, 1974SYDNEY01315, NARA.

[38] 26 October 1978, 1978CANBER08848, NARA.

[39] 11 October 1973, 1973MELBOU01032, NARA.

[40] 24 July 1973, 1973MELBOU00688, NARA.

Occasionally in these conversations, Hawke would denigrate various unions as "industrial idiots" and disclose information about their long-term financial viability.[41]

The diplomats noticed a change in union politics under Hawke's leadership, with the ACTU Executive having become "significantly more conservative" by 1977 and therefore less militant. [42] To their eyes the trend was favourable:

> [Hawke's] hand has thus been considerably strengthened in his efforts to keep control of the Australian labour movement and direct it towards a more responsible and influential voice... If Hawke's purposes are not altogether altruistic, he is at least [a] pragmatist who accepts that too much […] energy has been wasted on divisive political issues […].[43]

In this the diplomats were prescient. Although Hawke left the ACTU in 1980, the trade unions continued to achieve influence in policymaking. The United States thought Hawke's "little here, little there" approach succeeded in gradually undermining internal opposition; causing a de-radicalisation of the labour movement.[44] One example of this was Labor's ban on uranium mining. Hawke was reported to have "masterminded" the "erosion" of popular anti-uranium policy by exploiting a "break in union solidarity".[45]

After 1975, United States diplomats came to see greater value in the ACTU's economic approach than that of the Fraser government. Diplomats considered the politics:

> With the county still mired in stagflation as of mid-1977 the [government], the employers and portions of the media were generally successful in getting the public to take a dim view of 'greedy' and 'irresponsible' union efforts to maintain real wages.[46]

However, they deplored Fraser's counterproductive "union-bashing" and admired Hawke's subtle dampening of union wage demands. [47] The government's reform agenda was seen as slow and needlessly antagonistic to workers: "the economy is not being managed any better […] than it was under Whitlam".[48] To their mind, Hawke understood the discretion unions should employ by not engaging in "economy-

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[41] 2 October 1973, 1973MELBOU01002, NARA; 23 October 1974, 1974MELBOU01228, NARA.
[42] 20 September 1977, 1977CANBER06540, NARA.
[43] 20 September 1977, 1977CANBER06548, NARA.
[44] *Ibid.*
[45] 15 February 1978, 1978CANBER01161, NARA.
[46] 16 June 1977, 1977CANBER04270, NARA.
[47] *Ibid.*
[48] 22 August 1977, 1977CANBER05883, NARA.

disrupting industrial clashes".[49] He thought Labor should take the same approach and diplomats strongly agreed, believing that Australia was a "highly volatile country".[50] By way of background, the diplomats reasoned that the lack of "concrete action in the economic area […] may reflect in part the fact that in its final days the economic policy of the Whitlam government had already moved a long distance in the general direction of the Liberal position".[51] This is almost certainly a reference to the Budget of 1975; the symbolic beginning of the Keynesian ebb.[52] Its passage was the first act of the newly appointed Fraser government in November 1975.[53]

Seeking to influence global industrial relations was of "vital concern" to the United States.[54] Its diplomats wanted to align the ACTU with the American Federation of Labor and Congress of Industrial Organizations (AFL-CIO). They managed relations between AFL-CIO leader George Meany and Hawke, softening the suspicions of the former toward the latter, which are known to have been strained.[55] In 1973, the Labour Attaché suggested to the Ambassador that he share his highly favourable "early impressions of [the] Australian labour movement and particularly Hawke" with AFL-CIO representatives.[56] The diplomats fostered a relationship between trades unions that Hawke quickly came to be "very pleased" with, especially after his carefully planned trip to the United States in 1974.[57] The AFL-CIO kept diplomats informed of their conversations with Hawke.[58] At this time, Hawke also became a *de facto* "emissary" between the International Labour Organisation (ILO) — a tripartist organisation of the United Nations — and the United States.[59] Then Director-General of the ILO, Francis Blanchard, said the election of Hawke and others to the governing body "was a victory for the US and insured that US interests […] would be supported".[60] Although Blanchard was trying to stop the United States leaving the ILO, this comment indicates

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[49] 19 November 1976, 1976CANBER08408, NARA.
[50] 8 November 1977, 1977CANBER07782, NARA.
[51] 27 February 1976, 1976CANBER01549, NARA; *cf.* 15 August 1975, 1975CANBER05505, NARA.
[52] Tim Battin, *Abandoning Keynes: Australia's capital mistake* (London: Macmillan, 1997), pp. 95–8, p. 107.
[53] Jenny Hocking, *Gough Whitlam; His time* (Melbourne: Miegunyah Press, 2014), p. 345.
[54] 14 September 1977, 1977STATE220002, NARA.
[55] 15 October 1975, 1975MELBOU01656, NARA; D'Alpuget, *Hawke,* p. 170, 220, 278.
[56] 30 July 1973, 1973CANBER04189, NARA.
[57] 28 August 1973, 1973MELBOU00851, NARA; 5 August 1974, 1974MELBOU00923, NARA; 18 November 1976, 1976STATE283872, NARA.
[58] 31 July 1974, 1974STATE166138, NARA; 7 November 1977, 1977MELBOU02282, NARA.
[59] D'Alpuget, *Hawke*, p. 284.
[60] 23 June 1975, 1975GENEVA04781, NARA; 26 October 1973, 1973MELBOU01100, NARA.

that Hawke was seen by non-Australians as a proponent of United States' interests. Relations with other international unions and Hawke were similarly managed by the diplomats.[61] On occasion, Hawke gave them advice about the activities of the AFL-CIO, as he did with Papua New Guinean independence.[62]

There were other informers in the ACTU and unions. Another prolific informer was John Ducker, the president of New South Wales Labor and a member of the ACTU Executive.[63] Together, he and Hawke eased tensions in a time of heightened anti-American sentiment.[64] One such example of this involved Frank Sinatra. The *Ol' Blue Eyes is Back* international tour was interrupted when Sinatra made sexist slurs about female journalists.[65] Sinatra refused to apologise and a major union dispute unfurled, with unions — under the direction of Hawke — "holding him hostage in Australia".[66] Diplomats sought the assistance of Ducker, who contacted Hawke. [67] The popular view is that Hawke engaged in protracted, liquor-soaked negotiations but ultimately failed to elicit an apology.[68] The cables show differently: through Ducker, the diplomats reached an agreement with Hawke to end the strike hours earlier and no apology was sought.[69] Hawke, nevertheless, spent hours with Sinatra's lawyer before emerging to read the (pre-formulated) "joint statement of regret".[70]

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[61] 10 April 1974, 1974MELBOU00404, NARA.

[62] 3 October 1973, 1973MELBOU01006, NARA.

