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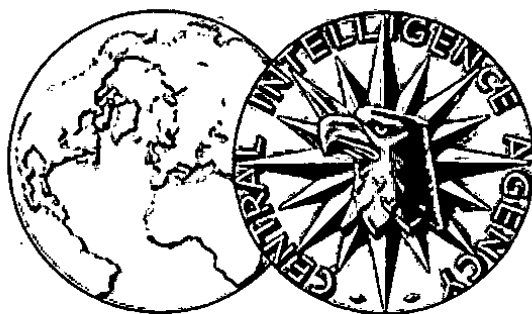
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# COMMUNIST INFLUENCE IN AUSTRALIA

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## COMMUNIST INFLUENCE IN AUSTRALIA

## SUMMARY

The 15,000 members of the Australian Communist Party (ACP) are capable of crippling Australian industry temporarily by means of their positions in and control over members of key trade unions in the fields of industry and transport. Because of its considerable power within the trade unions, which are the principal source of the Labor Party's strength, the ACP can also apply indirect pressure upon the Australian Government. The extent of direct Communist influence within the Australian Government (including the armed forces) however, cannot adequately be assessed on the basis of information now available to CIA. No known Communists have been elected to the Federal Parliament and only one member of one State Parliament is a known ACP member. Moreover, the Labor Party, in control of the Australian Government since 1941, has denounced Communist methods and principles, has refused repeated ACP offers to affiliate, and has forbidden Labor Party association with any known Communist subsidiary. The Labor Government is currently prosecuting the Secretary-General of the ACP for sedition, and another ACP leader was recently convicted on the same charge. Labor Party leaders in the Government, however, have refused demands for the banning of the ACP, have been slow to counteract the growth of Communist power in key trade unions, and, in the past have been notoriously lax regarding security measures. In justification for the Government's official attitude, Labor leaders claim a desire not to martyr Communism and thus strengthen it, but rather to defeat it openly with due regard for civil liberties.

There is no positive evidence of direct contact between the ACP and the USSR. However, the Soviet Embassy provides a potential channel; most of the present ACP leaders are Moscow-trained; ACP members have made numerous visits to satellite countries, and unsubstantiated reports speak of financial assistance to the ACP from other

Note: The intelligence organizations of the Departments of State, Army, Navy, and the Air Force have concurred in this report. It is based on information available to CIA as of 4 April 1949.

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Communist parties. The Australian Communists, in turn, have supported other Communists in Indonesia, Malaya, and India. At home, the ACP employs the typical Communist techniques for spreading propaganda. It makes use of "front" organizations and attempts the exploitation of disaffected groups, chiefly recent immigrants.

Criticism by the political opposition at home, coupled with the impression that the US considers the Australian Government untrustworthy from a security viewpoint, have prompted the Government to tighten its security system recently. Among other measures, the Government's security agency, the Commonwealth Investigation Services (CIS), is being reorganized and strengthened in accordance with recommendations made by British security experts. The ability of the reorganized CIS to carry out its mission, however, cannot yet be assessed.

If the present official and public trend against the ACP -- as demonstrated by anti-Communist reaction within the trade unions -- should continue, the power of Australia's Communists may be significantly lessened. It may be assumed that many Labor militants who now follow the ACP lines as a tactic in domestic affairs would break with the Communists if confronted with a wartime choice between supporting the USSR or Australia. Under these circumstances, ACP ability to cripple Australian production would be minimized.

Nevertheless, it is believed that militant influence within the Labor Party will continue to be a deterrent to a strong Government anti-Communist campaign and that the ACP is still capable of temporarily crippling Australian production.

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## COMMUNIST INFLUENCE IN AUSTRALIA

### 1. Size, Strength, and Distribution of Communist Party.

The Australian Communist Party (ACP) has an estimated membership of 15,000. Fully three-fourths of the membership is located in industrial and port areas of New South Wales and Victoria, with the majority in New South Wales. In the last general election, which was held in 1946, Communist candidates received only 64,000 out of 4.3 million votes.

