

## **LAURIE CARMICHAEL**

### **Introduction**

Laurie Carmichael was one of the most influential union leaders of the twentieth century, the most powerful member of the Australian Communist Party in its history, was probably involved directly and indirectly with more industrial disputes than any other individual unionists, yet was a person of peace, persuasion, humanity and humility.

At various stages of the fifties and sixties he would be described as the most 'dangerous person in Australia'. Thin, sharp-eyed, angular, neither short nor tall, when he occupied the stage he was a towering figure. In the quiet of his living room he was engaging, intellectual, professional and kind. He loved gardening but most of all he loved music. By comparison Keating would describe himself an amateur. Carmichael's knowledge was accumulated over a lifetime of mellow contemplation and study. As a youth this son of a Salvationist would be studying music in the local library when others were playing football. Of incredible intellect, argumentative skill and an undenyng sense of honour. His word was his bond. He would ponder and consider his position carefully, weighing up the practicality and the principle.

A wise person may be the chief executive of a major technology company, a leading academic or an entrepreneur. However, it is doubtful if he occupied any one of these positions he could have more impact on a nation than he has had on Australia. He is the most significant member of the Communist Party in its history in this country as measured by the impact he has had on society. More importantly, he is one of the most influential unionists in the nations' history.

### **The Early Days**

Born in 1926, Laurie Carmichael came from a 'fairly poor family' - a father an iron moulder. The sheer exhaustion of the work left an indelible mark on his life. The appreciation of the working ethos of families struggling to survive in the toughest of economic times. His poor health and his innate search for knowledge sent him to the local Library. 'I would be studying music when others would be playing football'.

As he was growing up in the thirties the depression and the development in world politics would frame his political and industrial view for a lifetime.

'one could not live at the time without being affected one way or another by the polarization of society under the impact of Naziism on the one hand and democracy on the other'.

He completed school at the age of 14 when he obtained his junior technical certificate. He became a fitter and turner apprentice but suspended it to join the RAAF. By the time

he was 18 he had moved to the Williamstown Dockyard. The Dockyard would be a source of friendships, experience and inspiration for his entire life.

### **Carmichael's Communism**

Laurie Carmichael joined the Eureka Youth League, the youth arm of the Communist Party in 1943 and the Communist Party itself in 1944. He was absorbed in learning, reading book after book. In 1947 he went to Sydney, to the great communist party of school of 3 months that was intensive, ideological and challenging. He was on their Committees, State Present of the Party. He presided over the Conference where the supporters of Mao decided to leave, he accommodated the Soviet intervention in Hungary. He railed against the Soviet action in Czechoslovakia and found himself distancing his belief in Soviet Unionism.

He went to the Soviet Union in 1979. I saw him when he came back. He had been changed forever. On his first day they offered him women when all he wanted was a good cup of tea. On the second day when he put forward an interpretation of communism that was more liberal and practical, he was asked to leave.

Carmichael's communism was a complex philosophy. He believed that capitalist societies generated an inherent contradiction that would eventually lead to their transformation. Unlike Lenin he believed that unions could be agents to change societies. The objectives had to be aligned; the ultimate state was to give people more independence and self-belief. Economic class was a reality and left to its own devices, the power of capital would stagnate. Carmichael's view was that Industrial strength needed to be managed and developed and most importantly it must be applied for the benefit of all not just some.

For Carmichael the power of the union was real, but the reality was that no nation could develop in isolation from the rest of the world. Ultimately class struggle was not confined to a workplace but for gender, race and the world at large.

He retained a belief in revolution and 'deep intellectual commitment to Marxist's philosophy in particular the underlying concepts relating to political economy' ...the world is objective, and the mind is a reflection of it. So, it is not a matter of what you might like to do you have to take into account the circumstances and that everything is historical.

The only thing that motivates me is to get the best possible results out of the existing circumstance, and in that achieving proceed to the next stage of development.

Over time his beliefs evolved to meet the circumstances of the day. Debating with his compatriots, among them Bernie Taft and Max Ogden, he shifted increasingly to the French and Italian Communist models and ultimately found that the Scandinavian system could be embraced for tactical purposes.

Karl Marx absorbed him. Thomas Mann inspired him but he was a unionist all his life believing in the power of working people to better their lives but understanding the importance of leadership and strategy.

### **Laurie Carmichael: The Unionist of the 1960s**

Laurie joined the AEU on the first day he could. He remained a member for his entire life.

By the time he was 24 he was a shop steward at the Dockyard. In 1951 he was elected to the Melbourne District Committee. He was 33 when he became Secretary in 1958.