[63] 6 September 1979, 1979CANBER08194, NARA; Troy Bramston, "ALP boss John Ducker a friend of the US," *The Australian*, 13 April 2013, https://www.theaustralian.com.au/national-affairs/alp-boss-john-ducker-a-friend-of-the-us/news-story/0f964f98c56197dcd1dcc5e0129ee3ce; *cf.* Curran, *Unholy Fury*, p. 273.

[64] Curran, *Unholy Fury*, p. 182, 220.

[65] Kitty Kelley, *His Way: The unauthorised biography of Frank Sinatra* (New York: USA Bantam, 1986), pp. 424–5; James Vyver, "He was almost legless, How Bob Hawke and a bottle of brandy saved Frank Sinatra from tour disaster," *Australian Broadcasting Corporation*, 21 November, 2018, https://www.abc.net.au/news/2018-11-21/frank-sinatra-under-siege-in-australia-in-1974/10511714.

[66] Vyver, "He was almost legless".

[67] 12 July 1974, 1974SYDNEY01434, NARA.

[68] Shane Maloney, "Encounters: Frank Sinatra & Bob Hawke," *Monthly*, October (2009), p. 74; Vyver, "He was almost legless"; *Joint statement on behalf of Frank Sinatra and Bob Hawke on behalf of the unions* (press release, Sydney, July 1974); *Sydney Morning Herald*, "The siege of Sinatra," 22 April, 2002, https://www.smh.com.au/entertainment/movies/the-siege-of-sinatra-20020422-gdf7sz.html; *The Night We Called It a Day* (2003) ContentFilm International, (Directed by Paul Goldman).

[69] 12 July 1974, 1974SYDNEY01434, NARA; Mirriam Kleiman, "Regrets, he had a few…" *National Archives and Records Administration*, 18 April, 2016, https://prologue.blogs.archives.gov/2016/04/18/regrets-he-had-a-few/.

[70] *Joint statement on behalf of Frank Sinatra and Bob Hawke on behalf of the unions* (press release, Sydney, July 1974).

The moderation of the ACTU under Hawke was admired by the United States. Of course, this admiration was somewhat isolated within the United States government, as is understandable. Hawke's apparent suggestion in 1978 that he have an audience with President Jimmy Carter does not appear to have eventuated, despite the efforts of Ambassador Philip H. Alston.[71] Helping to marshal the labour movement and contain damage to the United States was, as the cables show, an integral part of Hawke's relationship with the foreign officials.

Macroeconomics

With the end of full employment policy came the end of post-war social democracy in Australia.[72] The cables show the United States government had wanted the Australian government to abandon the macroeconomic programme of Keynesianism, to which its officials were opposed.[73] The abandonment took over a decade, from 1973–84, starting with the Whitlam government, continuing with the Fraser government, before it was completed by the Hawke government.[74] Notable partisans — including Hawke himself, who was an economist — accept the decisive role of the Hawke government in Australia's embrace of neoliberalism.[75] The cables shed light on Hawke's change of mind, which began in 1974. By the end of the decade he believed the maintenance of full employment was secondary to controlling inflation; that wage restraint was pivotal to the inflation fight; and that tripartism was needed to enact macroeconomic reform.

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[71] 24 October 1978, 1978CANBER08740, NARA.

[72] Geoffrey Bolton, *The Middle Way, 1942–1995*, Vol. 5 of *The Oxford History of Australia* (Melbourne: Oxford University Press, 1996), p.103; G.C. Harcourt, "Introduction," in Claudio Sardoni ed., *On Political Economists and Modern Political Economy: selected essays of G.C. Harcourt* (London: Routledge, 1992), p. 8; See also, Sarah Gregson, et al., "Roundtable: Assessing the Accord and labour's role in neoliberalism," *Labour History* No 118, May (2020), pp. 135–76.

[73] 18 September 1974, 1974MELBOU01111, NARA.

[74] Elizabeth Humphrys, *How Labour Built Neoliberalism: Australia's Accord, the labour movement and the neoliberal project* (Leiden: Brill, 2018).

[75] Hawke, *Memoirs*, p. 153, quoted in Bongiorno, *The Eighties*, p. 19; John Howard, "Undoubtedly a very fine PM: John Howard remembers Bob Hawke", interview by Sabra Lane, *AM, Australian Broadcasting Corporation*, 17 May, 2019, https://www.abc.net.au/radio/programs/am/undoubtedly-a-very-fine-pm-john-howard-remembers-bob-hawke/11122614; Sally McManus, *On Fairness* (Melbourne: Melbourne University Press, 2019), p. 50.

Full employment

Rising inflation was seen by the United States as "the root of Australia's severe economic difficulty".[76] Its diplomats were alert to the possibility that the Whitlam government "could very well founder on trade union rocks" because of inflationary wage demands. [77] Understandably, Hawke's balancing act between the ACTU and Labor was seen as crucial to the Australian economy in which American multi-national corporations operated.[78] The debate in government and academic circles centred on the question of how rising inflation could be curbed. The Keynesian and neoliberal approaches to this problem, understood correctly, were similar: the former involved austerity in fiscal policy to cause a fall in inflation tied with attempts to keep employment as high as possible; the latter opted for unemployment until inflation was under control. The Whitlam government, after it was narrowly returned at the 1974 election, publicly declared its receptiveness to dropping the full employment objective.[79] This was supported by the bureaucrat H.C. Coombs, perhaps Australia's most famous Keynesian.[80] But the idea enraged many in Cabinet, Labor, and the labour movement, with Hawke publicly opposed at that time.[81]

In mid-1974 Hawke told United States officials that "people expected [a] low unemployment rate and had come to expect it ever since wartime economic expansion".[82] The policy of full employment was a "long time national commitment" across Australian politics.[83] To his mind, Whitlam was "ruthless" in contemplating Treasury advice that unemployment was an "instrument in [the] fight against inflation". [84] In late 1974, the inflationary situation became desperate. Diplomats reported to Washington that Hawke "will carry whole burden of holding [Labor] together" as the threat of inflation and rising unemployment tore it apart.[85] They sought

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[76] 27 February 1976, 1976CANBER01549, NARA.
[77] 31 July 1974, 1974MELBOU00892, NARA.
[78] Curran, *Unholy Fury*, p. 13, pp. 251–2.
[79] Michael Beggs, *Inflation and the Making of Australian Macroeconomic Policy, 1945–85* (London: Palgrave Macmillan, 2015), p. 183.
[80] Hocking, *His Time*, p. 164; Tim Rowse, *Nugget Coombs; a reforming life* (Cambridge: CUP, 2005), pp. 306–7.
[81] Beggs, *Inflation*, p. 183; Singleton, *Accord*, p. 30.
[82] 11 July 1974, 1974MELBOU00808, NARA.
[83] *Ibid*.
[84] *Ibid*.
[85] 18 September 1974, 1974MELBOU01111, NARA.,

out "trade union leaders throughout the country" for information about Hawke's chances of success and found that the more radical elements of the labour movement posed a larger threat.[86]

