

Perplexity, fear in New Zealand establishment over US election

John Braddock
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Fears within New Zealand's ruling circles over the outcome of the US presidential election mounted sharply last week as Republican candidate Donald Trump surged in the polls in the wake of the email scandals swirling around his Democratic rival Hillary Clinton. The New Zealand Institute of Economic Research (NZIER) warned that a Trump victory would be "devastating" for the NZ economy.

The New Zealand share market (NZX) index fell to 6,731 points—down 11 percent from its record high of 7,571 on September 7—as investors became increasingly rattled by the "Trump factor." The NZX has fallen further than many others. The US share market is 4.7 percent below its peak, and the Australian is down by 6.5 percent.

Mark Lister of Craigs Investment Partners told the *New Zealand Herald* that markets had been driven by concerns about Trump's anti-free trade rhetoric. The NZIER highlighted Trump's plans to impose hefty tariffs on Chinese and Mexican imports. This would likely hurt New Zealand's \$8.4 billion of goods and services exports to the US, as well as slowing global growth, which could affect New Zealand's exports more generally.

NZIER deputy CEO John Ballingall said a Trump presidency would signal the end of trade deals like the Trans Pacific Partnership (TPP), which has been championed by the New Zealand government. Notwithstanding Clinton's own opposition to the TPP, Lister indicated the financial elite's confidence in her, saying: "If Hillary Clinton wins, then I think you will see a relief rally and we could see a really strong rebound."

Ballingall predicted "significant instability" regardless of the outcome. "Borrowing costs for New Zealand firms and mortgage-holders are likely to rise as

credit conditions tighten in the face of uncertainty," he said. Under Trump, equity markets would fall and the US Federal Reserve would be likely to hold off plans to raise interest rates.

Political commentators were equally fearful. Fairfax Media reporter Tracy Watkins, following the campaign in Florida wrote that no matter who wins, "America will be a country divided and bleeding after a divided and highly-charged political campaign." Perplexed by the deep hatred among broad sections of the population for Clinton, Watkins noted there would be no prospect of a "honeymoon period" if she wins, declaring: "She has already blown it."

National Party parliamentarian Todd Muller attended the Republican and Democrat conventions and was struck at the "visceral dislike" of Clinton, not only among Republicans, but replicated "to a similar extent" at the Democratic convention. "Not only their dislike of Trump but some Democrat supporters' dislike of Clinton—it was palpable," he wrote.

Rod Oram noted in the *Sunday Star Times*: "In this unprecedented time in contemporary history, it is up to the rest of the world to try to stop the American rot spreading." The only solution he could offer, however, was the empty and unrealisable hope that other nations can "keep some semblance of truth, decency and discourse and ambition alive."

The concerns about the stability of a Clinton presidency come after she was relentlessly promoted in the New Zealand media, principally on the basis of feminist identity politics, as both the preferred candidate and likely victor, while Trump was portrayed as a sexual predator and serial liar.

Pro-Labour Party columnist Chris Trotter wrote on October 20 that the "greater good" required Americans "to vote for the lesser evil." While conceding that

Clinton is “more hawk than dove” on foreign policy, Trotter declared: “what she is not, is a bloated, foul-mouthed racist and misogynist,” who is preparing “to pull down the temple of American democracy upon the heads of its fractious citizens.”

Typical of the media as a whole, Trotter falsely characterised Clinton as fitting “very comfortably” into a “progressive” liberal Democratic Party tradition, similar to New Zealand’s former Labour Prime Minister Helen Clark.

Absent from any of these accounts is the basic truth that the mass alienation from the two parties of American big business is a product of the worsening social crisis facing millions. Whereas Clinton, based on the rightward-moving upper middle class, represents the interests of Wall Street and the military-intelligence apparatus, the fascistic Trump is seeking to direct extreme social tensions along nationalist lines, by whipping up anti-immigrant and anti-Muslim sentiment.

The media and political establishment has also sought to conceal the implications of New Zealand’s plans to join Washington’s preparations for war against Russia and China. There has been virtually no discussion about the foreign policy prescriptions of either presidential candidate or US preparations to unleash military violence around the world to establish global hegemony. New Zealand troops are already fighting in Iraq and the government has announced \$20 billion in spending to upgrade naval and other military assets so they are “interoperable” with the US.

With elections due in 2017, similar social and political processes are at work in New Zealand. In the past decade health, education and welfare services have been starved of funds and tens of thousands of jobs have been destroyed. An estimated 41,000 people are homeless and one quarter of children live in poverty.

The working class is profoundly alienated from all the parties, particularly the main opposition Labour Party, which supports the government’s policies of austerity and militarism. A million people, over a quarter of the adult population, did not vote in the last two elections. In voting last month for the country’s local councils, voter turnout was only 35 percent, the equal lowest in 25 years.

Anti-immigrant and protectionist sentiment is being stirred up by an alliance of the trade unions, Labour, the

Greens and the right-wing populist NZ First Party, which condemns Chinese steel imports and blames immigrants for the expanding housing and social crises (see: “Push for harsher anti-immigrant measures in New Zealand”). Many commentators and politicians who express horror over Trump’s fascistic demagoguery and the prospect of his victory are supportive of similar right-wing policies in New Zealand.



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