The AEU's policy reflected the fundamental belief that it was vital that the union was not integrated into the state. To do so they needed to develop ideas and leadership on their own accounts. Union leaders needed to be educators, persuaders and fighters.

As Jack Hulson observed:

“The underlying thesis is that a trade union should not be a double agent of the communist state that the arbitration system is designed to make it, but that should maintain the maximum independence of industrial action and regard the system as only one of the means of improving wages and conditions of its members’. (Penal Colony to Penal Powers)

His first major industrial campaign was to increase annual leave from two weeks to three weeks. The NSW Labor Government had legislated for three weeks annual leave in NSW. In Victoria the leave provisions were covered by the Federal Metal Industry Award. The employer resented its extremism. The Victorian Government under Sir Henry Bolte refused to legislate similar conditions.

Carmichael went to the members, explained the position, developed the resolution in support of it, made the claims and initiated industrial action – targeting the key companies set back temporarily by the 1961 credit squeeze. By 1963 the Arbitration Court established three weeks as a standard provision.

The dispute with GMH, over wages and work organisation would bring even greater recognition. Sheridan in ‘Mindful Militants’ said the dispute ‘marked the identification in the hands of a section of the general public as District Secretary Carmichael as the red agitator behind all the industrial interests in the Metal Industry.’

The dispute sharpened and honed his industrial and political views. The Taylorist organisation of work, the lack of respect and understanding of the multicultural workplace, the inadequate return for workers and the capacity of multinational corporations to take the best from each national without contribution, confirmed his view of militancy but strengthened the commitment that a union had a greater responsibility than just wages – the quality of working life, education industrial democracy. When Bob Wilson, the Federal Secretary of the VBEF questioned him about

his animated conversations with his union delegates “I smiled and said we were talking about Verdi’s best operas. We did not agree.”

In 1964 Bill McMahon, the Minister for Labor and National Service described Carmichael as ‘a notorious Communist and one of the most evil men in the trade union movement.’

The employers in the industry, and the Liberal Government were joined by the main media, Bob Santamaria and even many in the ALP and ACTU continuously denounced him.

### **Work Value and the Penal Sanctions**

One thing was for certain. The employers were fearful even frightened. His toughness and determination seemed impenetrable.

When the Arbitration Court brought down the Work Value decision of 1967 the increases were \$1.40 to \$7.40 but by a majority decision were based on the expectations of absorption against over-award payments. The resulting industrial action was one of the largest in Australia’s history. Again it was Laurie Carmichael leading the assault and agitating. The result was three-fold; the claim of non-absorption succeeded as the amounts were phased in, union bargaining entrenched in addition to national wages and the ground laid for the battles on the penal sanctions.

The employers’ response to the unions’ disputation over non-absorption was to seek fines on unions. The Industrial Court issues over the period over 405 fines totalling \$98,000 which together with legals amounted to nearly \$200,000.

On the 6<sup>th</sup> of February a national metal industry strike –

Laurie Carmichael organised the ACTU resolution:

“In the light of our own members clearly expressed determination to fight penal power. The Conference determines that no further or outstanding fines will be paid by the AEU and any move to forcibly collect any fines will be met by industrial action”.

The disputation was brought to a head when in May 1969 the Industrial Court turned its attention to the Australian Tramways and Motor Omnibus Employees Association (Tramways Union). There were 40 fines totalling \$13,200. The Court ordered the payment of fines. The Union refused. Laurie Carmichael, conferred consistently with Clarrie O’Shea and gave advice unofficially to the union. When the Tramways Union met in Hobart Laurie Carmichael was there.

There was little doubt that Laurie Carmichael was a key co-ordinator of the industrial campaign against the penal sanction.

The campaign against the bans clause was about the right of unions to bargain. To exercise union power there must be bargaining rights. Therefore, the rule of law which limited this capacity would limit the utility of unionism.

The story tellers and keepers of history in the Left would later tell me of the importance of Carmichael in the Bans Clause dispute of the late 1960's. They would meet and wait for Laurie Carmichael. When people got excited and wanted to accelerate action he would quietly say "not now/not yet there is still work to be done, education to be undertaken. If we go on the attack we are the ones undermining society, we must not respond yet we must wait. They will go too far. Then we will". The jailing of Clarrie O'Shea was the step too far. "When Carmichael smiled they knew he judged it was to time. He was a genius. His gentility belied his strength until he spoke. It was like facing a falling brick wall of argument and reasoning. It was best to get out of the way".