Hawke's commitment to Keynesianism faltered sometime between late1974 and 1978. In November, 1974, Hawke said he had told Whitlam the ACTU expected the Government to have "due regard for its obligations to the people who had elected them".[87] But, privately, he did not hold this "narrow point of view", explaining that he was "under pressure particularly from manufacturing unions to get [the] Government to change its policies […] quickly".[88] Unlike bankers, higher levels of inflation are preferable to manufacturers.[89] He sensed that the labour movement was starting to evince concern for rising inflation; a shift also detected by the Labour Attaché.[90] In late 1978, the ACTU stated publicly that full employment was "not obtainable in the immediate future".[91] According to diplomats — informed by "reliable sources" — this reflected the "long held views" of Hawke, Ducker and Bill Kelty.[92] By 1979, Hawke was openly questioning the viability of full employment, saying ambiguously, "it should be common ground […] to aim for the restoration of full employment opportunities in this country".[93] Although full employment policy ended under the Fraser government, Hawke's government did not resurrect it because the conditions were not seen as conducive.[94]

Wage restraint

What is already known is that Hawke went to the 1983 election with a "cautious but unmistakeable Keynesianism which aimed to reduce unemployment and lift

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[86] *Ibid.*
[87] 12 November 1974, 1974MELBOU01311, NARA.
[88] *Ibid.*
[89] Clinton Fernandes, *Peace with Justice: Noam Chomsky in Australia* (Melbourne: Monash, 2012), pp. 76–7.
[90] 12 November 1974, 1974MELBOU01311, NARA.
[91] 24 January 1979, 1979CANBER00627, NARA.
[92] *Ibid.*
[93] Robert J. Hawke, *The Resolution of Conflict* (Sydney: Australian Broadcasting Commission, 1979), pp. 35–43, 46–8.
[94] Arrow, *The Seventies*, p. 174.

demand".[95] He declared employment Labor's central concern.[96] The *Statement of accord regarding economic policy* (the Accord) between Labor and the ACTU, which lasted from 1983–1996, appeared to honour these promises. In its initial form it "set out wide-ranging economic and social policy", including Medicare, and sought to reduce unemployment.[97] Increases in real wages were to be "maintained […] over time".[98] But the agreement "quickly narrowed to focus almost exclusively on wages".[99] On coming to office the government saw "political gold" in the "inherited […] fiscal mess" which enabled it to "cast aside many of its election promises".[100] Under the so-called "trilogy" commitments of 1984, which were self-imposed fiscal restraints, it became impracticable to implement the Accord in full. The ACTU, however, continued to commit to wage restraint, which became the Accord's central feature from the 1985 revision.[101] Hawke's apparent *volte-face* was, in fact, gradual.

Hawke has been seen as one of the Accord's main creators.[102] Certainly, he thought his role was "fundamental", having "begun the Accord negotiations" while at the ACTU and then "pursued these negotiations in Parliament".[103] The Accord was pursued during the debates on wage indexation and acceptance of a "social contract" to curb inflation.[104] In the 1970s, the ACTU advocated price controls and full wage indexation; it was opposed to various forms of wage restraint.[105] It stopped the Whitlam government's attempts to bring about wage restraint and Hawke was "unequivocal" in his public opposition to such measures.[106] But after historic wage increases were

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[95] Bongiorno, *The Eighties*, p. 4.
[96] Beth Cook, "National, regional and local employment policies in Australia," *Centre of Full Employment and Equity*, October (2008), http://www.fullemployment.net/publications/wp/2008/08-06.pdf.
[97] Humphrys, *How Labour Built Neoliberalism*, p. 6; Bongiorno, *The Eighties*, p. 56
[98] Frank Stilwell, "Wages policy and the Accord," *Journal of Australian Political Economy* No. 28, (1991), pp. 30.
[99] Humphrys, *How Labour Built Neoliberalism*, p. 6, pp. 109–13; Stilwell, "Wages policy," p. 29.
[100] Bongiorno, *The Eighties*, p. 15.
[101] Stilwell, "Wages policy," p. 34, pp. 36x42, 46; Don Watson, *Recollections of a Bleeding Heart: A portrait of Paul Keating PM* (Sydney: Random House, 2002), p. 656.
[102] Shaun Goldfinch, "Remaking Australia's Economic Policy: Economic policy decision-makers during the Hawke and Keating Labor governments," *Australian Journal of Public Administration* Vol 58, 2 (1999), p. 5; Chris Wright, "The Prices and Incomes Accord: Its significance, impact and legacy," *Journal of Industrial Relations* Vol 56, 2 (2014), p. 267; *cf.* Hayden, *An Autobiography*, pp. 363–4.
[103] Hawke, *Memoirs*, p. 134.
[104] Stan Anson, *Hawke: an emotional life* (Melbourne: Penguin Books, 1991), pp. 79–80; Hagan, *ACTU*, p. 422.
[105] Hagan, *ACTU*, pp. 403–12, p. 421; Singleton, *The Accord*, pp. 32–4.
[106] Singleton, *The Accord*, pp. 32–3; Hagan, *ACTU*, p. 421.

secured in 1974, negotiations with the Whitlam government became possible.[107] However, the ACTU *Special Unions Conference* of September 1974 resolved that wage indexation would curb inflation.[108] But, as Whitlam later observed, the "loosely worded indexation package" of the Special Conference was, in fact, the first sign that union resolve was softening.[109] After the conference, Hawke brokered an agreement with the Whitlam government — the Kirribilli Accord — for voluntary wage restraint, but this proved premature.[110] Hawke and Whitlam would portray their efforts as having been ahead of the politics.[111]

The cables suggest that Hawke and the government began working closely on this matter before the Kirribilli Accord and the Special Conference. In August 1974, Hawke told diplomats, contrary to public protestations, that he personally thought union wage demands were responsible for Australia's rampant inflation.[112] Soon after, during one of their meetings with Hawke, diplomats listened to a telephone conversation between Hawke and the Prime Minister's office, in which a draft resolution for the Special Conference was agreed to.[113] The resulting conference was described by one diplomat as "Pavlovian", with Hawke telling him during a lunch break that his plan "had the numbers".[114] In the intervening years, before the Accord, the ACTU came to accept wage restraint and, under the Accord, worker living standards were eroded and unionism, from the 1990s, declined.[115]

Tripartism

Hawke's preference for consensus politics arose before he came to office. It is said he adopted these politics in 1977.[116] As Hawke recalled:

