

Obituary: Jim Anderton, a pivotal defender of New Zealand capitalism

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When New Zealand's parliament resumed in late January, its first order of business was to pay tribute to ex-Deputy Prime Minister Jim Anderton, who died on January 7, aged 79. All the party leaders rose to laud Anderton's 43-year contribution to bourgeois politics.

Media commentary emphasised Anderton's role in saving the Labour Party and the New Zealand "left" during the critical period of the late 1980s and 1990s. He is also credited with rescuing the parliamentary system after mass hostility to the official parties saw the first-past-the-post electoral system ditched in 1994 in favour of Mixed Member Proportional (MMP) representation to boost "alternative" parties.

The owner of an engineering firm, Anderton joined the Labour Party in 1963 and was elevated to the presidency in 1979 before becoming MP for Sydenham in 1984. Anderton quit the party to found the "left-wing" NewLabour in 1989, which later joined with four other bourgeois parties to form the Alliance in 1991.

As Alliance leader, Anderton became deputy prime minister in the Labour Party-led coalition government from 1999. Following the Alliance's collapse in 2002, when its MPs voted to support the sending of NZ troops to Afghanistan, Anderton formed the Progressive Party, remaining the third-ranked minister in cabinet. He retired from parliament at the 2011 election.

Anderton and the Lange government

Anderton was a key figure in the 1984–1990 Labour government of Prime Minister David Lange. Under Finance Minister Roger Douglas, New Zealand was toasted by corporate leaders around the world as a model for economic restructuring. In the space of a decade, one of the world's most protected and regulated economies was subordinated to the sweeping requirements of international finance capital.

The working class experienced a social catastrophe. Labour introduced a goods and services tax, imposed "user pays" policies in health and education, poverty became widespread and the privatisation of public enterprises destroyed over 60,000 jobs. In 1986 alone, nine public departments were turned into State Owned Enterprises to prepare them for sale.

Social inequality deepened. During Labour's term of office, the top 10 percent of earners increased its share total income by 4 percentage points to 20 percent. The share for middle and bottom income earners suffered declines of about 5 percentage points. By 1993, the wealthiest 20 percent of households were receiving 45 percent of gross income, up from 35 percent in the late 1970s.

Sections of the newly-enriched elite, their share portfolios fattened by financial deregulation and the plunder of public assets, transferred their votes and, in some cases, hard cash to Labour.

Following the 1987 global share market collapse, Douglas sought to exploit the crisis to drive his economic program to its conclusion, with further deregulation, tax cuts, asset sales and attacks on government services. These measures intensified the already widespread opposition in the working class to Labour's pro-market reforms.

Industrial action escalated sharply in late 1987 and during 1988, with strikes by public sector workers against privatisation and attempts to impose private sector labour laws. Labour Party membership is estimated to have plummeted—from over 50,000 in 1984 to about 11,000 by 1998, particularly in working class areas.

By posturing as the leading opponent of the "liberalisation" program, Anderton served to divert and block popular disenchantment with Labour and parliamentary politics as a whole. Open political rebellion within the working class was stifled as Anderton and his followers refused to mount any campaign to expel the right-wing, pro-business Labour leadership.

Following his suspension from caucus for opposing the sale of the Bank of New Zealand, Anderton quit the party and founded NewLabour in May 1989, taking a section of the membership with him. Lange, politically paralysed by the inner-party crisis, resigned as prime minister several months later. The resignations of Lange and Anderton were an open admission that they would not oppose the economic restructuring agenda championed by Douglas.

Amid popular revulsion, Labour lost the 1990 election in a landslide, but NewLabour only won 5.2 percent of the nationwide vote, and the conservative National Party assumed office.

NewLabour's role

Workers News, the predecessor in Australia of the *World Socialist Web Site*, followed these events closely and identified the class basis of NewLabour. "Anderton's opposition to so-called 'Rogernomics' [Labour's right-wing policies]," it recorded in 1989, "is not based on a program to advance the interests of the working class but reflects the interests of a section of the New Zealand bourgeoisie, particularly those involved in manufacturing, disadvantaged by the deregulation of the economy."

