

By the same author

Trade Unions and the Depression

The Depression of the 1930s

Menzies' Cold War

a reinterpretation

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security in South East Asia came to the fore again. The Department of External Affairs had been marginalised, but got a new hearing for its objections to the Middle East priority at the expense of South East Asia. The Second World War was recalled when the Japanese attacked while troops were in the Middle East. In February 1952, Allen Brown advised Menzies that since the December decision, "all relevant inter-governmental moves have emphasised the importance of South East Asia", and he warned that Australia would have to expect to be called on for forces in any US strategic plans for Asia. Following this reconsideration, planning reverted to the alternatives of either the Middle East or Malaya. But the balance was shifting, and on 23 July 1952 Menzies requested that plans be prepared for the initial deployment in South East Asia.²³ Menzies was not a nationalist in the mould of Chifley or Ewatt, though he was not the mere puppet denounced by critics – at least to the extent that he made attempts (albeit futile) to gain access to the policy making machinery of his 'great and powerful friends'. With the shifts in international power relations, the times were against an Empire patriot. But Menzies did recognise that shifts were occurring and had a discussion at the US Embassy in Canberra about the December decision that was not officially transmitted to the UK.²⁴

CHAPTER 5 COLD WAR/CLASS WAR AND A NATIONAL SECURITY STATE

The heavy blanket of national security ideology obscured the class dimension of the Cold War. When the enemy was identified as a foreign aggressor and domestic dissent as its fifth column, the battle slogans of freedom and democracy masked the conflict of sectional interests. Some of the blanket is penetrated if a couple of questions are asked: in general, was it capital or labour that was required to make sacrifices for rearmament and for the passage through the turbulent postwar transition period to the Golden Years? Any hesitation in identifying labour reflects the effectiveness of Cold War ideology in equating conflict with communism. And to apply another crude gauge, who were the domestic winners and losers in the Cold War? Again, it was capital over labour in their various manifestations. In the contest to shape postwar society, despite the welfare state compromises that in fact contributed to their longer term stability, conservatism and the champions of capitalism defeated the challenge of radicalism and soon destroyed any revolutionary alternative.

The Director General of ASIO (Sprey) had penetrated the Communist Party and was able to make regular detailed reports to the Attorney-General and the Prime Minister. These revealed a continuing decline in membership, influence, and financial resources – membership of the Party had fallen from 20,000 in 1943 to about 7000 in 1951.¹ In the Commonwealth public service, no members of the Party and only five sympathisers had access to classified material, and none of

these saw secret material.² There were, however, larger numbers of suspects, blue-collar workers employed in commonwealth departments and instrumentalities (like the PMG and naval dockyards) who, ASIO feared, might obtain secret information or engage in sabotage.³ In view of these tiny numbers, the anti-communist campaign that was unleashed has commonly been attributed to the paranoia of the Cold War. Leaving to one side the irrational (and there was a large lunatic fringe), this is not helpful in explaining the considered moves towards a national security state, and minimises agency and rational calculation. At the same time, the distinction between the actual and the perceived threat of communism diminishes in relevance when placed in the context of real-life situations of the Cold War. Given the anxieties, it is perhaps surprising that neurosis was not an epidemic. The international scene was one of unrelieved conflicts and crises, all caused, according to overwhelming anti-communist opinion, by an aggressive Russia,⁴ and perhaps more frightening, because closer to home were the Asian hordes.⁵ The introduction of conscription and casualties in Korea gave a personal immediacy to the threat of world war. Hanging over all was the vague yet real dread of annihilation from the atomic bomb. And adding to the insecurities was the turbulent domestic experience. Life was dogged by inconveniences, and the housing shortage and power blackouts inflicted hardship. The out-of-control inflation caused acute anxiety about the future and stimulated fears of another depression. All these troubles too, it was claimed, were fomented by communists. In these circumstances, with some fudging and slides of logic, it was easy to conflate dissent and subversion. Longer term historical trends were also operative. In Europe, post-war capitalism was being restructured, and it was by no means certain that it would emerge triumphant let alone enter its Golden Years.⁶ During the Depression, the foundations of the system had been shaken and after the war much of it was in ruins, and in the struggle against fascism, radical and revolutionary alternatives had gained credibility. In the turmoil of the early years of the Cold War, the foundations were strengthened and the ideological challenge defeated. In Australia, the great dramas were played out on a small scale. Expectations on wages and conditions after the Depression and war and huge pent-up consumer demand collided with the overriding necessity for

private and public investment. As Tom Sheridan has demonstrated, this was the basic cause of the widespread industrial disputes rather than the Communist Party, despite its prominent role.⁷ The headline publicity given to communists by governments was of inestimable propaganda value, but far more was at stake in the disputes. For the nationalist Chifley Government and then the conservative Menzies Government, the absolute priority was to ensure conditions conducive to investment for national development and that meant keeping a clamp on labour costs.