He became the political target, the centre of opposition. Nearly every Sunday Bob Santamaria on his 'Point of View' would describe Laurie Carmichael, the Communist as both powerful and evil.

He would be contested at every election until 1985 when he 'retired' to become Research Officer. He became the most unpopular union leader of the time, possibly of all time. But he won every election, albeit narrowly on every occasion.

### **Laurie Carmichael – the 70's and early 80's**

As an observer of Laurie Carmichael of the 1960's I became a confidant, supporter and ally.

#### **First meeting**

When Laurie Carmichael walked into the ACTU Board Room at 17-25 Lygon Street uneasiness swept into the room with him. Even Harold Souter, the then wily Secretary of the ACTU and a former AEU official seemed to straighten. Carmichael sat by himself. When the meeting to discuss the Oil Industry wages dispute commenced Carmichael eloquently and quietly outlined his position. He argued the Oil Companies had the capacity to pay more and that Unions should exercise the power they had to ensure this excessive surplus value was distributed more fairly. It was an easy argument to understand but the Industrial Tribunals did not fix wages on the basis of company capacity to pay. When a more senior union official reminded him of this, his retort was that Industrial Tribunals were not being asked to fix the wages of his members in the Oil Industry. Harold Souter was surprisingly supportive of Carmichael. Having listened to Carmichael the unions determined to offer their support. Harold Souter asked me whether I could give Laurie a hand in preparing the negotiating material. I recall

stuttering my consent like a nervous twelve year old. Carmichael stared and did not say a word.

For the next week I worked on a negotiating exhibit setting out the reasons and profitability of the companies as per the published accounts. It was a reasonable effort.

When I met Carmichael a week later to discuss the material I was like a student preparing for an exam, hoping for a pass.

### **The Oil Industry Shorter Working Week Campaign**

The Storemen and Packers Union had undertaken its round of negotiations in the Oil Industry and the issue of the hours of work had been canvassed. It was not the highest priority of the Union or its members. When Laurie telephoned me to find out our position he wanted to know our thoughts. Later over a cup of tea he told me that he knew it was not the highest priority of the S & P's members but it was a major issue for the union. He did not expect us to campaign on the issue but he did not want us to close out our position for any extended period. By late 1971 the Storemen and Packers Union achieved the wage increase but had reserved the position on the hours.

The battle cry for the hours of work campaign was sounded in early 1972. Not by the Unions but by the Employers, who determined they would not negotiate with the Engineering Unions unless the Unions agreed they would not pursue the issue of reduced hours. The Employers created what became an issue of principle - the principle of an employer telling the unions what they could and could not ask for. It was made for Carmichael and gave him the opportunity to pursue his claim with greater authority and weight.

A meeting of Oil Industry unions was convened by the ACTU. There was widespread concern that the employers were doing the bidding of the McMahon Government and wanted nothing more than a dispute with Oil Industry unions and especially those led by Carmichael. There was a tenseness at this meeting. The majority of unions were nervous and hesitant. Some were suspicious. Support for a 35 hour week was minimal amongst some union members accustomed to working 48 hours on a regular basis. Carmichael listened patiently and quietly as these fears were played out. However, as soon as the uncertainty started to take over the mood of the meeting Carmichael raised both his voice and his determination. He did not question the intent of the Government or the employers rather he argued they had played the wrong card and given the unions the opportunity to win a shorter working week in an industry which would prove to be a catalyst for other industries.

Moreover, they had given the opportunity to campaign on principle. Carmichael made it clear the AEU would not walk away from this chance. His determination was apparent. It would make no sense to oppose him for the unions would look divided and the Government would still have its issue and the arch enemy Laurie Carmichael in their firing line.

It was not an easy dispute. The public did not like it but it did not shift the polls. They had made up their mind it was time.

However, the Oil industry was hurting. Ted Harris the CEO of Ampol would later tell me that when Prime Minister McMahon was told by the companies that they were looking for a solution, the blood drained visibly from his face for he knew he had played his last card.

The resolution was mediated by Hawke. It was no clear cut victory, no capitulation but a platform had been established for future gains. If the ALP won there would be reduced hours.

After the election had been won and it was now most likely that the Oil industry would concede a reduction in hours. The discussions began in February 1973.

Prior to the meeting with the employer the unions met and to the surprise of most people Carmichael questioned the 35 hour week as the best outcome. He argued for a survey of members as to the form in which they would prefer the reduced hours. The TWU opposed surveying the membership if it meant continuing the basic tenet of an 8 hour working week. Carmichael put down this resistance firmly. The union who supported its members working 48 to 56 hours a week was clutching to the wrong reins. Everybody in the room knew that they owed Carmichael the right of carriage of both the claim and its resolution.