The numerical weakness of the party is counterbalanced by the strategic position occupied by Communists in Labor unions where the ACP is reported to hold fairly effective control of 275,000 trade unionists and by interlocking relationships between the trade unions and the Labor Party. In recent months, energetic opposition by moderates has resulted in a decline of Communist strength in several key unions, but ACP influence in the movement is still out of all proportion to its size. The ACP exerts pressure upon the federal and state governments, through Labor Party posts held by trade union officials and through federal cabinet members who represent the militant trade unions.

The Australian Communist Party has an operations branch which plans infiltration and political strategy, and exercises control over "front" youth organizations. It has well-organized personnel, transport, and supply sections. Its intelligence branch maintains prodigious files on the life history, ambitions, background, and activities of every prominent member of important political groups in Australia. In addition, this branch reportedly furnishes political estimates and is said to be in charge of a local Communist Party counter-intelligence system. All these activities are reported to be centered in "Marx House" in Sydney.

The Communist Party has been very active among nationality groups. In 1947 its influence appeared to be strongest among the Czechs in Sydney, the Indonesians in Brisbane and Sydney, Jewish groups in Melbourne and Sydney, the Russians in Sydney, and the Italians, Slavs, and Yugoslavs in Brisbane, Melbourne, Sydney, and Perth. Also in Sydney a small Chinese club was organized by Chinese Communists but has had little influence.

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Dissatisfaction in these minority groups provides the Communists with a fertile recruiting ground. It should be remembered, however, that the minorities are small and scattered and that there are influential anti-Communist organizations among them, particularly among the Chinese, Greeks, Italians, and White Russians. The Communist-inspired opposition to employment of refugee Balts, Poles, Czechs, and Yugoslavs in the coal, iron, steel, and building industries has strengthened anti-Communist sentiment among affected minorities.

## 2. Legal Status.

The ACP enjoyed legal status from its inception in 1920 until June 1940 when it was declared illegal by the Commonwealth Government. Following the German invasion of the USSR, and the resulting change in Communist tactics, the ban was lifted by the Government in December 1942. While the ACP is at present a legal political organization, its individual members can be prosecuted under the Alien Deportation Act and the Crimes Act. The Alien Deportation Act provides that, after an inquiry into his conduct and character, an alien can be deported for such acts as distribution of Communist propaganda, regardless of how many years he had lived in Australia. Under the Crimes Act, now in force throughout the Commonwealth, it is possible for the Government to debar Communists from employment on defense projects, prosecute them for work stoppages, leakage of classified information, bribery, corruption, and sedition. When a member of the Queensland Communist central executive committee recently stated in a public debate that in event of war Communists would side with the USSR, he was prosecuted for sedition under the Crimes Act and sentenced to six months in jail. The Secretary General of the ACP, Lawrence Sharkey, is now under indictment for a similar war policy statement.

## 3. International Contacts.

Although positive evidence of direct ACP contact with the Russian Communist Party is lacking at present, a potential channel exists through the presence of the Soviet Embassy at Canberra. Further, most leading Australian Communists have received Soviet training in party techniques and ideology, and some continuing relationships.

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are presumed to exist. The ACP was affiliated with the Comintern, and it is highly probable that an informal consultative scheme continues with the Cominform. There is also some evidence that the Australian Communists have received financial aid from abroad, perhaps through the channel of foreign travel by known and suspected Communists, mainly Australian trade unionists. The ACP was represented at the Commonwealth Congress of Communist Parties which met in London in 1947. Numerous trips were made to the satellite countries by known Communists during 1948; points visited included Bucharest, Prague, Warsaw, and the Soviet zone of occupied Germany.

The Pan-Pacific Secretariat, an organization said to link Moscow with labor unions of all countries bordering on the Pacific, was established in Sydney in January 1948, to coordinate pro-USSR action by Communist-dominated unions in Australia, New Zealand, Malaya, Indonesia, and the Philippines.

There is some indication that the ACP controls a number of long-shoremen and seamen's unions in Southeast Asian countries. It is one of the strongest Communist parties of the region and has extended assistance to various independence movements. By admission of the Party president, the ACP has contributed financial aid to Communists in Indonesia, Eire, Latin America, India, and Malaya. The relationship between the Communist Parties of Australia and of Indonesia appears to be particularly close. The Malayan Communist Party was invited to send a delegate to the National Congress in 1948. An unverified report has indicated that the Australian Communist Party has extensive radio contacts with stations in Southeast Asia through amateur radio stations in Queensland. Communications with nearby areas are believed to be augmented further by the use of smugglers and seamen, and it has been suggested that these channels were used in assisting the Communist military campaigns in Malaya and Indonesia.