The characterisation proved to be entirely correct. Anderton, a Catholic who described himself as moderate, "personally" conservative, and "barely left of centre," relied on the gamut of middle class ex-radicals to dress up NewLabour as a "progressive" and "working class" party. Many were prominent at the party's founding conference, but none exposed Anderton's record or opposed the reactionary program that was pushed through.

The cornerstones of NewLabour's program were nationalism, protectionism and the fiction that there could be a return to social reformism. Explicitly rejecting any conception of the international unity of the working class, Anderton called for import controls "to protect our own people" and boost "international competitiveness"—that is, tying the working class to the capitalist nation state under conditions of deepening class conflict.

NewLabour proposed the extension of the "Compact" between the Stalinist-led trade unions and the government. This scheme, through which the union bureaucracy policed the working class and suppressed demands for an industrial and political campaign against the Labour right wing, had been bitterly opposed by workers.

The founding of NewLabour was a concrete expression of the wave of anti-socialist renunciationism that swept ex-radical circles internationally with the breakup of the Stalinist regimes in Eastern Europe and, in 1991, the Soviet Union. Organisations such as the Maoist Workers Communist League (WCL) and the Pabloite Socialist Action League dissolved and their leading members entered NewLabour.

These groups embraced the “new social movements” based on identity politics, advancing the interests of particular layers of the middle class within capitalism, based on gender, nationality or ethnicity. The WCL announced in March 1990 that it would be renamed “Left Currents” because it now “rejected the view ... that the class struggle had primacy over those for Maori self-determination and women’s liberation.”

NewLabour member Keith Locke, formerly a leading Pabloite, claimed that the party was “socialist,” but insisted: “We aren’t a party of any certain sector or class, but a party of policies that anyone can support” (*People’s Voice*, 9 September 1991). Locke went on to become a Green Party MP from 1999 to 2011.

Bruce Jesson, regarded as the pre-eminent “left” theoretician in NewLabour, falsely equated socialism with Stalinism in a 1990 essay entitled “The Crisis of Socialism.” He bitterly denounced socialism as an “extraordinarily authoritarian and repressive political system.” Jesson slandered Marx as “utopian” and his goal of revolution as a “malign influence,” concluding that capitalism had “won a famous victory.”

In fact, the destruction of the Soviet Union was the outcome of the anti-socialist and nationalist policies of the ruling Stalinist bureaucracy, encapsulated in its maxim of “socialism in one country.” Its end was a manifestation of an international phenomenon, in which the globalisation of production had rendered all national political programs obsolete. The working class was confronted with the fact that the social democratic parties, trade unions and even states they created in an earlier period, had been transformed into the direct instruments of imperialism.

Anderton and the Alliance

Anderton soon revealed his and NewLabour’s aspirations to re-enter parliament as a prop for the political establishment. In 1991, NewLabour merged with the Greens, Democrats, Liberals and the Maori nationalist Mana Motuhake to form the Alliance. Sold as a tactical electoral expedient, this represented a further shift to the right.

Middle class ex-radicals, in New Zealand and internationally, nevertheless promoted the Alliance as an anti-capitalist alternative to the discredited Labour Party. This was a fraud. It was a bourgeois party that claimed to represent the interests of “all Zealanders,” not the working class.

The anti-working class offensive begun under Labour was intensified by the National government. Savage welfare cuts threw thousands into poverty, workers’ rights were attacked and the sale of public assets continued apace. In one three-month period alone, between the May and August quarters of 1992, average weekly earnings fell by almost \$15, due to the gutting of overtime provisions in employment contracts.

In the 1993 election, the Alliance won 18 percent of the vote and two seats in parliament. Amid another sharp turn to the right by both Labour and the National government, which now had a single seat majority, Anderton ensured the government’s survival, guaranteeing that the Alliance would not support any no-confidence vote.