The survey resulted in very little support for a 35 hour week with clearly dominant preference for a 9 day fortnight and a 4 day week. The survey itself served the twin purpose that Carmichael had argued for – the employers would realise there was now an expectation that had to be fulfilled; and that the workers were involved in the promotion and understanding of the issue. However, it also confirmed that the eight hour day was now no longer a sacred objective.

When the unions and the employers met, the industry conceded the 35 hour week claim but wanted some stability and offsets. The most important for them was to stop the wages leapfrogging which had beset them in the recent past – the employers wanted industry wide common negotiations. By 1974 the union had won for the first time in history a negotiated 9 day fortnight. Carmichael was the catalyst for this achievement. However, as we celebrated over our customary cup of tea he confided that this was just a step in a much bigger campaign to reduce hours of work for all workers.

## **Carmichael, the ALP Government and Whitlam**

The 1972 to 1975 period of Government was both exciting and disappointing. Notwithstanding, the relatively low price of Australian crude oil, the nation ended up with a higher rate of inflation than an average of the nations, with which it sort to compare itself. Industrial action increased and wages increased dramatically. The lack of cooperation between the unions and the ALP Government was obvious. Bob Hawke might be a peacemaker but he was not succeeding in establishing the basis of necessary trust. As the economy deteriorated, with inflation and unemployment rising, and the polls showed a deterioration in support for the Labor government, the search for scapegoats began on both sides of the political equation/ both sides of politics. Both sides resurrected the ghosts of the past – the militant Left and militant unionism and Carmichael was head of the list.

As the best known member of the Communist Party in Australia Carmichael was always going to be the easy target. The tag team tackle by both political parties was without justification. In every conversation over the period Carmichael was concerned that wages were out of control. He believed this was undermining both the economy and the Labor Government. His concern was evident when the Metal Industry Award had to be renegotiated as the Transport Industry jumped over it. The Whitlam government's heart was in the right place but it was a naïve Government enmeshed in scandal and triviality. McClelland made it personal when he replaced Cameron.

The Labor Government was falling apart.

The ACTU Congress in 1975 was to be a stage where Gough Whitlam confronted his trade union enemies. It was held in the South Melbourne Town Hall.

I stood next to Carmichael as Whitlam made his way into the hall. The Prime Minister received a cool but not hostile reception. Hawke had spoken in advance and sought assurance from the Congress that Whitlam would be treated with respect. By the time Whitlam reached the podium the reception was warm. His speech, as always, was magnificently delivered. It was not bitter or abrasive but reflective, as it made out the case for the reforms implemented by his of Labor Government. In truth Whitlam could have been much harder on his trade union mates.

When he finished the reception was mingled with warmth and sadness. Every delegate knew that this would be the last Congress that Whitlam would ever address as Prime Minister. When I inferred this to Laurie I remember him saying "He deserved more really. Next time we will need more time and understand more". It was generous, insightful and constructive and it was the conversation upon which the Accord would be built.

He would later say to Michelle Grattan:

"I regret that we did not insist on a much closer relationship with Government and a much closer relationship between wages and the economy, between the

industrial wage and the social wage. We did not calculate adequately enough and accurately enough just how society would carry reform within the terms of its productive capacity and its inequitable distribution of power including the international dimensions”

## **The Centralised System and the Hours Campaign**

The centralised wages system was put into place by the Labor Government. It did not sit easily with Carmichael, but he ultimately accepted the reality of it. In his discussions with me he made three points. First, there always had to be a period of consolidation of gains as workers generally caught up with newly established conditions; second, unions could expand their agenda including industrial democracy; and third, the hours campaign would only be suspended as no centralisation system could last for long.

It was never easy to improve wages or conditions without the bargaining power of workers being exercised.

The centralised wages system of the late 1970's marked a truce and an uneasy truce for a defined period. Carmichael lived up to his word as he sought to broaden our trade union strategy on the Arts, Industrial Democracy and adjusting to technological change.

When Carmichael's speech to the International Metal Workers' Union Conference calling for a reduction in working hours was made, it immediately lit the funeral pyre of the centralised wages system.

When he returned, we met. We agreed on three fundamental points. We would both support a campaign, seek to implement it through the centralised system for as long as possible, and we would not abandon the claim for reduced hours so as to maintain the centralised wage fixing system. The ACTU would publicly support the campaign and it would be the ACTU Reduced Working Hours strategy.

