

Right-wing nationalists hand power to New Zealand Labour

Tom Peters, John Braddock
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Winston Peters, the leader of the right-wing, anti-immigrant New Zealand First, announced yesterday evening he will form a coalition government with the Labour Party. With the support of the Greens as well, Jacinda Ardern, the 37-year-old recently installed Labour leader, is the country's new prime minister, ending more than eight years of rule by the conservative National Party.

The decision came 26 days after the September 23 election. Neither National nor Labour won sufficient seats to form a government in their own right.

Both parties held weeks of secret negotiations to try and reach a deal with NZ First, which received barely 7 percent of the vote and nine seats. Peters' announcement was repeatedly delayed until his deal with Labour was signed off by NZ First's unelected 14-member governing board.

The protracted and thoroughly anti-democratic process has generated considerable popular disgust and hostility. The votes of millions of people have been treated with contempt and the government formed through sordid machinations, behind-closed doors.

Ultimately, the election was decided by two factors. First, the insistence by the United States that New Zealand join with Australia and fully align with the US-led drive to shatter Chinese geopolitical influence in the Asia-Pacific. Second, the turn to Labour is the outcome of the immense fear in ruling circles of the mounting working class anger over social inequality.

Explaining NZ First's decision, Peters delivered an extraordinary warning to the ruling elites, both in New Zealand and internationally, of the danger of an anti-capitalist movement developing in the working class after decades of attacks on living standards and deepening economic turmoil.

He told a press conference: "Far too many New

Zealanders have come to view today's capitalism, not as their friend, but as their foe. And they are not all wrong. That is why we believe that capitalism must regain its responsible, its human face."

Peters said the negotiations had "taken place against a backdrop of changing international and internal economic circumstances which we cannot ignore." He warned that "an economic correction, or a slowdown, is looming, and that the first signs are already here," including a slowdown in the housing market—one of the most over-inflated in the world—and reduced consumer spending.

Peters asserted that poverty and inequality had been "the biggest issue" influencing NZ First's decision to form a government with Labour rather than National. In her brief remarks to the media, Jacinda Ardern declared her government would provide "more housing" and address "issues like child poverty."

In fact, Labour's assigned role is to use pseudo-populist rhetoric to forestall—however temporarily—an eruption of opposition in the working class, while fully committing New Zealand to a militarist pro-US and anti-China foreign policy. Ardern announced she will travel to Australia for talks with the country's right-wing conservative government—one of the most bellicose adjuncts of Washington—"as soon as I am able."

Peters has been labelled by the media as the "King-maker." A far more accurate description is that he has served as the puppet of sections of big business, the New Zealand military and intelligence apparatus and, above all, US and Australian imperialism.

On the eve of the election, the US government-funded Wilson Center in Washington published a report accusing the National government of being "soft" on China, and insinuating that many of its leaders,

including former prime minister John Key and outgoing prime minister Bill English, had been bought off by the Beijing regime. The author of the report said she was inspired by the investigations being carried out by Australian intelligence agencies into purported “Chinese influence” over that country’s political establishment.

US ambassador Scott Brown openly intervened into the sordid talks between Peters and the major parties. In three media interviews, he outlined Washington’s expectation that the next government would back US preparations for war with North Korea. Brown defended Trump’s threats to “totally destroy” North Korea and criticised English for saying Trump’s statements were “not helpful.”

Labour supporters in the trade unions and the media have spearheaded the promotion of anti-Chinese xenophobia and denunciations of the National Party as stooges of Beijing. In the latest example, prominent pro-Labour Party columnist Chris Trotter wrote yesterday on the trade union-funded *Daily Blog* that Peters had to choose Labour to prevent New Zealand from “becoming an economic, political and cultural colony of the People’s Republic of China.”

At the core of the Labour-NZ First policy agreements is a commitment to slash immigration—particularly targeting Chinese immigrants—and introduce anti-foreign ownership rules that will be directed primarily at Chinese investors.

In exchange for its support, Labour will give NZ First four ministries in the cabinet. Peters has been offered the post of deputy prime minister.

While Labour and the Green Party campaigned on a joint ticket, the Greens were sidelined throughout the negotiations. Peters bluntly refused to deal with them, even though they hold eight seats and are essential to providing the incoming government with a parliamentary majority.

The Greens nevertheless announced they will support the new right-wing regime. They negotiated a separate confidence and supply agreement with Labour and will be given three ministerial positions outside cabinet.

Ardern now becomes New Zealand’s youngest prime minister in the modern era. She was installed as leader barely two months before the election, in a desperate bid to revive illusions in Labour.

Labour’s support collapsed in the previous three

elections and it received its worst result in 92 years in 2014. It was rightly viewed in the working class as no different to National. Its vote recovered in this year’s election to 36.9 percent, as a result of a frantic campaign by sections of the corporate media, the trade unions and pseudo-left groups, to portray Ardern as a “progressive” due to her promises to lower university fees and improve public housing.

The change of government, however, will not result in any let-up in the assault on living conditions. Labour will act no differently than the pseudo-left Syriza government in Greece, which was elected in 2015 on the basis of its promises to reverse austerity measures. In order to “save capitalism,” Syriza repudiated its election rhetoric and imposed even more brutal attacks on workers’ living standards.

The NZ Labour Party is a pro-capitalist party of big business and militarism. It will seek to make the working class pay for ramped-up military spending and worsening economic conditions with further spending cuts. Its election pledges to reduce homelessness and poverty will be discarded as unaffordable.

The new government’s right-wing agenda will inevitably provoke mass opposition, which will have an anti-capitalist character. To prepare for the struggles ahead, the working class must have its own party, fighting for socialism and internationalism against every wing of the political establishment, including the pseudo-left apologists of Labour and the trade unions.

We urge workers and young people to attend the Socialist Equality Group’s public meeting to discuss these vital issues, on Sunday, October 29, at 1:15pm, at Toi Poneke Arts Centre, 61/69 Abel Smith Street, Wellington.



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