As already noted, the economic pressures on the Menzies Government escalated to crisis proportions, as it increased expenditure on national development and defence, and inflation soared. Rising prices were given a boost when in October 1950 the Arbitration Court delivered its judgement in the basic-wage case commenced ten years previously. It awarded a record increase of £1, and with cost of living adjustments the basic wage increased from £7 2s in September 1950 to £11 11s in September 1952. The Government, as noted in Chapter 3, turned to wartime economic controls, but not to the extent of direct control of wage levels. It was unable to restrain directly the militant trade unions that had to be curbed as pacesetters for other workers. But the state could attack communist union leaders, and in the interests of national security it insisted it had a duty to do so. Unions with communist officials covered strategically important industries like the waterfront and coal mining where stoppages had a detrimental effect on the economy and defence preparations. Strikes in such industries, it was argued, were not genuine disputes, but a communist conspiracy acting as a fifth column to sabotage the economy and weaken defence against Russian aggression. Such messages offered long-suffering consumers easy scapegoats, and the Government carried through its offensive with the assistance of anti-communists in the labour movement. Despite the propaganda alleging communist sympathies, the official policy of the ALP was unequivocally anti-communist, and no member of the Communist Party was eligible for membership. The ALP sponsored Industrial Groups to oust communists from trade unions, many 'groupers' being Roman Catholics influenced by the anti-communist teachings of their church. Religious fervour sustained the formidable secret Movement of BA Santamaria who had contacts with

some ministers and ASIO and the support of sections of the church hierarchy.⁸ These cross-currents of ideological allegiances illustrated again, that it was not a simple clear-cut class war. Yet, to make the world 'safe for democracy' was the ideological form of the industrial relations reality of making it safe for investment and profits; otherwise there would not have been the conditions for the development of the motor vehicle industry which characterised the Golden Years.

While the genuineness of anti-communist sentiment can be accepted, the objective basis was often dubious or even fraudulent. In their dedicated Cold War/Class War against communist officials of the WWF who were charged with deliberate sabotage of the industry, ministers and public servants ignored any counterfactual evidence from official inquiries and reports. Through the Australian Stevedoring Industry Board they were aware of the primitive working conditions at some ports that sparked local stoppages. There were industry-wide campaigns for improved wages and working conditions organised by elected union officials doing their job. Disputes over these claims with employers were regarded by wharves as a normal experience in the conflict between bosses and workers. To the other side, it was part of the Cold War and evidence of the conspiracy directed from Moscow to sabotage the economy. In shouting from the rooftops that this was the cause of the notorious inefficiencies of the industry, the Government was ignoring the reports of expert inquiries it had itself commissioned. These identified poor management, the incompetence of ship-owners and stevedoring companies, and a seriously inadequate infrastructure, with communist-inspired disruption just one of the list.⁹ The Report of the Royal Commission Inquiring into the Origins, Aims, Objects and Funds of the Communist Party in Victoria and Other Related Matters, 1950, was disposed of similarly, its findings expunged in Stalinist style from the political memory. The allegations of Cecil Sharpley, a former official of the Communist Party turned *Herald* informer, seemed to offer proof of a Moscow-directed communist conspiracy at work in Australia. It was a successful anti-communist propaganda coup, but, after meticulous inquiry Royal Commissioner Sir Charles Lowe concluded: "I think the proper conclusion from the evidence before me is that where strikes have occurred under communist leadership or influence, the purpose has been really, in the

first place, to gain the advantages sought in the men's demands".¹⁰ Despite ASIO's lengthy compilations of extracts from Marx, Lenin, Stalin et al, as evidence, the Cold War was not a grand conspiracy, though both sides engaged in conspiracies. As part of its public platform, the Communist Party set out its objective of "politicalisation of strikes".¹¹ But the world in which communist trade union officials had to operate was not that of the rhetoric of the self-appointed vanguard of the proletariat. Communists were elected to leadership on their industrial not their political credentials. The General Secretary of the Waterside Workers' Federation was the high-profile member of the Communist Party, Jim Healy. He was a prime target for removal by Groupers and ASIO who had to report that "Healy is acknowledged, even by his opponents, to be an extremely capable union leader".¹² Ministers and bureaucrats did not understand working class traditions of solidarity, and it was a measure of the class divide to depict as communist dupes hard-bitten wharves who had fought endless battles with employers who were always supported by the coercive power of the state. What the anti-communist camp did get right (and the rank and file of the CPA didn't) was the degree of control exercised by communist bureaucrats of the Soviet Union over the general policies of the international communist movement. But the more basic fact remains, differences between capital and labour and trade union militancy were not the creations of the Communist Party, however much it might have exploited them.