#### 4. Participation in Government.

The extent of direct Communist influence within the Labor Government is a controversial subject on which there is much conflicting information. For example, the US Naval Attache in Melbourne has reported that the Labor Government is under Communist domination, with two cabinet members probable Communists and another cabinet member and the Speaker of the House Communist sympathizers.

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There are, however, no known Communists in the Federal Parliament and only one state legislator (Queensland Parliament) is a known Party member. The Minister for Defense has stated that about forty Communists are engaged in Government service but that they are not in a position to have access to classified information. The Minister for Immigration and Information has alleged that there were "many" Communists in the public service. CIA has little information on Communism within the armed forces.\* The Labor Government and Party have been slow to counteract the growth of Communist power in key industries, and the Government has been lax in its security measures. Moreover, Labor leadership has refused Liberal and Country Party demands for the banning of the Communist Party, and has rejected proposals of its own conservative unionists for legislation preventing Communists and militants from dominating unions by malpractices. The Government has refused to dismiss Communists from public service and has hired persons from competence in spite of Communist affiliations.

Much of this Labor Party policy regarding Communism, which appears to be "soft," actually stems from Labor Party tactics rather than from subservience to Communist pressure. However, Labor Party representation accorded to militants is also a deterrent to strong anti-Communist action. The Australian labor movement has a strong radical tradition, and the Labor Party's refusal to accede to the banning of the Communist Party has been based allegedly on the fear that prosecution of the Communists would create martyrs and make the Communist Party more attractive to Labor militants. Labor politicians would prefer to defeat Communism by the vigilance of voters at the polls and workers in union elections. Legislative interference with the legality of political parties and with the conduct of labor union affairs is strongly opposed by Labor politicians.

At the end of September 1948, the Labor Party Conference -- which defines the policy to be executed by the government -- reaffirmed Labor's repudiation of Communist methods and principles and, so that the Communist influence might be better understood, asked the federal executive to prepare and circulate a report on the activities and policies of the Communist Party in Australia. The Conference decided that the Labor

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\* Reportedly, when Communists are found in the services they are either released or transferred to the interior where their effectiveness is reduced.

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Party should intensify its campaign to destroy Communist Party influence. Labor Party rules provide that no Communist auxiliary or subsidiary can be associated with the Labor Party in any activity, and that no Labor branch or member can cooperate with the Communist Party. This rule was applied recently by the New South Wales Labor Party, which declared the Australian-Russian Society a political body; that is, a Communist front organization. As a result, several leading labor politicians, including E. J. Ward, the federal Minister for Transport and External Territories, and Clive Evatt, New South Wales Minister of Housing and brother of the Minister for External Affairs, were forced to resign from the society. Evatt had been its president.

#### 5. Influence in the Labor Movement.

Although the extent of Communist influence within the government is not clear, the Australian Communist Party is undoubtedly a significant factor in the labor movement. Communists occupy key positions in 7 of the 9 most important trade unions. The strength of Communist influence has been demonstrated in a series of large-scale postwar strikes which have followed a common pattern.

Recent damaging strikes in transport and mining, as well as Communist attempts to gain control of the Australian Council of Trade Unions (a position which would enable them to influence directly the formulation of Labor Party policy) have aroused the Labor Government and non-Communist trade-unionists. In 1948, a trial of strength within the trade unions took place in which Communist and militant leadership was either defeated or stalemated during the course of a series of spectacular strikes. Early in 1948 Communists met electoral reversals in several unions, and this trend continues. The rank-and-file of a number of Communist-dominated unions are becoming increasingly antagonized by Communist tactics in maintaining control, particularly the Federated Clerks, the Australian Railways, and the Building Unions. Unionist members of the Labor Party, the Australian Worker's Union, and the Catholic unionists are taking the lead in opposing Communist influence. If the present trend against Communist influence continues, the power of Australia's Communists to cripple Australian production may be significantly lessened.

