

# New Zealand Labour Party marks its centenary

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The New Zealand Labour Party held a special conference in July to mark 100 years since its founding in 1916. In two speeches delivered to the gathering, leader Andrew Little made empty promises to address the country's housing crisis and soaring social inequality. As well, he made a series of disjointed references to Labour's history, in a half-hearted attempt to portray the party as pacifist and egalitarian and to whitewash its fundamental agreement with the conservative National Party government.

Many people rightly see no difference between the two major parties, which both represent big business and the interests of New Zealand imperialism. Labour has agreed with the government's austerity measures in response to the 2008 financial crisis, including an increase in the Goods and Services Tax, thousands of public sector redundancies, attacks on welfare recipients, cuts to education funding and tax cuts for the rich. Labour also supports spending billions on new military hardware to facilitate New Zealand's participation in Washington's preparations for war against China.

There was no public enthusiasm surrounding the centenary. In a statement, Labour Party president Nigel Hayworth said the conference "was heavily oversubscribed, with hundreds of delegates travelling to Wellington." His reference to "hundreds" only underscores the historic collapse in Labour's support in the working class. In the early 1980s it had about 50,000 members. Now, according to one estimate, there are less than 5,000. The party is nothing but a shell, composed mainly of union bureaucrats and parliamentary careerists.

Likewise, media coverage was superficial. Little's opening speech was virtually ignored, even by the trade-union funded *Daily Blog* and the Labor-aligned blog, the *Standard*. Their comments were released as a press statement and broadcast on the party's Facebook page.

Columnists speculated about whether the Labour Party could improve its standing in the polls ahead of next year's election. It has suffered three landslide defeats to the conservative National Party, which has governed since late 2008. In the 2014 election, a near record one million voters abstained and Labour received its smallest share of the vote since 1922.

Little made only a cursory reference to the circumstances of the party's founding in the middle of World War I, describing the founders as an alliance of "militant socialists and temperance volunteers, moderate Christian pastors and trade unionists." He expressed sympathy for Archibald Baxter, a well-known pacifist who was tortured on the Western Front for refusing to fight. The first Labour Party leader Harry Holland denounced the brutal treatment of Baxter and other conscientious objectors.

Some media commentators promoted the myth that Labour began as an anti-imperialist party and sought to encourage the illusion that it could return to its "socialist" roots. *Sunday Star-Times* editor Jonathan Milne wrote on July 3 that "socialists and unionists" founded the party, united by "opposition to the First World War." Pro-Labour columnist Chris Trotter described the founders as "opponents" of the war who stood for "socialism and freedom." Similar statements have been made by leaders

of the pseudo-left groups Socialist Aotearoa and the International Socialist Organisation.

These claims are completely false. The leaders of the Social Democratic Party, the United Labour Party and the trade unions, who created the Labour Party, actively supported New Zealand's entry into World War I. Like the social democratic parties of Europe, they betrayed the working class and supported the war aims of their "own" bourgeoisie.

The Labour Party was never socialist. It represented the aristocracy of the workers' movement, whose privileges derived, in the final analysis, from New Zealand's position as a minor imperialist power within the British Empire. Its leaders feigned sympathy for the 1917 Russian Revolution but rejected the Bolsheviks' perspective of international revolution. Holland called for New Zealand to take an "evolutionary" path to socialism, through reforms in parliament.

From the beginning, the party was fiercely nationalist and stoked divisions in the working class by encouraging racism and xenophobia. Like its Australian counterpart, Labour supported what was widely known as the "white New Zealand" policy, which imposed drastic restrictions on immigration from China and other Asian countries. The restrictions remained, in one form or another, until the 1970s.

Labour's founding in the middle of the first major breakdown of capitalism, served a definite purpose for the bourgeoisie, which, in 1913, had been rocked by a nationwide strike. The bitter strike lasted months and there were numerous clashes between workers and the government's special constables. In Auckland, the revolutionary-syndicalist Industrial Workers of the World gained significant support. However, the trade union leaders, who later led the Labour Party, had not wanted the strike and were instrumental in preventing it from becoming a revolutionary threat.

In 1916, Labour's immediate aim was to divert the rising anti-war movement among workers into a limited campaign against conscription that would not disrupt the war effort. An anti-conscription conference organised by the labour organisations in January issued a manifesto praising New Zealand's contribution to the war. It stated: "The voluntary system cannot possibly fail while ... [t]here are thousands of men who are ready and willing to go to the front." [*Maoriland Worker*, 2 February 1916, pages 4-5].