Strident denunciations of the communist threat as subversive were given weight by the series of trials and convictions of spies overseas. For those preoccupied with national security it was a dangerous period. Victory in the Cold War depended on technological and scientific superiority, and in the era of modern communications, secret information could be easily transmitted; and that task of espionage would be performed by the communist fifth column. Succumbing to pressure by the UK and US, Chifley in 1949 established ASIO which was to play a major role in the Cold War after the new Prime Minister appointed Colonel Spry (Director of Military Intelligence) as Director General in July 1950.¹³ British intelligence had informed Spry that government documents had been supplied to the Soviet Union, and in building up his organisation he set out to solve 'The Case' and

expose a spy ring. This spy hunt was carried out with such ferocity and on such a scale – it encompassed non-communist militant trade unionists and radicals – that political motives and paranoia have been offered as explanations. They were operative, but the more rational basis for the obsession was the responsibility to protect defence secrets, like the long-range missile project (Woomera) and the British atomic weapons tests.¹⁴ Considerations of democratic rights were overridden after 1948, when on the grounds that Australia was a security risk, the US imposed an embargo on the transmission of classified information. This drove authorities to excesses to prove that they were taking all possible measures to eliminate communist influences. Shedden visited the US and inundated officials with detailed reports on these measures, and when he got a cool reception, almost pleaded to be told what else might be done.¹⁵ In fact he was wasting his time, because the ban was maintained for reasons other than security, as explained in Chapter 8. The 1996 release of details of Operation Venona has been seized on as proof, at last, of the spy ring. These decrypted messages sent from the Soviet Embassy in Canberra to Moscow in the later 1940s are evidence that secret documents, including British postwar defence planning papers of 1945 were leaked by Australian informants. This latest episode in Cold War historiography dispels any lingering notion that the spy hunt and the Petrov Royal Commission were baseless frameups, but Venona provides no proof of a spy ring in any ordinary sense of the word. Many people's lives were ruined merely because they came under ASIO suspicion and they cannot now be rehabilitated. But in cases of alleged members of the spy ring against whom there was no real evidence and none is provided by Venona, they ought now in all fairness be exonerated. Yet in warmed-up versions of the Cold War that attempt to use Venona to prove the existence of the spy ring, the allegations against victims like Ric Throssell are recycled without a shred of evidence.¹⁶

Attempts since the 1930s to ban the Communist Party by use of the Crimes Act had failed.¹⁷ In 1940, with wartime defence powers available, the Menzies Government had been able to declare it illegal under National Security Regulations. Now, in the Cold War/Class War, the new Menzies Government turned again to the defence powers to introduce the Communist Party Dissolution Bill on 27 April

1950. Justified as necessary for the security and defence of Australia, this 'draconian' measure would have laid the foundations for a national security state. In reversing the onus of proof, the Government was turning Australia into a mirror image of the police state it was opposed to. It was, as Bishop Moyes protested, "using Satan to cast out Satan".¹⁸ In justifying the Bill, the Prime Minister conceded that only "a small fraction" of electors had voted for communist candidates at recent elections, and he explained that it was aimed at "real and active Communists".¹⁹ The Bill provided that "declared" persons would be disqualified from employment by the Commonwealth and from holding office in any trade union covering a 'key' industry. As proof of the gravity of the communist menace, Menzies named fifty-three union officials as communists. The list, supplied by ASIO, contained at least five errors which Menzies attempted to explain away,²⁰ but which aroused further fears of a police state. Clearly, such union officials were the real targets for destruction in the Cold War/Class War. ASIO field officers were given the task of scrutinising the list of all union officials in Australia to identify communists, and in early 1951, ASIO Regional Directors were instructed to prepare cases for the declaration of union officials under the Act.²¹ Following the passing of the Act, on Friday 20 October 1950, the Communist Party and ten unions immediately sought a High Court injunction to restrain the Government from putting it into operation. This impediment was ignored, and in a foretaste of a national security state, the Commonwealth Investigation Service and ASIO made coordinated raids the following Monday afternoon, 23 October, on Communist Party offices in all capital cities and Darwin, searching for evidence for declarations.²² As noted in Chapter 3, the Act was declared invalid and a subsequent referendum to alter the constitution was lost. But as Menzies had pledged, the High Court decision was not the end but "merely the beginning" of the war against communism.²³