To contain the opposition of the working class, a referendum was held in 1994 to change the electoral system to the MMP proportional representation system. The Alliance supported the change, which increased the influence of smaller parties in parliament.

During the 1996 election the Alliance called for the partial abolition of tertiary education fees, free health care, cheap public housing and increased welfare. The campaign was a cynical lightning rod for mounting social discontent.

Anderton and the Alliance were well aware that such measures could

not be implemented within the framework of the profit system, which they had no intention of challenging. At the same time, the party reassured big business by proposing a top tax rate of just 40 percent, well below the 66 percent rate before Labour’s 1980s pro-market onslaught. The Alliance also ditched NewLabour’s initial policy of renationalising previous state-owned assets such as Telecom.

The Alliance’s vote dropped from 18 to 10 percent, but due to the MMP, its seat allocation increased to 13. Exploiting the disaffection, the right-wing populist NZ First became a part of the National-led coalition government with 17 seats.

In 1999, the increasingly unpopular National-NZ First government was defeated and replaced by a Labour-Alliance coalition, led by Prime Minister Helen Clark, supported by the Greens. The Alliance obtained only 7 percent of the vote, yet Anderton became deputy prime minister and Alliance MPs Sandra Lee and Laila Harre received ministerial posts.

In office with Labour, the Alliance provided “left” window-dressing while the government as a whole—including all the Alliance MPs—continued to implement the demands of big business in domestic and foreign policy.

The Clark government fully restored New Zealand’s military alliance with Washington after a partial rift caused by Labour’s 1987 anti-nuclear legislation. It sent troops to the Bush administration’s illegal invasion of Afghanistan and to participate the occupation of Iraq, and took part in Australia’s interventions in East Timor and Solomon Islands.

The Alliance revealed itself as an open supporter of US and New Zealand imperialism. In April 2002 the unanimous decision by Alliance MPs to support the government’s dispatch of SAS troops to Afghanistan totally discredited the party, leading to its disintegration.

Amid the bitter recriminations, Anderton complained that his opponents in the Alliance were incapable of working “constructively” with the government, which he described as “the best in a generation.”

The party’s demise caused considerable concern in sections of the establishment. The *Sunday Star Times* declared that the Alliance had made a “real difference” to the government. The working class, which never supported the Alliance in large numbers, had already reached its own conclusions. Alliance support plunged to around 2 percent and the party became moribund.

Anderton formed the Progressive Party, which was essentially an adjunct of Labour, and remained a cabinet minister until Labour was defeated at the 2008 election.

Having quit Labour in 1989 in protest against state asset sales, Anderton was now back in his political home. For his services to New Zealand capitalism over decades, he was appointed a Companion of the NZ Order of Merit in the 2017 Queen’s honours.

A forerunner of the pseudo-left in power

The Alliance and the Progressive Party provided a foretaste of the pseudo-left and pro-capitalist politics that would be revealed in a more developed form two decades later by “broad left” parties such as Syriza (Coalition of the Radical Left) in Greece. Elected in 2015 on the basis of its anti-austerity rhetoric, Syriza betrayed the Greek working class and imposed even deeper austerity measures, throwing large sections of the population into poverty.

The experience of Anderton and the parties he established provides a sharp warning to the working class. The new Labour government, which includes the right-wing populist NZ First as coalition partner, plans to spend billions on the military and police and cut social spending. It will inevitably come into conflict with an insurgent working class fighting against austerity and war.

There will be no shortage of attempts by the ruling elite to bring forward new parties like the Alliance to derail these struggles and subordinate workers to capitalism and the nation state.

The Socialist Equality Group (New Zealand) urges workers and young

people to consciously prepare for the class battles ahead by studying the history, program and principles of the International Committee of the Fourth International, the world Trotskyist movement, which publishes the WSWS. It is the only party that has fought consistently against every form of nationalism and to establish the political independence of the working class on the basis of a socialist, internationalist program. Above all, we urge readers to join the SEG and fight to build the Trotskyist movement in New Zealand.



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