Over two days together we prepared the basic framework for the campaign, the justification and the targets. Although he was the most significant industrial person in the country outside of Hawke and Fitzgibbon, he was not represented on the ACTU Executive. Prior to the Executive meeting, I discussed our position with both Hawke and Fitzgibbon. Although both believed it was probably too early to begin the campaign, they supported the proposition knowing Carmichael's determination.

The ACTU Congress in 1979 adopted the Shorter Working Week Campaign and we began to process the claim strategically beginning in those industries where there was a connection to the achieved standard in the oil and stevedoring industries or where there were a substantial proportion of clerical and administrative employees working 38 hours or less.

The achievement of a 36 hour week for Telstra laid the basis through productivity bargaining within the system.

The ACTU intervened in the long running Union Carbide Dispute and through the leadership of Bruce Hartnett and Gary Main achieved the breakthrough. The SECV, Breweries and Photographic Industry soon followed.

The IRC banned productivity bargaining at the behest of the Employers and demanded an end to the campaign. But the ACTU Executive continued to support the campaign.

The scene was set for one of the toughest campaigns in Australia.

Carmichael brought into play his warriors – loyal and supportive organisers and delegates, who listened carefully, followed his advice and would never take a backward step unless he consented. You could see how ten people could influence a hundred, and a hundred convince a thousand. Witnessing this organisation of ideas and believers was a sight to behold. The arguments were honed and crafted meeting after meeting.

Finally, the arguments resonated. It was unfair that the workforce was divided between white collar and blue-collar workers on the issue of hours. It was unfair that workers had not received a fair share of the distribution of productivity and that some workers had already secured reduced working hours, while others had not. Workers were voting overwhelmingly in support of the claim and were prepared to take industrial action.

When the centralised system finally collapsed the campaign had made so much headway it was irreversible.

Carmichael brought it all to a head when he negotiated with Bert Evans the 1981-1983 Metal Industry package. The 38 hour working week was established as the new national standard.

This campaign showed the steel, stamina and style of Carmichael. It was conducted as a form of industrial warfare. The targets established, the pressures built, and the members persuaded that this was a fight for them.

Bert Evans would describe Carmichael campaigns as fearsome and strategic.

The campaign had seen the IRC ban productivity bargaining, end indexation but ultimately establish the 38-hour week standard for all employees in the country. There would be more industrial action over the issues of hours of work than at any period in Australia's history.

Not at any stage before had Carmichael been so closely intertwined in the implementation of ACTU policy.

### Prices and Incomes Accord

The Prices and Incomes Agreement had been on the agenda since the 1975 Congress and the defeat of the Whitlam ALP Government.

Carmichael had been convinced that supportive Governments could establish long term gains, that union inputs into those Governments would give them more substance, that the world was changing, and adjustments had to be made and that bargaining could be channelled through centralised means. He also became convinced that if he could work with the ACTU he would be listened to, respected and involved in a constructive way. He could have real and lasting influence on the policies of the time both directly through his union and collectively through the ACTU. He came to the view that his influence could be extended beyond the experience of any other member of the Communist Party.

The Metal Industry settlement Carmichael negotiated with Evans in 1981-83 involved three key elements; the \$36 wage increase, supplementary payments and the 38-hour week standard. It also included a key addition – a no extra claims commitment. This was the missing element of a national Accord. If the Metal Industry Unions could give such a commitment it would give weight to the practicability of a national Prices and Incomes Accord.

The Accord took on a new significance as the economy crumpled unemployment soaring and an ALP Government became more likely. It was essential however to prove that the ALP could manage the economy.

Carmichael was involved directly in the discussions and he specified four essential conditions. First, that the Accord would cement the Metal Industry settlement, second that unions were involved in the processes, third that industry policies for adjustment of the economy were included and fourth that a national health system was introduced as a priority.

Both Bill Hayden and Bob Hawke gave him these understandings. Charlie Fitzgibbon, Simon Crean and I continually reinforced Carmichael's essential conditions as issues of substance.

Carmichael's influence and integrity were the key to gaining the broader Left commitment. There was considerable scepticism in many quarters, particularly in the Left, but Carmichael was able to soothe some concerns and ultimately led to a broad-based acceptance of the Accord.

His endorsement at the Special Unions Conference was not overwhelming but was sufficient. The AMWU endorsed the Accord saying that “it was satisfactory”.

Laurie Carmichael’s importance to the Accord was apparent from the outset.