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[107] Hagan, *ACTU*, pp. 358–9, 420–3; Humphrys, *How Labour Built Neoliberalism*, pp. 86–7.
[108] Singleton, *The Accord*, pp. 34–37; Hagan, *ACTU*, p. 359, 406, 409.
[109] Gough Whitlam, *The Whitlam Government, 1972–1975* (Melbourne: Penguin, 1985), p. 203.
[110] Singleton, *The Accord*, pp. 41–42, 48–49.
[111] D'Alpuget, *Hawke*, p. 216; Whitlam, *The Whitlam Government*, pp. 203–4.
[112] 29 August 1974, 1974CANBER05670, NARA; *cf.* 23 October 1974, 1974MELBOU01228, NARA.
[113] 25 September 1974, 1974SYDNEY02054, NARA.
[114] *Ibid.*
[115] Kelly, *The Hawke Ascendency*, pp. 100–4, 314–15; Humphrys, *How Labour Built Neoliberalism*, pp. 115–18; Stilwell, "Wages policy," p. 29; Jonathan Strauss, "Opposition to the Accord as a social contract in the 1980s," *Labour History* No. 105, November (2013), pp. 47–8, p. 50; Hayden, *An Autobiography*, p. 367;
[116] Hagan, *ACTU*, p. 377.

> Long before I was in Parliament I had had the idea of a National Economic
> Summit aimed at establishing a social compact between Australia's main
> constituent groups: governments, business and labour […]. Although I had
> mentioned the idea earlier, I floated it in some detail in the 1979 Boyer Lectures
> […].[117]

Hawke's first public mention of his preference for a consensus approach to policymaking was made on 21 August 1974 in a speech to the Conference of Economists' at the Australian National University.[118] By 1983, there was a widespread acceptance of tripartism in the unions and business, but influential sections of the latter resolved to pursue macroeconomic reform slowly, to ensure ultimate success.[119] Despite misgivings, business accepted the first version of the Accord.[120] Peter Abeles, the managing director of Thomas Nationwide Transport (TNT) and Hawke's confidant, suggested in 1983 that the Accord become a "trilateral agreement", which the National Economic Summit of the same year effectively accomplished.[121]

The United States suggested to Hawke on 2 August 1974 that he pursue a "tripartite committee of unions, employers, and government" to build consensus on industrial matters, especially on wages.[122] The suggestion was made by the Labour *Attaché* after "many months" of advocating inside the State Department.[123] Earlier, in May, a request by the Conciliation and Arbitration Commission under Justice John Moore for a "tripartite" conference between the ACTU, government and business had been described to superiors in Washington as a "firm and long step toward removing constant acerbation caused by purely political consideration of these problems in the past".[124] What United States officials envisaged for Australia was a system of "American style collective bargaining".[125] Their advocacy for tripartism did not abate over the following years. When the tripartite National Labour Consultative Council (NLCC) was

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[117] Hawke, *Memoirs*, p. 170; Hawke, *Resolution*, pp. 42–3.
[118] Alex Millmow, *A History of Australasian Economic Thought* (London: Routledge, 2017), 175.
[119] Damien Cahill, "Business mobilisation, the New Right and Australian Labor governments in the 1980s," *Labour History* No 98, May (2010), p. 15.
[120] Stilwell, "Wages policy," p. 34.
[121] Bongiorno, *The Eighties*, pp. 17–8; Paul Kelly, *The Hawke Ascendency, 1975-1983* (Sydney: Angus & Robertson, 1984), pp. 438–9.
[122] 8 August 1974, 1974MELBOU00942, NARA; 5 May 1974, 1974MELBOU00513, NARA.
[123] 8 August 1974, 1974MELBOU00942, NARA.
[124] 5 May 1974, 1974MELBOU00513, NARA; *Canberra Times*, "The Moore conference," 3 August 1974, p. 2; Hagan, *ACTU*, p. 423, pp. 430–1.
[125] 16 June 1977, 1977CANBER04270, NARA.

announced by the Fraser government in 1977, with Hawke's encouragement, diplomats hailed it as a "major tactical victory for the ACTU" which had come to champion "meaningful high-level tripartite economic consultation".[126] Tripartism, which had been mooted within the labour movement since the 1960s, would flourish under the Hawke government.[127] The cables reveal the United States as a discreet advocate encouraging Hawke.

Foreign policy

The Whitlam government is known for digressing from established Australian foreign policy, particularly the bilateral relationship with the United States and support for the state of Israel. During its time in office, Hawke presented himself as something of a counterweight. In the assessment of one diplomat, the "differences in foreign affairs" between Hawke and Whitlam "frequently entertain [the] public".[128] The cables show the extent of Hawke's departure from Whitlam's foreign policy.

The bilateral relationship

There was considerable tension between the Whitlam government and the Nixon administration in 1973. On one hand, the government's attempts to seek greater involvement in the bilateral relationship proved inflammatory to President Richard Nixon and his advisor Henry Kissinger; although United States diplomats had long understood Whitlam's intentions.[129] On the other, the United States wanted its allies to become less reliant on it for defence.[130] Once personal hostilities soothed, the Whitlam government marked the beginning of greater "maturity" in the bilateral relationship.[131] By 1974, Ambassador Green believed that "US-Australian relations had greatly improved since 1972" with the Australia, New Zealand, United States Security Treaty (ANZUS) and defence facilities "now […] placed on a more fully joint US-Australian responsibility".[132] At the heart of the United States' fears were the numerous defence

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[126] *Ibid*.; Hagan, *ACTU*, pp. 430–431.

[127] Christine Jennett & Randal G. Stewart, eds, *Hawke and Australian Public Policy: Consensus and restructuring* (Melbourne: Macmillan, 1990), p. 295; Sean Scalmer & Terry Irving, "The rise of the modern labour technocrat," *Labour History* No. 77, November (1999), p. 65, 75.

[128] 15 May 1974, 1974MELBOU00561, NARA.

[129] Curran, *Unholy Fury*, pp. 87–8, 144-5, 216–7, p. 148, 163, 172, 263, 285.

[130] Curran, *Unholy Fury*, p. 18, pp. 103–5; Fernandes, *Island Off the Coast*, p. 139.

[131] Fernandes, *Island Off the Coast*, p. 72, 77, 81, 114, 139, pp. 286–7, 305–6.

[132] 20 September 1974, 1974CANBER06178, NARA.

installations in Australia, which officials believed were under threat from the government and shifting Australian public opinion.[133] The cables show that Hawke again proved useful.