When Menzies "declared war on communism", it was not a mere figure of speech. In an onslaught more appropriate to a full-scale hot war, the coercive powers of the state were extensively employed. When taxed with this departure from British democratic traditions to which he claimed deep attachment, the Prime Minister's defence was, "Much as I love liberty, I am not prepared to concede freedom to the en-

emies of freedom".²⁴ The offensive was waged by means of the Crimes Act, further legislation, administrative measures, penal powers of the Arbitration Court, ASIO, the armed forces, and propaganda.

On 6 December 1951, Cabinet authorised the Attorney-General, when he thought it appropriate, to make an application to the High Court under Section 30A of the Crimes Act for a declaration that the Communist Party was an unlawful association. But legal opinions were not favourable, and amendments to the Act were drafted in an attempt to bring the Party more clearly within the ambit of the Section.²⁵ As it stood, the Act proved quite effective. Under the Chifley Government, the general secretary of the CP (Sharkey) and a Queensland official (G. Burns) had been convicted and jailed for uttering pro-Soviet seditious words. In 1950, the Menzies Government prosecuted and had jailed for sedition the publisher of *Tribune* (W.F. Burns) for opposition to Australia's role in the Korean War. The Attorney-General's Department tried to nail officials of the Seamen's Union on similar charges, but failed to secure corroborative evidence.²⁶ Acting on the reports from a range of informants, the files of the Department in these years are littered with legal opinions on whether a publication or utterance constituted a breach of the Crimes Act. An article 'The "Democratic" Monarchy' in the *Communist Review* (June 1953) provided a pretext to launch another sedition prosecution under Section 24A of the Crimes Act.²⁷ Commonwealth authorities carried out extensive raids on offices and private homes. Every scrap of paper was swept up, a cache coming from "the top of lowboy in main bedroom occupied by Chandler and wife".²⁸ Three communists well known to ASIO (Chandler, Ogston and Bone) associated with News-letter Printery which published the *Communist Review* were charged with sedition. The charges were dismissed, and the *SMH* (19 September 1953) condemned this "stupid prosecution". It was, on the contrary, a productive fishing expedition that provided ASIO with material it was to present to the Petrov Royal Commission.

From the outset, the new government was determined to pound communist-led disputes with the industrial sections of the Crimes Act. In early 1950, a campaign of rolling strikes by Brisbane waterside workers had to be called off when the Crimes Act was proclaimed under Section 30J.²⁹ The 'industrial emergency' of early 1951 created

by miners, seamen, and waterside workers was defeated by threats of heavy penalties. A ban on New Zealand shipping, which was a response to the use of troops there to break a strike, was interpreted as a political strike, and this presented an opportunity to prosecute communist union officials under Section 30K of the Crimes Act. Another episode in the Cold War/Class War followed when, to the accompaniment of inflammatory press reports and ministerial releases, offices of the Seamen's Union and WWF in Melbourne and Sydney were raided on 25 May, and on 30 May the Commonwealth Investigation Service and Special Branch made a dramatic three-hour raid on Coronation Press in Melbourne. Summonses for offences under the Crimes Act were served on the General Secretary of the WWF (Healy) who was convicted and received a jail sentence which on appeal was reduced to a fine. Charges against officials of the Painters and Dockers Union were dismissed, but E. Englart (former Brisbane Secretary of WWF) was fined.³⁰

Another tactic was to amend the Arbitration Act to strengthen the penal provisions and require court controlled ballots. The existing contempt provisions were applied to disputes in the economically turbulent 1952, though the anti-communist ACTU insisted they were not politically motivated.³¹ A signal victory had been scored on 1 March 1951 when Ted Roach (Assistant General Secretary WWF and regarded as a 'dangerous' communist) was found guilty of contempt of the Arbitration Court and jailed for twelve months. He had criticised Mr Justice Kirby and his "infamous judgement" in the WWF wage case.³² In June 1952, employers made provocative applications to the Court for a return to the forty-four hour week, a reduction in the basic wage, and an end to quarterly adjustments. The case dragged on, inflaming industrial relations, until the 12 September 1953 judgement which abolished the cost of living adjustments (a practice of thirty years' standing).