The day after being elected Hawke rang me to tell me that devaluation of the Australian dollar was essential. A short time after this call Paul Keating rang. He was nervous on two counts – about being Treasurer and about the decision regarding devaluation. Treasury Secretary Stone had cautioned the new Treasurer regarding the risks associated with devaluation; he warned that higher wages and higher inflation would result in the competitive impacts of devaluation being lost. I told Keating that devaluation (expand/that these risks would not eventuate as the risks were understood and would pose no problems. However, I would confirm this with Laurie and ring back. Carmichael’s response was as predicted. The union understood that devaluation was necessary, and the only sadness was that it should have been implemented earlier.

The early 1980’s increase in unemployment both generally and specifically in the manufacturing industry had a deep impact on Carmichael. He was prepared for a long adjustment process and had advocated a substantial devaluation. The Accord would be part of that adjustment process.

The second early test of the Accord was the Economic Summit. Carmichael was not a ‘Summiteer’ because he did not represent the union directly. But before we got there, I discussed a draft outcome and we discussed the key demand. We were being asked to concede that the CPI adjustment would be impacted because of the implementation of national health care. In effect, we were being asked to pay both the Medicare levy and to forego a potential wage adjustment. His response was as quick as his response to devaluation; “it was a necessary adjustment to achieve a major national gain”.

Carmichael was able to establish critical relationships with the ALP Government, Brian Howe, progressively Paul Keating and later John Dawkins.

## **The relationship with Bob Hawke, John Button, Brian Howe, Paul Keating and John Dawkins**

### **Bob Hawke**

Laurie Carmichael’s relationship with Bob Hawke was a combination of respect and suspicion. He was dubious about Bob Hawke’s conviction on penal sanctions, thought that his style was too personal and abhorred his drinking ethos. However, he admired his intellect, his stand against apartheid, commitment to education and Medicare and advocacy.

The starting question in the Accord negotiations for both Bill Hayden and Bob Hawke was whether we could secure Laurie Carmichael's support when Labor won the election and governed; it was the perennial question.

It was best answered by getting Laurie directly involved.

He was on the side of Hayden but being members of the CPA did not really hinder Hawke. Bob would say "that while I have never been able to agree with Carmichael's political philosophy, Laurie is straight to deal with. You know where you stand with him and if he gives you his word, he keeps it. He's tough but reliable".

### **Brian Howe**

Laurie Carmichael had enormous respect for the former Minister. He was a conduit to the Labor Party Left, many of whom were both fearful of Carmichael and cynical of the Accord.

Together with Martin Ferguson, Carmichael worked assiduously with Brian Howe on the development of the social wage. A broad concept that involved recognition that living standards could be impacted by government expenditure and grants in lieu of wages was an essential element of the Accord implementation. The social wage was a direct response to the Whitlam experience. Progressive governments had to be given the scope for deliberative social improvement. A recognition that there was no "magic pudding" as Keating and Hawke continuously reminded Australia.

Here was the Left of the ALP and the Left of the Union Movement working together to establish some long-term gains. Carmichael was particularly proud of Brian Howe's initiatives termed supplementary payments. Here was an example of raising the income of lower paid workers without raising the costs on employers.

### **Keating and Carmichael**

From my perspective there were two significant statements that both reflected the change in Australia in the 1980's and laid the basis for future change. The first was Paul Keating's warning that unless the nation changed its ways we would become a 'Banana Republic' (Accurate) The other was Laurie Carmichael's speech to the ACTU Congress in ..... reflecting what he had said privately for some time, regarding the need for a productive economy. In summary over his life he had been concerned with the combat over distribution. It was not irrelevant, he argued, but we must first understand that the nation needed to create wealth. Keating the change agent and Carmichael the wealth creator would prove to be compatible and complementary in reframing the nation.

He loved the theatre of ideas created by Keating. It was a forum of ideas that excited him – not to be accepted idly but tested. Keating may taunt him outside by references to the load of unemployed that was created by the 1981/82 wages explosion but in the ring it was a much more subdued Keating. He listened to Carmichael. He knew one thing, that his support was an essential condition; if not his support at least not his opposition.

Had Carmichael made a simple statement suggesting that our superannuation claims were not supported or were unworkable the idea would have been killed off instantly.

Not surprisingly the relationship between Carmichael and Keating grew into considerable mutual respect. Given the past this was a convergence of minds most unexpected. Keating had been of the Right and saw Carmichael's communism as a threat. Carmichael saw the NSW Right as the faction for self-interest in which ideas and ideals did not feature. Keating had been ready to attack Carmichael during the wage explosion of the 70's and 80's. When Halfpenny and Carmichael had supported Hayden, it was sufficient to stir Keating to support Hawke.