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Communist influence is still strong, however, in the Ironworker's, Seamen's, Miners, and Waterside Worker's unions, and key posts are held in other important unions. Communist power at present is sufficient to cripple the entire Australian economy temporarily by stopping transport and coal production. If confronted with a wartime choice between supporting the USSR or Australia, however, it is probable that many militants who now follow the Party line as a tactic in domestic affairs would break with the Party, thus minimizing, but not eliminating Communist influence. A definite but undetermined capability for sabotage would remain.

#### 6. Control and Influence in Propaganda Media.

The Communist Party makes extensive use of newspapers and leaflets, demonstrations, broadcasts, and front organizations. The Party publishes a weekly newspaper in five of the State capitals. In 1947, the twice-weekly Tribune of Sydney had an estimated circulation of 20,000; the Guardian of Melbourne 17,500, and the Guardian of Brisbane 10,000. The Party also published several monthly magazines, including the Communist Review as well as many pamphlets and news sheets. Radio is used extensively, with more broadcasts sponsored by the Communists than by the other political parties combined.

Of the many organizations under Communist influence, the Eureka Youth League, a leading member of the National Youth Association, is one of the most important. Purportedly welcoming all shades of political opinion, it serves as a Communist auxiliary with branches in all States. The organization sponsors various activities, including sports, discussions, and holiday camps.

Numerous nationality and cultural groups have been organized or infiltrated by the Communists, most prominent among them being the previously mentioned Australia-Russian Society of Sydney. The Society has exhibited numerous Soviet films and sponsored cultural programs with a pro-Soviet slant. Communist attempts to infiltrate Servicemen's organizations have failed, however, several groups including the Air Force Association and the Returned Servicemen's League having barred them from membership.

#### 7. Government Security Facilities.

Following extensive criticism by the Opposition and the press, the

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Labor Government has undertaken several major steps to strengthen its internal security. Most important of these measures is the recent reorganization of the Commonwealth Investigation Service (CIS) -- the federal investigation agency -- in accordance with the advice of British security officers. According to latest reports, the new director (Geoffrey Reed) will have direct access to the Prime Minister although the CIS will remain under the Attorney General's department. The new director has indicated that he will set up proper security measures for the entire Government and assign a corps of secret agents to each of the departments.

The CIS has no power to prosecute for violations of security laws. Such action can be taken only by the Attorney General or with his consent. Existing and revised security laws under which prosecutions may be instituted are: (1) the Crimes Act (see page 2); (2) the Approved Defense Projects Protection Act (1947) which provides penalties for sabotage or attempted sabotage of approved defense projects by violence, writing, or speech; and (3) the Aliens Deportation Act (1948) which increases the Government's authority to deport undesirable aliens.

In December 1948, Parliament passed the Commonwealth Public Service Act by which 250 scientists engaged in defense research were transferred from the Council for Scientific and Industrial Research (CSIR) to the Department of Supply and Development where strict security measures can be applied. Moreover, the Government is currently sponsoring legislation to reconstitute the CSIR as the Commonwealth Scientific and Industrial Research Organization and to apply screening tests to all personnel.

While the effects of the CIS reorganization and the revision of security legislation are not yet clear, they appear to be a sincere attempt by the Australian Government to tighten its formerly lax internal security system. The ability of the CIS to carry out its mission, however, cannot yet be assessed.

#### 8. Conclusion.

The extent of direct Communist influence within the Australian Labor Government including the armed forces cannot adequately be assessed on the basis of evidence presently available to CIA.

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The Australian Communist Party, however, does exert indirect pressure upon the Government through its influence on trade union officials who hold posts in the Labor Party and particularly on militant unions that have Cabinet representation. Operating against this influence are the facts that both Communist and militant union leadership was weakened in union trials of strength during 1948 and that the Labor Government is currently bolstering Australia's internal security. Nevertheless, it is believed that (1) militant influence within the Labor Party, although diminished, will continue to be a deterrent to a strong Government anti-Communist campaign and (2) the ACP, through its control of key unions in industry and transport, is still capable of crippling Australian production before the Government can take effective counteraction.

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