## The first Labour government

Little hailed the first Labour government, elected at the height of the 1930s Great Depression. He declared: "We're here to celebrate Labour's creation of the welfare state, the achievements of widespread home ownership and the creation of state housing, a free health system and a free education system. In short, we celebrate the building of a nation." Labour, he said, offered "hope to people that the years of depression were over and there were brighter days ahead."

The reforms of this 1935-1949 government of Prime Minister Michael Joseph Savage and his successor Peter Fraser are invariably invoked by Labour and its apologists. They assert that Labour saved the country from

the depression and put in place the foundations for an egalitarian society. This version of history is entirely false.

The Savage government won the 1935 election under conditions of mass social unrest. Its reforms were part of a desperate attempt to quell the upsurge of the working class produced by the social devastation caused by the depression and to save the capitalist system. Between 1928 and 1931, export prices collapsed by 40 percent. The conservative government responded with brutal cuts to spending, civil service wages and pensions. The minimum wage was abolished. About 100,000 people, including 40 percent of men of working age, became unemployed.

In 1932, tens of thousands of unemployed people rioted in Auckland, Wellington and Dunedin and there were demonstrations, strikes and hunger marches throughout the country. Labour MP John Lee later said that if the Auckland rioters “had not been democratically minded they would have had the government out that week.” W. B. Sutch, a senior government advisor in the 1930s, wrote that “the authorities felt New Zealand might be close to a social revolution.” Business interests relied on the trade union bureaucracy to suppress agitation for a national strike, particularly among miners and seamen, and to corral workers behind the election of a Labour government.

The Savage government reversed previous wage cuts, broadened access to superannuation, introduced the first invalid benefits and free hospital care, expanded access to higher education and implemented an extensive public works scheme. Labour also built thousands of state houses. Unemployment dropped to 19,000 by 1939, but was not eliminated until World War II. Savage enjoyed considerable popularity. When he died in 1940, 200,000 people lined the route of his funeral procession.

Labour’s reforms, however, were limited and temporary, and the working class paid a terrible price for them. Labour did not socialise the banks and major industries. Instead it courted the most far-sighted members of the ruling class. One of the party’s main donors was the brewer Ernest Davis, reputedly the country’s richest man in the inter-war years. Labour was also backed by the Fletcher family, whose construction business profited immensely from contracts to build state houses.

Labour did not rescue New Zealand from the depression. In 1939 the heavily-indebted government confronted a looming crisis brought about by draconian loan repayment terms imposed by London. It appeared that many social programs would have to be scrapped and unemployment would again soar to record levels. Only the outbreak of war and the resulting dramatic increase in exports to Britain prevented another financial collapse.

The Communist Party of New Zealand (CPNZ), following Stalin’s “Popular Front” policy, played a significant role by promoting illusions in the Savage government and backing Labour’s re-election campaign in 1938.

The CPNZ increased its influence during the depression, particularly among unemployed workers, and among writers and intellectuals inspired by the Russian Revolution. But already by 1927, when the CPNZ affiliated to the Communist International, the Comintern was in the grip of the counter-revolutionary Stalinist bureaucracy, which used it as a tool to defend its own national-based interests. After Stalin’s criminal policies allowed Hitler to come to power in 1933, the Communist parties forged alliances with “democratic” capitalist governments in the US, Europe and throughout the world from 1935, including with New Zealand Labour. In the Soviet Union, Stalin ordered the murder of thousands of members of the internationalist Left Opposition, founded by Leon Trotsky. The CPNZ supported the Stalinist regime and all its crimes.

By 1935, Labour no longer even pretended to be anti-imperialist. It had abandoned its previous opposition to the annexation of Samoa, which was seized from Germany in 1914 and remained a colony of New Zealand until 1962. The Savage government built up the country’s armed forces during the late 1930s and followed Britain into World War II. Savage

declared: “Where She goes, we go; where She stands, we stand.”

Little’s centenary address was silent on New Zealand’s involvement in the second imperialist world war, to which Labour deployed overseas 140,000 men and women, of whom 11,928 were killed and thousands more wounded. He absurdly presented Peter Fraser, who became prime minister after Savage’s death in March 1940, as a pacifist whose participation in the 1945 founding conference of the United Nations helped lay “the foundations for an international order committed to ending great wars.”