Hawke was seen as a bulwark against anti-American sentiment and resurgent communism during the economic turmoil of the 1970s.[134] One cable, from 1978, summarises his approach:

> Hawke has a lively and sometimes critical interest in the United States and has been a friend of Labor attaches and US officials in Australia […]. [I]n 1973 he told a US official that Australia and the US must remain close for a long time to come. He said that while the style of cooperation might change, the basic principle of working together must be persevered […]. [I]n late 1975 he said that his personal attitude on foreign policy questions was very close to the United States.[135]

When Labor's Bill Brown publicly accused Ambassador Green of political interference in June 1974 he was widely rebuked, especially by colleagues.[136] Many people voiced support to Green directly, including Governor of Victoria Henry Winneke, in professing "undiminished loyalty" to the bilateral relationship.[137] Hawke offered an especially vigorous defence of Green and was thanked in person during a meeting at his house.[138] Hawke is reported to have said to Green, "while no one could be expected, and he least of all, to give complete agreement with US policy on every issue, [anti-Americanism] […] was intolerable and too emotional and wrong to be useful.[139] Later, in the United States, Hawke would say that the bilateral relationship, "despite some tensions", was "sounder" and that the rebuke of Brown served as proof.[140] A similar episode occurred in 1977 with Labor's Bill Hartley, and again Hawke led the public defence, denying any Central Intelligence Agency (CIA) activity in Australia.[141]

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[133] Curran, *Unholy Fury*, p. 12, 225, 234, 261, 278, pp. 281–3.
[134] 5 August 1974, 1974MELBOU00924, NARA.
[135] 26 October 1978, 1978CANBER08848, NARA.
[136] 26 June 1974, 1974CANBER04015, NARA; 26 June 1974, 1974CANBER04029, NARA; 1 July 1974, 1974SYDNEY01315, NARA.
[137] 19 July 1974, 1974MELBOU00833, NARA.
[138] 11 July 1974, 1974MELBOU00808, NARA; *cf.* Curran, *Unholy Fury*, p. 271.
[139] 11 July 1974, 1974MELBOU00808, NARA.
[140] 31 July 1974, 1974STATE166138, NARA.
[141] 6 July 1977, 1977CANBER04690, NARA; *cf.* Hocking, *His Time*, pp. 293–4, p. 322; Curran, *Unholy Fury*, pp. 292–4.

Hawke helped to protect defence installations, provided information about union disputes and warned officials that installations could be targeted.[142] In 1973, the Labour Attaché contacted Hawke about a possible union dispute at the Harold E. Holt Naval Communication Station (or the "North West Cape") in Western Australia.[143] The cable reported that Hawke "volunteered to intervene informally" as he felt "concern and surprise at the militancy" of certain workers described by the commanding officer. This was not the last time Hawke proved useful in pre-empting and pacifying union disputes.[144]

Tensions between the Whitlam government and the United States eased in 1974. So, in August 1974, when the diplomatic mission saw Whitlam's premiership as terminal, there was no celebration. It presented a threat to the interests of the United States as "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 […] ALP is undergoing a crisis of leadership".[145] The assessment was reached on information gifted by informers, including Hawke.[146] At around this time, the idea of a national government was put to Hawke, while Rupert Murdoch revealed his intention to campaign against Labor (see below). In October 1974, Hawke "nearly said in public what he had told [the Labour *Attaché*] privately that […] Australia is on the verge of economic collapse".[147] In December, he foreshadowed the "fall of [the] government" within a year.[148] The diplomats did not seem concerned with the government's souring political prospects from late-1974:

> Our principal conclusion is that with Whitlam's clear and successful support of defence facilities at Terrigal [conference] US can watch this rapidly – changing political situation with relative equanimity […] [Andrew Peacock] confirmed our views, adding that the US has no need to take sides in present situation.[149]

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[142] 1 July 1974, 1974SYDNEY01315, NARA.
[143] 18 October 1973, 1973MELBOU01034, NARA.
[144] 27 August 1978, 1978CANBER06818, NARA; 8 July 1977, 1977CANBER04792, NARA.
[145] 29 August 1974, 1974CANBER05670, NARA.
[146] 5 August 1974, 1974MELBOU00923, NARA; 18 September 1974, 1974MELBOU01111, NARA.
[147] 23 October 1974, 1974MELBOU01228, NARA.
[148] 13 December 1974, 1974MELBOU01492, NARA; *cf.* 21 October 1975, 1975CANBER07069, NARA; 13 November 1975, 1975MELBOU01863, NARA.
[149] 5 March 1975, 1975CANBER01433, NARA.

Peacock would soon become foreign minister and, in the 1980s, the Liberal leader. This cable suggests he perceived a preparedness on the part of the United States to interfere in domestic politics, beyond intelligence gathering.[150]

The diplomats maintained a faith in Hawke's *bona fides* towards the United States. Publicly, as one cable records, Hawke projected a desire for "an independent non-aligned Australia".[151] Privately, he explained to diplomats that he wanted to expand ANZUS beyond a "purely defensive military alliance".[152] They reasoned that this duality was part of a "tactical move […] to gain left wing support for parliamentary pre-selection", although not a successful one.

Israel

Labor had been the preferred political party of many Jewish Australians because of, *inter alia*, its early Zionism and opposition to anti-Semitism.[153] But support for Israel became something of a litmus test by the late 1960s.[154] Under Whitlam's leadership, a majority of Jewish voters switched support from Labor to Liberal.[155] One reason for the swing, which proved to be permanent, was the Whitlam government's embrace of a so-called "even-handed" approach to the Israel-Palestine conflict.[156] This saw Australia become less supportive of Israel to "draw closer politically and economically […] to countries which were hostile to Israel", in line with business interests.[157] To many Jewish voters, anti-Semitism was to blame; a perception bolstered by Whitlam referring to Jewish Australians as "you people".[158] However, "symptoms of evenhandedness" in the Australian Government had become apparent to Israel from

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[150] *cf.* Curran, *Unholy Fury*, p. 126, 260, pp. 269–70.

[151] 14 September 1976, 1976CANBER06584, NARA.

[152] 17 September 1976, 1976CANBER06720, NARA; 20 September 1976, 1976CANBER06753, NARA.

[153] Isabelle Macgregor, "Australian Jewry's conservative voting swing," *Australian Journal of Jewish Studies* Vol 22, (2008), pp. 77–8, p. 81; Jacob Abadi, "Australia-Israel Relations the Political and Economic Imperatives," *The Round Table: The Commonwealth Journal of International Affairs* Vol 90, 361 (2001), p. 564, 567, 569.

[154] Macgregor, "Australian Jewry," pp. 84–5.

[155] Macgregor, "Australian Jewry," p. 82; Abadi, "Australia-Israel," p. 574.

[156] Rutland, "Whitlam's shifts," p. 40, 55; Macgregor, "Australian Jewry," p. 85; Chanan Reich, "Australia and the 'Yom Kippur' War of 1973," *Australian Journal of Jewish Studies* Vol 26, (2012), p. 10.