The Attorney-General's Department prepared drafts of a battery of legislation to defeat communist subversion, sabotage and espionage. One Bill was 'To provide for the Prevention of Sabotage' which was broadly defined, with penalties of up to fifteen years' imprisonment. The Attorney-General emphasised in his submission to cabinet "the great importance of maintaining entire secrecy", because any hint of the Bill would lead to the hiding of sabotage devices.³³ On 6 Decem-

ber 1951 Cabinet accepted his advice that Sections 30J and 30K of the Crimes Act provided inadequate protection for defence industries against subversive strikes. His department drafted a Bill to "provide for the Maintenance of Supplies and Services essential to the Defence of the Commonwealth... during Periods of Emergency resulting from Industrial Disturbances". Extensive powers would be at the disposal of the Minister, including the employment of troops. Penalties for offences against the Act ranged up to a fine of £500 or imprisonment for two years.³⁴ However, with Operation Alien (as described below) proving effective, these additional punitive measures were not required, and the Essential Services Bill was postponed. Having created such a menacing spectre, the government was under irresistible pressure to exclude communists and sympathisers from employment in the public service. W.C. Wentworth from the back bench maintained a ferocious campaign and had legislation drafted to achieve that end.³⁵ In May 1952 a Cabinet Minister (R.G. Casey) joined the furore flourishing evidence of a "nest of traitors" in the public service. There had been protracted, secret negotiations over the terms of a proposed Treaty of Friendship, Commerce and Navigation with the United States. On 14 November 1951, Rex Chiplin published an article in the communist paper *Tribune* which made a hostile analysis of the Treaty, clause by clause. Chiplin explained that "a highly placed government official" had made the revelations because he was "disgusted to think that any government would sign away the independence of the country". It proved to be a document leaked from the Ministry of National Development, and this provided the evidence for the highly charged campaign to eradicate "the nest of traitors". It was, in fact, an attempted frame-up by ASIO, but the female double agent had departed from her script and became friendly with Chiplin.³⁶ It was another opportunity for harassment and searches for incriminating evidence, and on 29 August 1952 the Commonwealth Investigation Service raided the *Tribune* Office and Chiplin's private home.

It is difficult to recapture the intensity of the mutual suspicion in these years of the Cold War, epitomised by the conviction and execution of the Rosenbergs in the US. In such an atmosphere a slight, quirky incident could balloon out of control. In March 1953 at the South Australian State elections, the communist candidate received

over 20 per cent of the vote at the top-secret Long Range Weapons Establishment at Woomera. The vote was due to fortuitous circumstances and of no significance, but anti-communist spokesmen had a difficult job, especially in giving an explanation acceptable to the American Embassy.³⁷

Spy argued "that the employment in any capacity by the Commonwealth of communists and communist sympathisers is likely to be prejudicial to the public safety or to the defence of the Commonwealth". He and Professor Bailey (Solicitor-General and Secretary of the Attorney-General's Department) and Dunk (Chairman of the Public Service Board) wrestled with options for the exclusion of communists, from a 'purge procedure' to discreet administrative action. When asked for an opinion on the evidence available for a prosecution under the Crimes Act, Spy provided a 'Report on Communism' running to 106 pages which had to conclude, "it is not considered that the evidence contained in [this] report constitutes a breach of the present law"; nor does it "show that the Australian Communist Party acts upon direct orders from the Cominform, or the Soviet Union". However, by listing the activities of the CP and its relations with the Soviet Union, it argued, "the results are the same whether actual orders are issued or not".³⁸ In another long appraisal (on 8 February 1952) Spy concluded, "the Communist Party of Australia does not seek to involve itself in espionage" because it would lose public support, although the Soviet Union's espionage networks made use of individuals who were communists. If an espionage network were discovered, he did not expect it to be an organisation directed and controlled by the Communist Party of Australia. He advised against using the Crimes Act, and instead recommended pushing ahead with the Official Secrets and the Sabotage Bills.³⁹

Public service department heads were under great pressure, and were acutely embarrassed by ASIO reports that they harboured communists within their own departments. This no doubt further clouded their judgement and made them less than objective about the extreme Cold War measures demanded by Spy. 'A Bill for an Act to Provide for the Protection of Official Secrets, and for other purposes' was drafted by an Inter-Departmental Committee for the Review of Defence Legislation, which consisted of the Solicitor-General (Profes-