The government imposed conscription in mid-1940, much earlier than Australia or Canada, and used police-state measures to suppress the working class. It imprisoned 800 conscientious objectors and pacifists, censored the press, banned public opposition to the war and outlawed strikes. Fraser brought the conservative opposition leaders into his wartime cabinet and postponed the election scheduled for 1941 by two years.

The leftist magazine *Tomorrow* and the Stalinist CPNZ’s *People’s Voice* were suppressed. After Hitler broke his pact with Stalin and attacked the Soviet Union in 1941, the CPNZ ditched its previous pacifism and declared “everything for the war.” It opposed strikes and campaigned alongside the government for increased production and war bonds. Fraser welcomed the CPNZ’s support, lifting the ban on *People’s Voice* in 1943.

The government imposed a wage freeze, while scarcity and rationing forced prices up. Working conditions were eroded and inequality soared. From 1938-39 to 1946-47 the share of national income going to wages and salaries dropped from 55.6 percent to 46.9 percent and never recovered.

### **Labour after World War II**

Insofar as he dealt with Labour’s post-war history, Little once again falsified and covered up the record. His references were all an attempt to put a progressive façade on a party whose anti-working class character has been increasingly exposed and is widely despised.

Firstly, Little praised the Labour Party’s opposition to nuclear weapons testing, culminating in the David Lange government’s 1987 legislation “to make New Zealand nuclear free,” which is frequently invoked as evidence of the party’s supposed pacifism.

Secondly, Little promoted Labour’s embrace of identity politics based on race, gender and sexuality, through which the party built up a support base in upper middle class layers. He hailed Labour for initiating “reconciliation between Maori and Pakeha [Europeans],” legalising homosexuality, becoming “the first major party in New Zealand to have a female leader,” and creating “a society made richer by difference and diversity.”

The claim that Labour is in any way anti-war is utterly false. In the post-war period, Labour has continuously supported strong military and intelligence ties with the US, in exchange for Washington’s backing for New Zealand’s neo-colonial interests in the Pacific.

After the war, the Fraser government helped forge the military alliance with the United States and enlisted New Zealand in the Cold War, eagerly endorsing the country’s participation in the US-led war in Korea, nominally under the UN banner. This paved the way for the National Party to win the 1949 election by fomenting anti-Communist hysteria, attacking waterside workers and carpenters who demanded wage rises and preparing to reintroduce compulsory military training.

Labour’s anti-nuclear policy, as well as its turn to identity politics, had its roots in the political upheavals that brought the Labour government of Norman Kirk to power from 1972 to 1975. Kirk took office, like the Savage government, amid a severe economic crisis and widespread opposition in the working class to the previous National government, as well as large protests against the Vietnam War. In order to head off the growing movement, Kirk withdrew troops from Vietnam but kept the ANZUS alliance with the US and Australia, and implemented limited

social reforms.

However, the unravelling of the international post-war economic boom caused a precipitous drop in export prices. Labour responded by imposing stringent caps on wage increases, while the cost of living soared by more than a third over three years. Kirk also tried to cut pensions through means-testing and mandatory employee contributions. Labour kept the previous National government's anti-strike laws and boosted police powers to suppress the working class. Pacific Island immigrants were scapegoated for rising unemployment and many were deported.

In July 1974, a dispute involving seamen and an anti-union Auckland ferry company developed into a nationwide strike wave. After the head of the National Drivers' Union was imprisoned for organising a support strike, some 40,000-50,000 people stopped work. Kirk considered declaring a state of emergency. Instead his government relied on the Stalinist-led unions to ensure that the strikes were shut down.

As hostility in the working class grew, the Labour government increasingly ramped up its anti-nuclear stance, which, far from being anti-war, was rooted in New Zealand's tense rivalry with French imperialism in the South Pacific. Together with Australia, it took a case in the International Court of Justice against French nuclear testing at Mururoa atoll and, when Paris ignored the court's order in June 1973 to halt the tests, sent two navy ships to the test zone area.

At the same time, Kirk stepped up Labour's embrace of identity politics. In 1975, the government passed the Treaty of Waitangi Act and established the Waitangi Tribunal, which was tasked with making recommendations to address historical grievances of indigenous Maori tribes. Its real purpose was to encourage the aspirations of a narrow upper-middle class layer of Maori and to promote Maori nationalism to divide workers along racial lines.

Despite these efforts, Labour was deeply discredited and suffered a landslide defeat in the 1975 election.