However, the world had changed. Carmichael's intelligence was attractive to Keating, as they both possessed an ability to discuss and debate issues concretely; they shared many common interests particularly in classical music, and they saw Australia in a changing world. Both of these two men possessed a universal spirit.

In short, they shared a romantic vision for the world in which peace, music and arts and architecture played a major part.

At a local restaurant in Canberra Prime Minister Keating and Laurie Carmichael would talk about classical music four hours. Not just the music but the politics of Wagner, Mahler, Shostakovich and others. It was a wonder to behold.

The outside world would have been surprised as the Lion and the Lamb seemed to generally enjoy one another's company. However, it was a testing time.

## **Assistant Secretary of the A.C.T.U.**

Laurie Carmichael had decided not to run for elected office in the AMWU and had instead taken up a position as Research Officer with that union. When I was having a discussion with Bernie Taft, a long standing communist and now a socialist left supporter, he asked me about the ACTU Assistant Secretary position that had become available because of Bill Richardson's retirement. I told him that the Left had no vision. They should be running Laurie Carmichael. He was interested and then enthralled by the prospect.

A couple of days later Laurie gave me a call. What are you doing putting my name up for Assistant Secretary? I repeated by arrangement/ my argument. He did have to know that I was serious. Laurie said simply "I will get back to you".

Not long thereafter we met, and he confirmed that he could get the numbers from the Left. The position was ostensibly a Left position, so election as the ACTU Assistant Secretary was assumed.

As soon as it became known that Carmichael was a contender the telephone began ringing. Every negative experience was raised. How could we tell the world that Laurie Carmichael was an Officer? I told them that the only surprise for the rest of the world was that Laurie was not the Secretary. I would support him getting the position come what may. The pressure receded and Laurie Carmichael became the Assistant Secretary and part of the team that would have to face the biggest changes in industrial relations in our history.

## **Education**

For Laurie the centre of industrial life was never about wages. If there was a central element to his industrial efforts it was the capacity of a worker to have a life in which they could be fulfilled. For that reason, education was the most important issue.

When he joined the ACTU as Assistant Secretary, he worked with Bill Mansfield in extending the education agenda and the education reforms became so associated with him they were known as the Carmichael Reports.

From this report and activity, he argued that:

- Unions should give education a higher priority in their dealing with employers;
- There needed to be new streams of education for the new streams of work and work organisation;
- The recognition of trades skills should be enhanced;
- The recognition of the contribution towards wealth creation was enhanced;
- Tertiary skills would be different into the next generation.

All these factors led to the establishment of the training levy in which employers were required to spend at least 1% of their revenue on training.

The understanding and mutual respect between John Dawkins and Laurie Carmichael was a significant factor in the promotion of this agenda.

Laurie had always found Dawkins a strange mixture of compassion and arrogance. He did not fit in easily to a Labor mould but nor did Laurie Carmichael. However, they were reformists and between them they changed the education system.

As society needed to invest more – the investment in education like superannuation should be vested beyond the political cycle. For that reason, unions and employers should have more involvement in the process. He liked the Swedish model. A model that was later adopted for the NETTFORCE companies but taken apart by the Howard Government, and not supported again by the Rudd and Gillard government = at considerable cost to the community, to employers and to workers.

### **Australia Reconstructed: Education and John Dawkins**

Laurie's support for the Labor Government and the ACTU at various stages fell, sometimes more dramatically than others. He gave enormous credit for some achievements; health care, superannuation, the partial recovery and some industry policy initiatives. However, there were three major criticisms; the first was the unfairness of the burden, the second was the belief that the market system would work without regulation and the third was his belief that the underlying conditions of society were being inexorably changed forever – work, and the workforce would change so much we could be left behind.

He argued for a new phase of greater recognition for education and training = not as a side issue but a mainstream industrial issue. Union relevancy would be dependent upon it.

Our response to his argument was to initiate Australia Reconstructed and Award Restructuring and to place Laurie Carmichael in the centre of negotiations with Government on the issue of education.

### **Australia Reconstructed**

The search for a practical demonstration of a way forward shifted to Scandinavia. Every tie we talked there was increased admiration for the Scandinavians. It was an open society, where debate was encouraged, life was free, travel uninhibited but there was an overwhelming sense of compassion. The unions were respected as partners who in turn reinforced the view that workers were also

respected. He would talk of Volvo as a leading exponent of industrial democracy. It helped of course, that Sweden had a reputation as a peacemaker.