son K. Bailey) as Chairman, the Parliamentary draftsman (Mr J.Q. Ewens) and representatives of the departments of Defence, Navy, Army and Air Force.⁴⁰ The Director General of ASIO (Colonel Spry) also attended the meetings and played a major role in the drafting. At the committee meeting on 19 April 1951, the representative of the Department of the Army argued that the penalty for spying should be death rather than fifteen years' imprisonment, as it was not proper to differentiate between peace and war on this matter. As drafting proceeded in 1951 and 1952, the provisions of the successive bills became increasingly coercive. The final draft of the Official Secrets Bill included provisions of Part VII of the Crimes Act in a greatly extended form, together with some provisions of the UK Official Secrets Act of 1920. It also revived provisions of the National Security Regulations that had been in force during the war. Compared with existing legislation, the range of offences and powers to deal with them was significantly extended. The Bill created the new and specific offence of spying, not just in terms of an enemy in wartime, but also for a foreign power in time of peace. The penalty was death or imprisonment for no fewer than seven years.⁴¹

In recommending the draft bill to Cabinet, Attorney-General Spicer argued that it represented "what those who are responsible at administrative levels for defence and internal security regard as necessary and reasonable, under contemporary conditions, for the protection of official secrecy". Senior bureaucrats, service chiefs and Colonel Spry believed national security was so gravely menaced that they proposed measures appropriate for actual war. In their briefings they rarely raised questions of principle about the democratic rights of the individual. In advocating legislation like the Official Secrets Bill, and in administering repressive measures zealously, senior public servants contributed to the excesses of the Cold War. As an exception, A.D. McKnight advised the Prime Minister, "After studying the [Official Secrets] bill, one feels that every deed is an offence and whether a prosecution will follow or not is simply a matter of official discretion". The Bill "mirrors the principles of the National Security Regulations enforced during the war and consequently is inconsistent with our normal approach to criminal law and interferes with the freedom of the individual". He pointed out that it went beyond the UK Act of 1920, which, he re-

minded Menzies, had been denounced in the *Sunday Herald* (31 August 1952) as a menace to democratic freedom. Previously, in November 1951, the Department of External Affairs had complained that, if enacted, the Bill would prevent it from carrying out its ordinary duties.⁴² Pragmatic considerations obliged ministers to temper their hatred of communism. As described in other chapters, the Government was increasingly unpopular as the electorate punished it for failing to solve economic problems. Anti-communist hysteria was waning, and it would be courtng unnecessary controversy to attempt to introduce such highly contentious measures as the Official Secrets Bill. On 9 September 1952, on the grounds that "the wide powers of search and arrest without warrant, and the provisions dealing with the onus of proof were open to serious objection", Cabinet decided "that legislation in the form suggested . . . should not be approved". For similar reasons on 6 February 1953, Cabinet rejected another extreme proposal, that the Public Service Act be amended to provide specifically for the refusal of an appointment on security grounds. It also refused to adopt Spry's recommendation to introduce a security questionnaire for public servants.⁴³

Cabinet had compelling reasons to avoid public debate. Covertly, persons identified by ASIO as security risks were summarily dealt with, as revealed by Spry in his secret report of 14 July 1952, 'Communists and Communist Sympathisers in the Employ of the Commonwealth'. In the previous twelve months, 'appropriate action' had been taken in every case of a reported security risk. Permanent heads of departments and the Public Service Board had 'arranged' that thirty-seven permanent and temporary employees be removed from positions of access to classified material. Nine temporary employees had been dismissed. Six temporary employees had not been appointed as permanent officers, and thirty-six applications for employment in the public service had been rejected. In addition, similar measures had been implemented in the armed services and certain statutory authorities and instrumentalities.⁴⁴ In rejecting the bills to exclude communists, Cabinet had agreed that persons whom ASIO regarded as security risks should not have access to classified material. Thus Cabinet sanctioned arbitrary, secret action. No definition of a security risk had been formally established, with the consequence that the Direc-

tor General of ASIO was given extraordinary power. In a blatant denial of natural justice, Spry insisted that not only should reasons why people were classified as security risks never be given to them, but also they should never even be informed that they had been so judged. Only as a last resort should they be told that they had "failed to obtain a security clearance". On the grounds that secret information and the sources and methods used to obtain it had to be protected, Spry was adamantly opposed to ASIO officers being called on to give evidence and to any procedures that would allow a suspect an opportunity to answer allegations.⁴⁵ As a consequence some public servants, such as Ric Throssell, were condemned in secrecy and their careers were ruined.⁴⁶