[157] Rutland, "Whitlam's shifts," p. 45; Abadi, "Australia-Israel," p. 564, pp. 571–3.

[158] Macgregor, "Australian Jewry," pp. 86–7; Rutland, "Whitlam's shifts," pp. 53–4, 57–8; Reich, "Australia and the 'Yom Kippur'," p. 25.

1960, as Australia's export market grew, and continued to be displayed until the 2000s.[159]

In the 1970s, Hawke is considered to have been an impulsive and self-righteous supporter of Israel.[160] A dispute arose between Whitlam and Hawke, resulting in public feuding.[161] Whitlam thought Hawke was only concerned for his political career, given the high number of Jewish voters in Melbourne[162] and Israel had tried to persuade Hawke to enter the 1972 election.[163] By the time he was prime minister, however, Hawke's support for Israel is said to have diminished.[164] The cables refine what is known of Hawke's convictions.

The issue exercised Hawke, causing numerous "vituperative" outbursts in front of United States diplomats.[165] His "extremely pro-Israel" stance — or "crusade" — led him to contemplate resignation as Labor president on 20 February 1974.[166] This was only days after he stopped a plot to remove him from the Labor presidency.[167] But Hawke's advocacy for Israel had a pragmatic side. The United States was told of the importance of pro-Israel supporters to Labor's coffers and, again, Hawke was one of numerous informers disclosing this.[168] Whitlam was said to have "begged money" from the "Jewish community" before the 1972 election but had, upon taking office, rebuffed it.[169] The Iraqi loans affair may be further evidence of the financial problem created by "even-handedness".[170] The exact value pro-Israel donors contributed to Labor is unclear, but could have been as much as "a fifth of the total funds" during the years of the Whitlam government.[171]

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[159] Abadi, "Australia-Israel," p. 568, 576, 580; Fernandes, *Peace With Justice*, p. 85; Martin Harris, "Australian aid to the Middle East: Statistics and trends," *Parliamentary Library*, 12 November (2015), https://www.aph.gov.au/About_Parliament/Parliamentary_Departments/Parliamentary_Library/FlagPost/2015/November/Australian-aid-Middle-East.

[160] D'Alpuget, *Hawke*, p. 246, 249, 263, pp. 259–260, 271–2; Pullan, *Hawke*, p. 134.

[161] D'Alpuget, *Hawke*, pp. 262–263; Rutland, "Whitlam's shifts," p. 52.

[162] Rutland, "Whitlam's shifts," p. 46; *cf.* 27 February 1976, 1976CANBER01553, NARA.

[163] Reich, "Australia and the 'Yom Kippur'," p. 26.

[164] Abadi, "Australia-Israel," pp. 576–8; Hayden, *An Autobiography*, p. 378.

[165] 23 January 1975, 1975CANBER0527, NARA.

[166] 21 February 1974, 1974MELBOU00180, NARA; 26 October 1978, 1978CANBER08848, NARA.

[167] D'Alpuget, *Hawke*, pp. 267–268.

[168] 26 November 1973, 1973MELBOU01222, NARA; 5 April 1974, 1974MELBOU00385, NARA; D'Alpuget, *Hawke*, p. 246, 257; Kelly, *The Hawke Ascendency*, pp. 77–8.

[169] 26 November 1973, 1973MELBOU01222, NARA; 5 April 1974, 1974MELBOU00385, NARA.

[170] Rutland, "Whitlam's shifts," pp. 62–3.

[171] *Ibid.*, p. 56.

Hawke undermined the foreign policy of the Whitlam government in 1974. A supposed intermediary of Yasser Arafat used Hawke to pass a message to Israel, and while waiting for instructions from the Israeli ambassador he sought advice from the seemingly bemused United States diplomats. The cabled reported, "[i]n reply to suggestion that he check [with] Australian Department of Foreign Affairs, Hawke said he doesn't agree with Whitlam Government's so-called "even-handed" policy and didn't trust [the Department] on the question [of Israel].[172]

Hawke explained to them that he was "attempting to build a cabal in Parliament directed at [the] PM" with Victorian Labor leader Clyde Holding, called, the "Friends of Israel".[173] Holding, another informer, had told them — along with deputy leader, Frank Wilkes — of a "carefully planned" coup or "renovation" within the Victorian Young Labor Association to "expel" dozens of "pro-Arab" members of Labor by stacking a vote with new "pro-Israel" members.[174]

On foreign policy, the cables pertaining to Hawke show that his influential position in the labour movement was useful to the United States in the pursuit of its defence interests. The cables discussing Hawke's position on Israel bolstered Whitlam's doubts about the sincerity of Hawke's support for Israel.

Hawke's value

To United States diplomats, Hawke was a useful source of intelligence, but they also saw someone worth cultivating, given his ambition, charisma, power and intellect.[175] There were many cables dispatched that discussed his potential and political manoeuvrings. To them, Hawke was an "experienced chameleon" who had "successfully played down his academic record and bookish background" and could

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[172] 19 December 1974, 1974MELBOU01526, NARA.
[173] 26 November 1973, 1973MELBOU01222, NARA; *cf.* Reich, "Australia and the 'Yom Kippur'," p. 24.
[174] 21 February 1974, 1974MELBOU00180, NARA.
[175] 26 October 1978, 1978CANBER08848, NARA; 31 May 1974, 1974CANBER03304, NARA; 8 July 1974, 1974MELBOU00786, NARA.

transform into the "ideal Australian Labor leader", despite his personal faults.[176] Ambassador Green described Hawke, to his superiors in Washington, as follows:

> I wish to emphasise how important proposed visit of Bob Hawke to US can be […]. [T]here is little doubt that he has major potential as a Labor Party leader. Now 44, he has every prospect of being a major figure on political scene for next 20 years or so, and it will be worth our while to make a real effort to develop a worthwhile program for him.[177]

He proposed meetings with Chase Manhattan, the International Chamber of Commerce, the Brookings Institute, amongst other organisations.[178] In short, "Hawke might benefit in being exposed to some sophisticated non-labour thinking on the role of multi-nationals in Australian economic development".[179] A number of meticulously planned (and supported) visits followed, including one with appointments in London where his movements would be closely observed.[180] In any case, Hawke subsequently reported to them his conversations with senior British Labour Party figures like Jim Callaghan.[181]

Diplomats believed the relationship between Whitlam and Hawke was strained because of their competing ambitions. One diplomat wondered if the continent was too small to "contain two super egocentrics like these". [182] Informers speculated about the relationship's longevity.[183] Hawke too discussed the relationship. In November 1973, he was reported to have said, "he had always found Whitlam difficult and very egocentric ('even for me') but had held him as essentially a 'good man'. Now he is not so sure. He […] thought Whitlam had 'caved in' on [Israel] for 'commercial reasons'".[184] He would make the same charge against Whitlam for his "even-handed" Israel policy.[185]