#### **The Lange government**

Little's remarks on the Labour Party's recent history were dishonest and self-contradictory. He stated: "For 30 years, we have been told by some that the path to prosperity was to cut taxes, cut regulations, give more money than ever to the very rich, and then wait for the wealth to trickle down.... Now, we are seeing all around us the failures of this approach.... That's why Labour's approach is so vital today."

Yet Labour was in power for 13 of the past 30 years and was responsible for the sweeping "free market" reforms that plunged hundreds of thousands of people into poverty. Like other social democratic parties throughout the world, Labour responded to the globalisation of production by ditching its national reformist program and becoming the direct instrument of big business and the financial elite.

The 1984-1990 Labour government of Prime Minister David Lange deregulated the financial sector, privatised government-owned corporations, slashed taxes for the rich and introduced the regressive Goods and Services Tax. It introduced fees for university education and charges for prescription medicines. The result was soaring social inequality and unemployment, and tens of thousands of workers responded by abandoning the Labour Party in disgust.

The 1980s was a decisive political turning point. In New Zealand, Labour imposed the program of Thatcher and Reagan on the working class, in the name of ensuring "international competitiveness." Globalised production completely undermined the reformist program of social democracy and the trade unions, which had been based on national economic regulation.

As the government became increasingly unpopular, Lange turned to the same political devices as Kirk. His "nuclear free" legislation eventually caused a public rift with the US, which stopped naval visits to New Zealand for more than 30 years. Behind the scenes, however, the Lange government vastly expanded the spy agency, the Government

Communications Security Bureau, which is a partner in the Five Eyes alliance led by the US National Security Agency.

While Maori workers were severely affected by the downsizing and job destruction in industries such as meat processing and auto assembly during the 1970s and 1980s, the Labour government increasingly promoted Maori nationalism, elevating a layer of Maori tribal leaders, politicians and entrepreneurs who have profited handsomely from multi-million dollar payments from the Waitangi Tribunal.

The National government of the 1990s continued Labour's measures, imposing sweeping cuts to welfare payments. The trade unions, dominated by the Stalinist Socialist Unity Party, prevented a struggle against the Labour government in the 1980s and rejected calls from union members for a general strike against the National government in 1991. Helen Clark's Labour government of 1999-2008, which presided over a stock market boom and record levels of social inequality, failed to reverse the attacks of the 1980s and 1990s.

The Clark government joined the Bush administration's invasion of Afghanistan and the occupation of Iraq, fully restoring the alliance with Washington. The National government has followed suit, sending troops back to Iraq, expanding training exercises with the US and announcing \$20 billion for military hardware. Nevertheless, Labour has attacked the government for failing to increase military spending fast enough, in order to integrate New Zealand into the US encirclement and plans for war against China. On 21 July, Labour welcomed the announcement that a US warship would visit New Zealand later this year, for the first time in three decades, effectively brushing aside the "nuclear free" policy.

Despite Little's claim to support "difference and diversity," the Labour Party's foul nationalist tradition is currently being resurrected. Over the past four years it has joined the right-wing NZ First Party in whipping up anti-Chinese xenophobia to divide the working class and pave the way for war. On July 8, Little defended Labour's scapegoating of Chinese people for the housing crisis last year, telling the *New Zealand Herald*: "I don't resile from any of that."

The global capitalist system has not recovered from the financial crash of 2008, the most severe crisis since the Great Depression. The fundamental contradictions of capitalism that produced two World Wars—between world economy and the restrictive borders of the nation state, and between socialised production and private ownership—are reasserting themselves.

The economic breakdown is propelling the imperialist powers, first and foremost the United States, toward another world war to seize control over markets and resources, particularly at the expense of Russia and China. To safeguard its own neo-colonial interests, the New Zealand ruling elite, behind the backs of the population, is strengthening its alliance with US imperialism and preparing to once again drag the country into a catastrophic war involving nuclear-armed powers.

Workers and youth must draw the lessons from a century of bitter experience with the Labour Party. Capitalism was able to survive the turmoil of the twentieth century, not because it possessed some inherent strength, or because of some organic incapacity of the working class to fight. In New Zealand, as elsewhere, during every period of crisis, Labour has been brought forward to head off the struggles of the working class and preserve capitalist rule, with devastating consequences.

The Socialist Equality Group of NZ calls on workers and young people to break decisively from this party of big business and war, and from all its political allies and apologists, and join the fight to build a new political leadership of the working class based on the socialist and internationalist program advanced by the International Committee of the Fourth International, the world Trotskyist movement. This is the only way to fight against the unending attacks on living standards, democratic rights and the advanced preparations for war.



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