In turning down the Official Secrets Bill and the Sabotage Bill, Cabinet suggested that some of their provisions might be realised by amendments to the Crimes Act. From October 1952, Colonel Spry was energetic in having amendments drafted to deal with treason, sabotage and espionage. On 8 February 1952, Spry, in reporting on espionage, held out the promise: "I am presently expecting that our sources of information will produce material which will result ultimately in the public prosecution of offenders". Even his most optimistic scenarios were to be surpassed by the defection of Petrov in 1954 and the subsequent Royal Commission which dominated that phase of the Cold War in Australia. On its conclusion, Spry resumed his task, to be rewarded ultimately in 1960 by the amendments to the Crimes Act carried through by the new Attorney-General (Barwick).⁴⁷

A major objective of the aborted Official Secrets Bill had been to reassure the UK and the US that atomic secrets would not be betrayed by spies. To this end the Atomic Energy Act was passed in March 1953. Clauses 44, 45 and 46 prohibited the communication, acquisition or removal of "restricted information", "with intent to prejudice the defence of the Commonwealth", with a penalty of twenty years' imprisonment. Proof of intent was dealt with in Clause 47 which was a restatement of the draconian Section 78(2) of the Crimes Act. There was some disquiet outside Parliament, but ministers avoided argument about onus of proof and merely pointed to the fact that Section 78 had been in the Crimes Act for over forty years. The Labor opposition shared the fear of spies and, believing that the security

provisions were justified, did not oppose the Bill.⁴⁸

Previously, in 1949, the Labor Government, in another of its Cold War precedents had employed troops to break the coal strike. The new government went a step further and appropriated the armed services as a weapon in its Cold War/Class War. With the top secret 'Operation Alien', another repressive component of a national security state was put in place.⁴⁹ In anticipation that the declaration and removal from office of leading trade union officials under the Communist Party Dissolution Act would be followed by industrial upheavals, a planning operation, code-named "Alien", was established to ensure the maintenance of essential services and industries. Under the direct control of Prime Minister Menzies, the operation was set up under Brigadier E.W. Woodward (Deputy Adjutant General, AHQ), and included Mr L. Luxton, Assistant General Manager of the Shell Company. In late 1950, it was given top priority, and detailed, comprehensive plans were drawn up for the Army, Navy and Air Force to work the coal mines, and man wharves and ships. The original intention of 'Alien' gave way to a more routine role in industrial conflicts, as Bland (Department of Labour and National Service) took control. Bland was one of that group of influential public servants already mentioned who contributed to polarisation in the Cold War/Class War. In early 1951, as Menzies warned of the 'imminent danger' of world war, seamen, miners and waterside workers were engaged in stoppages over what were to them industrial grievances. To the Minister for Labour (Holt) they were engaged in "a cunningly devised Communist plan" for disruption and subversion. Final planning for Operation Alien was hurriedly completed, but as the 'industrial emergency' was dealt with in other ways, it was put on hold. In May and June 1951, bans holding up ships at Williamstown and Geelong were defeated by troops, and RAAF and RAN personnel, as Operation Alien was secretly and efficiently put into effect. In Sydney, naval ratings were put on board the liner *Aorangi* to sail it to Canada, which forced the striking seamen to capitulate. In September 1951, Army Commands were placed on alert on the eve of the referendum to ban the Communist Party, but troops were not used again until early 1952 when they loaded the troopship *Devonshire*. In September 1953, Operation Alien was unleashed on the port at Bowen (in northern Queensland) which the

government claimed faced a crisis because of the resistance of the local WWF to filling its quota of an additional fifty men. Secretly, during the night, 220 troops were flown to Bowen in planes commandeered from the two civil airlines. They took over the wharf, and when railwaymen refused to cooperate, the Army commanded the Bowen railway yards and a locomotive to haul sugar to the wharf. In the event, a settlement was brokered by ACTU President Monk within a couple of days. From early 1951, the Government had been embarrassed by US pressure to send additional troops to Korea. When, on 11 May, Cabinet made its decision not to do so, one ground was "that the Government would be seriously handicapped in dealing with the Communist inspired trouble on the waterfront or in [sic] coal fields if the Regular Army were sent out of Australia at the present time". This was indicative of its priorities in the Cold War/Class War. Also relevant was the marginalisation of employers who were not allowed representatives at the conferences that settled the Bowen dispute. Shipowners wanted to abolish the Australian Stevedoring Industry Board so that they could deal directly with waterside workers. But Holt and Bland were convinced that in such a conflict the wharves would win, and the ensuing intervention of the state is evidence of the class dimension of the Cold War. Beneath the blanket of national security ideology, Operation Alien had meant the use of the armed power of the state against Australian workers.