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[176] 19 August 1974, 1974MELBOU00984, NARA; 26 October 1978, 1978CANBER08848, NARA.
[177] 31 May 1974, 1974CANBER03304, NARA.
[178] *Ibid.*
[179] *Ibid.*
[180] 16 July 1974, 1974MELBOU00823, NARA; 5 August 1974, 1974MELBOU00923, NARA; 22 May 1976, 1976STATE125710, NARA.
[181] 2 August 1974, 1974MELBOU00914, NARA.
[182] 15 May 1974, 1974MELBOU00561, NARA.
[183] 11 October 1973, 1973MELBOU01032, NARA.
[184] 26 November 1973, 1973MELBOU01222, NARA.
[185] 5 April 1974, 1974MELBOU00385, NARA.

It is already known that despite this tempestuousness, Whitlam wanted Hawke to enter Parliament.[186] But the diplomats were also chronicling the attempts, offering nuance to posterity. In 1973, they were told of Whitlam's plan to move Minister for Labour Clyde Cameron to the Defence ministry so as to make room for Hawke.[187] Although this was old information to them it nevertheless caused "real concern", given Cameron's politics.[188] Days later, Hawke said the plan had failed, although "unsaid but obvious" to the diplomats, "Hawke will spend appropriate part of his time […] preparing his political future".[189] Hawke now wanted a new senior position created at the ACTU for Charlie Fitzgibbon, so he could "run day-to-day business", leaving him "free to take more active part in international affairs and various industrial projects".[190] On another occasion, in 1974, Hawke spoke of a "long time understanding" he had with Whitlam that he "could move into Parliament by way of [Treasurer Frank] Crean's Melbourne Ports seat".[191]

After the 1975 election, in which Labor was defeated, the ACTU was seen by diplomats "as the *de facto* political opposition at the national level".[192] In their eyes, Hawke had effectively assumed the role of opposition leader, as demonstrated by his meetings with Fraser and the "trio who control Australian press": Rupert Murdoch, Kerry Packer, and the head of John Fairfax Holdings.[193] Packer is known already to have been an informer.[194] The plan to install Hawke in Parliament is said to have intensified at this point.[195] As Hawke explained to diplomats, under a plan devised by Whitlam on 14 December 1975, he would "move over" to become Labor leader.[196] He told them of a draft press release Whitlam had written, and of various preparations, including consultations with state party leaders, and a caucus numbers count.[197] Under the plan,

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[186] D'Alpuget, *Hawke*, p. 150; Freudenberg, *A Certain Grandeur,* p. 103, pp. 181–2; Whitlam, *The Whitlam Government*, p. 277.
[187] 24 August 1973, 1973CANBER04707, NARA.
[188] *Ibid.*
[189] 28 August 1973, 1973MELBOU00851, NARA; 29 August 1973, 1973MELBOU00853, NARA.
[190] 29 August 1973, 1973MELBOU00853, NARA; *cf.* D'Alpuget, *Hawke*, pp. 228–229.
[191] 12 November 1974, 1974MELBOU01311, NARA; Freudenberg, *A Certain Grandeur*, pp. 310–1; Kelly, *The Hawke Ascendency*, pp. 23–4
[192] 16 June 1977, 1977CANBER04270, NARA.
[193] *Ibid.*; 18 December 1975, 1975MELBOU02095, NARA.
[194] Curran, *Unholy Fury*, p. 186.
[195] Freudenberg, *A Certain Grandeur*, p. 451; *cf.* Kelly, *The Hawke Ascendency*, pp. 20–3.
[196] 18 December 1975, 1975MELBOU02095, NARA.
[197] *Ibid.*

Whitlam would become shadow attorney-general, while Fitzgibbon would become ACTU president.[198]

The plan to have Hawke replace Whitlam failed quickly, as the cables chronicle. Ducker told one diplomat on 15 December 1975 that Fitzgibbon was "definitely a front runner" to replace Hawke and that he wanted "a Paul Keating type" as deputy Labor leader because "we could use a young man" during Labor's time in opposition.[199] However, the "cabal conspiracy" to install Hawke — whom he was not supporting — had disintegrated, its plotters having made "a bad mistake […] to tip their hand prematurely".[200] Whitlam's subsequent re-election as leader, for 18 months, was interpreted as having been "designed to leave the way open" for Hawke or Dunstan.[201] The cables suggest a degree of organisation on Whitlam's part that contradicts the established view that he had only been half-hearted.[202]

Hawke appears to have contemplated — and advocated — abandoning Labor in 1974 to pursue a British-style national government in order to face the economic crisis. In late1974, when Labor's grip on power began to weaken, he was asked about the idea:

> In reply to […] inquiry about possibility of involvement of non-Labor party supporters in decision making process, Hawke said he had not noticed any movement toward a national unity government concept but he had several feelers about political realignment. He mentioned his long time association with Sir Peter Abels (*sic*), controversial industrialist who is a financial supporter of the Labor Party but whose personal philosophy more easily fits him within the Liberal Party context. Apparently Abels has recently sounded out Hawke's availability for a leadership position in such a new political unit. Hawke reported this flatly […]. without indicating whether or not he favoured such idea.[203]

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[198] *Ibid.*

[199] 19 December 1975, 1975SYDNEY02656, NARA; Freudenberg, *A Certain Grandeur*, p. 451.

[200] 19 December 1975, 1975SYDNEY02656, NARA.

[201] 28 January 1976, 1976CANBER00645, NARA.

[202] Hocking, *His Time*, pp. 369–70; Kelly, *The Hawke Ascendency*, p. 24; McMullin, *The Light on the Hill*, p. 376.

[203] 12 November 1974, 1974MELBOU01311, NARA.