With Ted Wiltshire, an ex-AMWU officer and a close confidant of Laurie's, now working in the Department of Trade under John Dawkins, proposals emerged for the ACTU to send a mission overseas to examine restructuring of the world economy. The Australia Reconstructed Mission was put together. The members included the senior members of the union movement:

Laurie Carmichael	(ACTU)
John McBean	(NSW TLC)
Joe de Bruyn	(SDAEA)
Tom McDonald	(BWIU)
Terry Johnson	(ETU)
Cassandra Parkinson	(TAFE Teachers' Association)
Greg Sword	(Storemen & Packers' Union)
Martin Ferguson	(Miscellaneous Workers' Union)
Col Cooper	(ATEA)

The Mission went to Sweden, France, England and Germany. The essence of the report was left for me and Laurie to settle on; Ted provided the working drafts.

The introduction set the theme and argued for the Third Way.

Australia Reconstructed was based philosophically on the Third Way – an explicit rejection of both the market forces and the extremes of authoritarian controls.

We finally concluded that the power of the ACTU had to be returned to the Unions. However, before it was done, we needed to cement four things; the reform of the wage system, superannuation extended, reform and investment in education and prepare Unions for a changed work environment. The policy was more interventionist than the Government wanted, called for more co-operation from employers than they were prepared to give underestimated the retarding impact of the Industrial Relations Commission and the market pressures that were building up.

### **Award Restructuring**

The yearly meeting between us took place at Laurie's house in Sydney. Laurie put on a favourite classical piece of music. Mahler whom he described as a social democrat. The politics could be heard in his music. My interest quickly evaporated to the dismay of Laurie. We had to turn our attention to the Award system. Australia had developed a comprehensive and complicated system of wage protections. However, it was a wages system in peril. A comparable system in New Zealand had collapsed and represented a beacon for zealous reforms in Australia. Moreover, the interaction between two award types in

Australia had been a major contributing cause of Australia's wage explosion with consequences that the nation soon learned to regret. For Carmichael the reform of the Award system should reflect the modernisation of the working environment. The "Taylorist" work model was embodied in the award system with over 50 classifications. There was inadequate recognition and incentive for education and qualifications; Award restructuring was born. Simplification, enhancement for skill recognition and the creation of a national minimum system. It would involve changing relativities and behaviour on a scale only the most confident or silliest would contemplate.

We drew up a model classification and established key rates borrowed from the Building Industry awards. This in turn would be the template for the Award restructuring. The capacity to achieve this result depended ultimately on two key players; Tom McDonald and Laurie. McDonald would have to support the Metal Industry Award catching the Building Industry. In turn, it would require Carmichael to support others catching up to the Metal Industry Award. It was a gargantuan request.

It was the single most important reform in Award fixation since its introduction. It involved multi-skilling, differential wage increases, absorption of over-awards and significant new measures for skill and training. It was like the Rubik Cube, when completed it looked simple enough but in its completion, it was complex and confusing. It depended on some things out of control – the IRC and the market place pressure.

In the end the IRC created an instrument to deal with the market pressures for key classification and groups by placing no limits on paid rates awards, poisoned the system with offsets and delayed the process. The system did not collapse but it was on the verge of collapsing. When we spoke to George Campbell, we could understand his concern. We gave him a commitment that this was the last system of no-extra claims. We would use every endeavour to wrap up award restructuring by the next Accord and move on to a system where unions bargained but it would not be a replay of the 1971/72 and 1981/83 disasters.

## **Conclusion**

As a practicing unionist he combined extraordinary intellect, strategic genius and practical capacity to improve the position of working people.

There is hardly a condition of employment that was not impacted by the campaigns that he led. His campaigning strategy was unambiguously a struggle for the class of working people. Education, agitation, localized achievement, consolidation and universalization. This is what Laurie did. He used the strong for the benefit of all.

However important were the industrial objectives of money and time, there was in some sense a greater cause that drove Laurie Carmichael – the absolutely extraordinary passion of his to advance the quality of life of working people and those without access to power and influence – this translated itself into industrial democracy, to the right to strike, to respect for the environment, to striving for peace, safety at work, indigenous rights, health care, arts and culture and in a sense most importantly, education.

The lives of every Australian has been richer for knowing Laurie and richer for the contribution he has made to the fabric of this country. This is not wealth that is measured in money but a wealth that is measured in value and ideas and inspiration and sheer character. Laurie was a great and remarkable and larger than life man, a wonderful and inspiring trade unionist and a champion for workers who has made an extraordinary contribution to workers and to this country.