ASIO was the principal agency of the repressive apparatus of the embryonic national security state. Within the limits of the restricted access to its records, several studies have documented its activities and make it unnecessary to provide another account here.⁵⁰ The terms of its establishment were a compromise, in that it was formally within the Attorney-General's Department, but the Director General had direct access to the Prime Minister. Most significantly, it was established by Prime Ministerial directive and not by legislation and was able to operate without accountability and in secrecy. Since the mid-1990s, its *modus operandi* and many of its clandestine and illegal activities (like mail interception and phone tapping) have been exposed. The scale of surveillance, the number of dossiers compiled, the harassment, the links with other anti-communist organisations like the RSL and Santamaria's Movement, its secret reports that destroyed

careers, and similar activities, meant that ASIO made dangerous inroads into civil liberties. To Spry, ministers and bureaucrats, these means were justified by the end of defeating communism. As noted above, they condoned a denial of natural justice in the treatment of public servants regarded as security risks. Spry almost certainly did not set out to create a police state, but such was the extent of repression of dissent that it was heading that way. Political innocents were caught up, though most were associated with the problematic united front organisations. While the degree of Communist Party control of such organisations in fact varied between the extremes, from the other side of the ideological divide the peace movement and New Theatre were simply communist fronts, and supporters were at best dupes. The net result was a severe curtailment of the boundaries of legitimate dissent, and this gave plausibility to the conflation of dissent with subversion. As distinct from the Cold War as an abstraction, the activities of ASIO constituted an identifiable agency creating the dichotomies as they were experienced in everyday life.

Since the 1950s, there has been a left version of the Cold War in which the Menzies Government, in its drive to war and a police state, had plans to silence its opponents in concentration camps. This has been derided as typical communist paranoia; but recently released documents in the Australian Archives reveal that planning for internment camps was part of mobilisation for war.⁵¹ They were essential to any national security state. One of the Special Internal Security Measures to be implemented by the Director General of ASIO (Spry), was the provision of the names of persons to be detained. From July 1950, seized by a sense of crisis, Spry launched ASIO on the massive task of compiling internment lists. There were categories for Enemy Aliens (those originating from the Soviet Union and Eastern Europe, China and North Korea), and categories for British subjects who were communists, and also those in organisations that were regarded as 'fronts', like the New Housewives' Association, and New Theatre League, and the Australian Peace Council. Spry regularly provided estimates of numbers of internees to the Director of Military Intelligence. In April 1955 they amounted to 16,660 (including women and children). Internees were to be arrested by the state police forces, and custody handed over to the Army which would provide the camps and guards.

Full-scale internment and other Special Internal Security Measures were to be put into effect in the event of war. But the War Book also prescribed a Precautionary Stage, and it was assumed there would be no formal declaration of war. For Spry and others who would initiate action to protect national security, there was every likelihood that an emergency would arise that would require persons to be detained prior to formal hostilities. One recommendation of the report by the Internal Security Sub-Committee on protection against sabotage was: "It will be necessary when an emergency is imminent to apprehend and keep in custody those persons definitely known to be dangerous".⁵² Fortunately, such pre-emptive action was not necessary. With these additional dossiers, ASIO's collection began to assume menacing proportions, especially when the files of the state police special branches are taken into account — there were 45,000 in NSW alone. For more immediate purposes, travel rights of suspects were subjected to passport restrictions,⁵³ and visas were denied to delegates coming to the Youth Carnival of Peace and Friendship.⁵⁴ A D-notice system reinforced the secrecy that enshrouded many aspects of the Cold War.⁵⁵

Outside the formal state apparatus, and often operating closely with it, were a range of organisations devoted to the destruction of communism. As a large voluntary organisation with national prestige and authority, the RSL played an especially significant role when it rigorously implemented a policy of purging its membership of suspected communists.⁵⁶ After Hitler had attacked the Soviet Union in 1941, the Communist Party of Australia did a somersault to dedicate itself to a total war effort. Party members were expected to join the armed forces and large numbers did, with some volunteering for commando units. The expulsion of these ex-diggers by the RSL achieved what no government action could, they were transformed into Menzies' "enemies of freedom".

Operating in complete secrecy, and active until 1951 or 1952, was the anti-communist paramilitary organisation, The Association, with General Sir Thomas Blamey as its titular head. Well financed, it organised to use force if governments failed to act decisively.⁵⁷ Vigilante groups broke up communist meetings, state governments implemented anti-communist measures, and city and municipal councils denied the use of halls. The fear of communism as a foreign threat was so perva-

sive (typical abuse was 'Go Home to Russia') that the essential class element was obscured. Any analysis should bear in mind that long before there was a Communist Party, the resources of the state were employed to protect the status quo against radical dissent.