Abeles was Hawke's trusted confidant on economics and politics.[204] There is also contemporaneous corroborating evidence, in the form of another cable, which records Murdoch as having told the Ambassador:

> Hawke is fiercely ambitious to become Prime Minister […]. He is intelligent and essentially moderate […]. Hawke is now talking 'national government', which would give him the best chance personally [at becoming Prime Minister]. He sees the ALP going down to defeat and does not want to board the sinking ship.[205]

This ship was one Murdoch now explicitly wanted to sink.[206] Notably, Abeles and Murdoch would soon go into business together.[207]

The United States was also treated to inside knowledge of the "Iraqi breakfast affair". During the 1975 election campaign, Whitlam met with officials of the Iraqi Ba'ath Party to secure a "no-strings" donation to Labor of half a million US dollars.[208] The story became public on 26 February 1976, and the new ambassador, James Hargrove, sought information from numerous informers, including Whitlam. The former Prime Minister told him "in great detail" what had happened and his involvement in the deal "from the beginning".[209] Not only did his admission contradict what he was stating publicly, he also explained that he had "secure[d] funds" from "foreign mining interests" as well.[210] He believed he would be deposed as leader and, this time, "very much hoped" Hayden would replace him, even though he "lacks the confidence".[211] Hawke revealed at a press conference that he and the Labor Executive became aware of the loan when Whitlam and David Combe, party secretary, signed a large overdraft on 11 February 1976.[212]

The prospective donation was, however, said to be no donation at all. According to a later cable, Whitlam and Combe had committed to "swing […] policy toward the

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[204] Hawke, *Memoirs*, pp. 259–260, p. 452, 474; Bongiorno, *The Eighties*, p. 292; Anson, *Hawke*, p. 44, 138.
[205] 16 November 1974, 1974CANBER07509, NARA.
[206] *Ibid.*
[207] Bongiorno, *The Eighties*, p. 123.
[208] McMullin, *The Light on the Hill*, pp. 377–9.
[209] 27 February 1976, 1976CANBER01553, NARA.
[210] *Ibid.*
[211] *Ibid.*
[212] 8 March 1976, 1976CANBER01811, NARA.

radical Arab cause and against Israel".[213] A further condition is said to have been that the pro-Israel Hawke could never become Labor leader.[214] The historian Jenny Hocking argues that Murdoch had been eager to exploit the affair and this is loosely supported by the cables.[215] But the cables also show that Whitlam was intimate with the plan. It is worth noting other informers on this matter: Kerry Sibraa, John Wheeldon, Jim McClelland and Kim Beazley Sr,[216] and, prior to the dismissal, Combe had been an informer as well.[217]

Reading the situation after the 1975 election, United States diplomats believed Hawke wanted Whitlam secured until he could replace him.[218] On their count of caucus Whitlam had lost the support of a majority, but would probably remain as leader in the circumstances.[219] This assessment proved wrong in the short term because Hawke's authority in Labor ebbed after the affair. It was Hayden who become leader, in 1977, whereas Hawke met internal resistance. He suffered the further humiliation of losing majority support for Labor's presidency in 1977; although his challenger, Mick Young, naïvely undertook to Ducker to give Hawke one last year.[220] Thus, Neil Batt succeeded Hawke in 1978 and, according to "conservative figures within the ALP", he was "on side" like Hawke had been.[221]

Through the cables, there is much that can be learned about the political machinations of the 1970s, from Hawke's attempts to enter Parliament, with or without Labor, to the scandals that courted a cash strapped party.

Conclusion

Evidently, Hawke was an informer to the allied foreign power in the 1970s. Conversations he had with United States diplomats involved information that was pertinent to the preservation of American interests in Australia. As a well-placed insider

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[213] 14 October 1977, 1977CANBER07150, NARA; *cf*. McMullin, *The Light on the Hill*, p. 377.
[214] Suzanne D. Rutland, "Whitlam's shifts in foreign policy, 1972–1975: Israel and Soviet Jewry," *Australian Journal of Jewish Studies* Vol 26, (2012), 63.
[215] Hocking, *His Time*, pp. 372–5; *cf*. 3 March 1976, 1976CANBER01681, NARA.
[216] 26 February 1976, 1976CANBER01477, NARA.
[217] 28 September 1973, 1973CANBER05376, NARA.
[218] 8 March 1976, 1976CANBER01811, NARA.
[219] *Ibid*.; *cf*. 1976, 1976CANBER02082, NARA.
[220] 12 July 1977, 1977CANBER04860, NARA.
[221] 4 August 1978, 1978CANBER06175, NARA; McMullin, *The Light on the Hill*, p. 384.

in the ACTU and Labor, Hawke offered them greater leverage in the pursuit of these interests, including the protection of multinational corporations operating in Australia. Hawke gave diplomats an insider's understanding of the labour movement during the pivotal years of macroeconomic policy flux. In their eyes, there was no sudden departure from Keynesianism but a gradual cajoling by Hawke, and others, towards the new macroeconomics. These diplomats also wanted to protect defence installations in Australia, another important interest. Hawke helped calm tensions within the labour movement and publicly defended officials from accusations of foreign interference.

As with Hawke, it is not clear why elites informed, and how they came to inform. There is said to have been a mentality in the 1970s in which "loyalty to the United States became a test of loyalty itself".[222] It is conceivable that lingering Cold War fervour may have compelled people to inform. On its face, there were more informers in Labor, the labour movement, and government than in other parts of society. It could be that the Coalition parties and business had less need to establish *bona fides* with the United States. After all, the conservative parties had "acted to protect the substantial US investment stake in Australia and encouraged access for new US investment".[223] It is possible Labor's renewed electoral success in the 1970s attracted the United States. Equally, there could have been a change of heart towards the United States within Labor and the labour movement. In the 1940s, it seems United States officials were met with a degree of resistance:

> [T]here was considerable reluctance on the part of leaders of […] the Labor movement to be seen in the company of American diplomats, even […] in government. Although some […] cultivated the Americans to demonstrate their anti-British sentiments […] [officials] found it hard to meet leaders like Curtin, JB Chifley and JA Beasley, with all of whom his personal relations were good, on any basis other than official business.[224]

Only a few years later, the attitude appears to have changed. In 1952, L.G. Churchward, having noticed the presence of the United States Labour *Attaché* at the ACTU Congress, made the following observation: "[t]he American influence on the Australian Labour

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[222] Curran, *Unholy Fury*, p. 26, 53.
[223] 13 December 1977, 1977CANBER08699, NARA.
[224] Edwards, *Australia Through American Eyes*, p. 13.

movement, which throughout the nineteenth and early twentieth century was essentially a radical one, is becoming almost wholly a conservative one".[225]

The cables offer scholars more than a reconsideration of Hawke in the 1970s. Whatever maturity the Whitlam government achieved for Australia in the bilateral relationship must be tempered by the existence of well-placed informers, especially Hawke. The obsequiousness toward the United States displayed by Australian leaders since John Howard may be little more than a public display of an earlier, private, manifestation.[226] Informers were a feature of the bilateral relationship in the 1970s as they appear to have been in other decades. An extended work considering historical cases of unofficial relationships between Australian elites and the United States — as well as the United Kingdom — is needed, especially in light of the present concern in Australia with foreign interference.

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[225] L.G. Churchward, "The American influence on the Australian labour movement," *Australian Historical Studies* Vol 5, 19 (1952), p. 277.
[226] Curran, *Unholy Fury*, p. 314.